

The Goa Fiscal Responsibility and Budget Management Rules, 2007

GOA
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Rule

THE-GOA-FISCAL-RESPONSIBILITY-AND-BUDGET-MANAGEMENT-R of 2007

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The Goa Fiscal Responsibility and Budget Management Rules, 2007Published vide Notification No. G. O. Ms. No. 1/5/2006-Fin (Bud), dated 26th November, 2007G. O. Ms. No.- 1/5/2006-Fin (Bud).
- In exercise of the power conferred by section 8 of the Goa Fiscal Responsibility and Budget Management Act, 2006 (Act No. 12 of 2006) the Government of Goa hereby makes the following rules, namely :-

1. Short title and commencement.

(1)These rules may be called the Goa Fiscal Responsibility and Budget Management Rules, 2007.(2)They shall come into force with immediate effect.

2. Definitions.

- In these rules, unless the context otherwise requires,-(a)"Act" means the Goa Fiscal Responsibility and Budget Management Act, 2006;(b)"Form" means a form appended to these rules;(c)"Section" means a section of the Act;(d)Words and expressions used herein but not defined and defined in the Act shall have the meanings respectively assigned to them in the Act.

3. Medium Term Fiscal Plan.

(1)The Medium Term Fiscal Plan, as required under sub-section (1) of section 3, of the Act shall include in Form F-1 three years rolling targets in respect of the following fiscal

indicators:(a)Revenue deficit as a percentage of TRR;(b)Fiscal deficit as a percentage of GSDP;(c)Outstanding total liabilities as a percentage of GSDP;(d)Ratio of Interest payment to total revenue receipt.(2)The Medium Term Fiscal Plan shall also explain the assumptions underlying the abovementioned targets for fiscal indicators and an assessment of sustainability relating to the items indicated in sub-section (3) of section 3 of the Act.(3)The Medium Term Fiscal Plan shall contain the medium term fiscal objectives of the Government, the evaluation of performance of the prescribed fiscal indicators etc., as indicated in sub-section (4) of section 3 of the Act, in the Form F-2.

4. Disclosures.

(1)The State Government shall, at the time of presenting the budget, make disclosures as required under section 6 of the Act together with the following statements:(a)a statement of select indicators of fiscal situation in Form D-1;(b)a statement on components of State Government liabilities and interest cost of borrowings/mobilisation of deposits in Form D-2;(c)a statement on the Consolidated Sinking Fund in Form D-3;(d)a statement on guarantees given by the Government in Form D-4;(e)a statement on outstanding risk-weighted guarantees in Form D-5;(f)a statement on the Guarantee Redemption Fund in Form D-6;(g)a statement giving details of number of employees in Government, public sector and aided institutions and related salaries and pensions in Form D-7.(2)The Provisions of sub-rules (1) shall be complied with not later than three years after the coming into force of the Act.

5. Measures to enforce compliance.

- In case the outcome of the quarterly reviews of trends in receipts and expenditure, at the end of the second quarter of any financial year shows that-(i)the total non-debt receipts are less than 40 per cent of Budget Estimates for that year; or(ii)the fiscal deficit is higher than 45 per cent of the Budget Estimates for that year; or(iii)the revenue deficit is higher than 45 per cent of the Budget Estimates for that year;then -as required under sub-section (2) of section 7 of the said Act, the Minister-in-charge of the Ministry of Finance shall make a statement in the Legislature during the session immediately following the end of the second quarter detailing the corrective measures taken and the prospects for the fiscal deficit of that financial year.

Form F-1(See Rule 3)A. Fiscal Indicators-Rolling Targets

	Previous Year (Y-2) Actuals	Current Year (Y-1) Budget Estimates(BE)	Current Year (Y-1) Revised Estimates(RE)	Ensuing Year (Y) Revised Estimates(BE)	Targets for next Two YearsY+1Y+2
Revenue Deficit					
1. as percentage of GSDP					
2. Revenue Deficit as percentage					

- of Total
Revenue
Receipts
Fiscal Deficit as
- 3. Percentage of
GSDP
Total
outstanding
- 4. Liabilities as
percentage of
GSDP
[Any additional
- 5. target(s)]
- B. Assumption underlying the Fiscal Indicators

1. Revenue receipts

(a)Tax-revenue-Sectoral and GSDP growth rates;(b)Non-tax-revenue-Policy;(c)Devolution to Local Bodies;(d)Share of own tax revenue to total tax revenue;(e)Share of own non-tax revenue to total non-tax revenue.

2. Capital receipts- Debt stock, repayment, fresh loans and policy stance

(a)Loans and advances from the Centre;(b)Special securities issues to the NSSF;(c)Recovery of loans and advances;(d)Borrowings from financial institutions;(e)Other receipts (net)-small savings, provident funds, etc.:(f)Outstanding Liabilities-Internal Debt and Other Liabilities.

