

## OVERVIEW

This report includes two chapters on the Finance and Appropriation Accounts of the Government of Goa for the year 2001-2002 and five other chapters comprising 5 Reviews and 9 Paragraphs based on the audit of certain selected programmes and activities and financial transactions of the Government. A synopsis of the important findings contained in the report is presented in this overview.

### 1 Review of the State Finances

- The liabilities of the State Government increased from Rs.2751.38 crore in 2000-2001 to Rs.3689.30 crore, an increase of 34 *per cent* compared to the previous year; whereas assets increased by 10 *per cent* only from Rs.2097.08 crore in 2000-01 to Rs.2316.50 crore in 2001-2002. This shows an overall deterioration in the financial condition of the Government.
- The revenue expenditure (Rs.2101.03 crore) during the year exceeded the revenue receipts (Rs.1872.53 crore) resulting in a revenue deficit of Rs.228.50 crore.
- The revenue expenditure accounted to 92 *per cent* of the total expenditure of the State Government and increased by 23 *per cent* during 2001-2002. The non-plan expenditure (Rs.1918 crore) constituted 91 *per cent* of the revenue expenditure.
- Revenue receipts increased from Rs.1483.23 crore in 2000-2001 to Rs.1872.53 crore, an increase of 26 *per cent* compared to previous year. While 61 *per cent* of the revenue receipt comprised of non-tax revenue (Rs.1136.08 crore), tax revenue mobilized was 30 *per cent* only (Rs.569.34 crore).
- Interest payment increased steeply by 121 *per cent* from Rs.118 crore in 1997-98 to Rs.261 crore in 2001-2002.
- Government made investment of Rs.48.60 crore during 2001-02 in the Statutory Corporations, Government Companies and Co-operative institutions, increasing total investment to Rs.182.11 crore. However, the returns on the investment during 1997-98 to 2001-02 were negligible and ranged between 0.19 percent and 0.52 percent of total investment.

- The arrears of revenue rose to Rs.277 crore in 2001-02 from Rs.139 crore in 1997-98 showing an increase of 99 percent and the arrears as on 30 March 2002 constituted 15 percent of the total revenue receipts.
- The internal debt of State Government increased by 281 per cent during 1997-2002 from Rs.169.74 crore in 1997-98 to Rs.646.73 crore in 2001-2002. The outstanding loans and advances also increased by Rs.551.81 crore during the period 1997-2002.

**(Paragraph 1.1 to 1.10)**

### **Indicators of financial position of the State.**

- The B.C.R. of the State has been negative since 1998-99. The application of a large share of the borrowing on revenue expenditure has made the State finance vulnerable to funding from outside sources and the higher revenue deficit including heavy interest has left little for investment. Persistently mounting interest payment, declining tax to GSDP ratio and galloping deficits indicated poor financial condition of the Government. There was a significant deterioration in the financial position of the State during last 5 years.

**( Paragraph 1.11)**

## **2 Appropriation Audit and control over expenditure**

- During 2001-2002, expenditure of Rs.3474.11 crore was incurred against the total grants and appropriation of Rs.3597.71 crore resulting in a saving of Rs.123.60 crore. The overall saving of Rs.123.60 crore was the result of saving of Rs.431.52 crore in 81 grants and appropriation offset by excess of Rs.307.92 crore in 2 grants and appropriation. The excess expenditure of Rs.307.92 crore required regularization by the Legislature under Article 205 of the Constitution.
- Supplementary provision of Rs.78.12 crore obtained in 30 cases during the year proved unnecessary.

**(Chapter - II)**

## **3. Integrated Audit of Public Works Department including Manpower Management**

The review of Public Works Department brought to light weaknesses in financial and programme management. There was lack of budget and expenditure control

and the inputs from the Executive Engineers were not taken into account by the department before finalisation of the budget proposals. Cases of funds kept outside budget and grant of advances in excess of the ceiling limits made to the contractors were also noticed. There was avoidable payments of Rs.41.43 lakh in arbitration cases due to lack of timely action by the department. It was also noticed that work charged staff was working on ministerial posts leading to overstatement of works expenditure. The efficiency of the department needed a closer look. Some of the important highlights are given below:

- Mobilisation advance of Rs.63 lakh in excess of ceiling limit was granted to the contractor for construction of Amona – Khandola bridge.
- Failure to ensure availability of site before commencement of work resulted in an idle investment of Rs.21.81 lakh.
- Recoveries from contractors for Asphalt supplied amounted to Rs.32.22 crore. The Department spent it on works without legislative approval.
- Revised administrative approval and expenditure sanction for 61 works involving Rs.17.83 crore were obtained after the completion of works.

( Paragraph 4.1)

#### 4. **Swarnajayanti Gram Swarojgar Yojana**

Swarnajayanti Gram Swarojgar Yojana (SGSY) a Centrally Sponsored Scheme, aimed at covering of all aspects of self employment and organization of the poor into Self help groups, imparting training, extending credits, building technology, infrastructure and marketing. The programme envisaged assisting poor families Below Poverty Line (BPL) so as to bring at least 30 *per cent* of these above poverty line over a period of 3 years. Significant points noticed are given below:

- As against 23,101 BPL families to be brought above BPL level within three years, 4250 families were targetted during 1999-2002 for being brought above BPL level, but only 33 per cent (1384 families) were covered under the programme.
- Rs.32 lakh was diverted from the funds of SGSY to DRDA Administration.

( Paragraph 6.5)

## **5. Rural Housing Schemes including Indira Awaas Yojana**

The aim of Indira Awaas Yojana was to help construction/upgradation of dwelling units by members of Scheduled Castes/Scheduled Tribes, freed bonded labourers and rural poor below poverty line by providing them Grants-in-aid. As against the total funds of Rs.4.46 crore available during 1997-2002 the utilization of funds was Rs.3.23 crore only. It was also seen that;

- The targets fixed had no relation to availability of funds and number of below poverty line families. The shortfall in achievement of targets ranged between 28 to 41 *per cent* during 1997-2002.
- Funds to the extent of Rs.1.84 crore meant for SC/ST beneficiaries were utilized on non-SC/ST beneficiaries.

**(Paragraph 6.6)**

## **6. Avoidable expenditure/extra liability**

- Non-recovery of the cost of shifting of existing transformer and electrical line from a hotel beneficiary, resulted in an avoidable expenditure of Rs.19.33 lakh to the Government besides an undue benefit to the consumer.

**( Paragraph 4.2)**

- Failure of the Department in disposal of a Cold Storage Plant which remained unutilized from March 1992, resulted in an avoidable expenditure of Rs.24.03 lakh, towards pay & allowances of the staff and maintenance of the plant.

**( Paragraph 3.2)**

- Non-utilisation of loan availed from Life Insurance Corporation of India for housing schemes and its partial investment in fixed deposits at lower rate of interest than that payable on the loan, resulted in an extra liability of Rs.0.77 crore to the Goa Housing Board.

**( Paragraph 6.7)**

## **7. Blocking of funds**

- Failure of the Technical Education Department to maintain and reconcile accounts with the Central Organization for Modernisation of workshop, New Delhi resulted in non-realisation and blockage of refundable excess advance of not less than Rs.32.91 lakh.

**( Paragraph 3.3)**

## **8. Loss of Revenue**

- Non fixation of allowance of wastage in manufacture of beer resulted in loss of revenue of Rs.1.08 crore

**(Paragraph 5.6.6-5.6.7)**

- Despite non-receipt of certificate regarding arrival of liquor consignments at the destination outside the State, Excise duty of Rs.21.28 crore, involved could not be levied in the absence of specific provision in the Act/Rules.

**(Paragraph 5.6.8-5.6.9)**

- Incorrect levy of excise duty on Indian Made Foreign Liquor (IMFL) resulted in loss of revenue of Rs.11.45 lakh

**(Paragraph 5.6.21-5.6.22)**

- Non-levy of additional licence fee for keeping the licenced premises open beyond prescribed timings resulted in short-levy of licence fee of Rs.4.44 lakh.

**(Paragraph 5.6.23-5.6.26)**

- There was short-levy of Luxury tax of Rs.8.50 lakh due to non-inclusion of Rs.56.70 lakh in the turnover of receipts for assessment of luxury tax.

**(Paragraph 5.7)**

- Passenger tax amounting to Rs.1.22 crore was not recovered as of March 2002 from Kadamba Transport Corporation.

**(Paragraph 5.10)**

## **9. Other Points**

- Of the 14 Government Companies and one Statutory Corporation, in which the State Government had invested Rs.633.83 crore, only five Companies had finalized their accounts for the year 2001-2002 and accounts of 9 Companies and one Statutory Corporation were in arrears for the periods ranging from one year to three years as on 30 September 2002.

**(Paragraph 7.1.2.3)**

- According to the latest finalized accounts of 14 Government Companies and one Statutory Corporation, 11 Companies and one Corporation had incurred an aggregate loss of Rs.13.52 crore and Rs.1.44 crore respectively.

**( Paragraph 7.1.2.4)**

- Despite relief under a scheme of rehabilitation approved by the Board for Industrial and Financial Reconstruction, the accumulated loss of Goa Antibiotics and Pharmaceuticals Limited (Company) increased from Rs.6.93 crore to Rs.18.31 crore during 1997-2002, which exceeded paid up capital (Rs.1.55 crore) by about eleven times.

**( Paragraph 7.2.7)**