3. Total expenditure- Policy Stances

(g)Revenue account(i)Interest payments - (a) on borrowings during the year (aggregate and category-wise)(b)on outstanding liabilities-(i)(aggregate and category-wise)(ii)Major subsidies(iii)Salaries(iv)Pensions(v)Others(h)Capital account(i)Loans and advances(ii)Capital Outlay

4. GSDP Growth

C. Assessment of sustainability relating to :(i)The balance between receipts and expenditure in general and revenue receipts and revenue expenditure in particular. The Medium Term Fiscal Policy Statement may specify the tax-GSDP ratio, own tax-GSDP ratio and State's share in Central tax-GSDP ratio for the current year and subsequent two years with an assessment of the changes required for achieving it. It may discuss the non-tax revenues and the policies concerning the same. Expenditure on revenue account, both plan and non-plan, may be also discussed with particular emphasis on the measures proposed to meet the overall objectives. It may discuss policies to contain

expenditure on salaries, pension, subsidies and interest payments. An assessment of the capital receipts shall be made, including the borrowings and other liabilities, as per policies spelt out. The statement shall also give projections for GSDP and discuss it on the basis of assumptions underlying the indicators in achieving the sustainability objective.(ii)The use of capital receipts including market borrowings for generating productive assets. The Medium Term Fiscal Policy Statement may specify the proposed use of capital receipts for generating productive assets in different categories. It may also spell out the proposed changes among these categories and discuss them in terms of the overall policy of the Government.(iii)The estimated yearly pension liabilities worked out on actuarial basis for the next ten years. In case it is not possible to calculate the pension liabilities on actuarial basis during the period of first three years after the coming into force of this Ordinance, the State Government may, during that period, estimate the pension liabilities by making force cases on the basis of trend growth rates (i.e. average rate of growth of actual pension payments during the last three years for which data are available).Form F-2(See Rule 3)Medium Term Fiscal PlanA. Fiscal Policy Overview. - [This paragraph will present an overview of the fiscal policy currently in vogue.]B. Fiscal policy for the ensuing year. - This paragraph shall have, inter alia, six sub-paragraphs dealing with-(1)Tax Policy - In the sub-paragraph on tax policy, major changes proposed to be introduced in direct and indirect taxes in the ensuing financial year will be presented. It shall contain an assessment of exemption in various taxes and how far it relates to principles regarding tax exemptions.(2)Expenditure Policy - Under expenditure policy, major changes proposed in the allocation for expenditure shall be indicated. It shall also contain an assessment of principles regarding the benefits and target group of beneficiaries.(3)Borrowings and Other Liabilities, Lending and Investments - In this sub-paragraph on borrowings, the policy relating to internal debt, including the access to WMA/OD facility from the Reserve Bank of India, Government lending, investments and other activities; including principles regarding average maturity structure, bunching of repayments, etc., shall be indicated. The borrowings by Public Sector Undertakings and Special Purpose Vehicle, lending, investments, pricing of user charges on public goods and utilities and description of other activities, and activities of Public Sector Undertakings which have potential budgetary implications; and the key fiscal measures and targets pertaining to each of these shall be indicated.(4)Consolidated Sinking Fund - In this sub-paragraph, the policy related to the Consolidated Sinking Fund (CSF) shall be indicated.(5)Contingent and other Liabilities - Any change in the policy on contingent and other liabilities, in particular guarantees, which have potential budgetary implications shall be indicated. Any change in the policy related to borrowings by special purpose vehicle (SPV) and other equivalent instruments where liability for repayment is on the State Government shall be indicated. The policy on building up of the Guarantee Redemption Fund (GRF) and commission charges/collected for guarantees issued shall also be indicated.*(6)Levy of User Charges - Any change proposed in the levy of user charges of public services shall be spelt out.C. Strategic priorities for the ensuing year. - [(1) Resource mobilization for the ensuing financial year through tax, non-tax and other receipts shall be spelt out.(2)The broad principles underlying the expenditure management during the ensuing year shall be spelt out.(3)Priorities relating to management of public debt proposed during the ensuing year shall be indicated.]D. Rationale for Policy changes. - [(1) The rationale for policy changes consistent with the Medium Term Fiscal Plan, in respect of taxes proposed in the ensuing Budget shall be spelt out.(2)The rationale for major policy changes in respect of budgeted expenditure including expenditure on subsidies and pensions shall be indicated.(3)Rationale for changes, if any, proposed

in the management of the public debt shall be indicated.(4)The need for changes, if any, proposed in respect of the charges for public utilities shall be spelt out.]E. Policy Evaluation. - [The paragraph shall contain an evaluation of the changes proposed in the fiscal policy for the ensuing year with reference to fiscal deficit reduction and objectives set out in the Medium Term Fiscal Plan.]Form D-1(See Rule 4)Select Fiscal Indicators

Sr. No.	Item	Previous Year(Actuals)	Current Year(RE)
1	2	3	4
1.	Gross Fiscal Deficit as Percentage of GSDP.		
2.	Revenue Deficit as Percentage of Gross Fiscal Deficit.		
3.	Revenue Deficit as Percentage of GSDP.		
4.	Revenue Deficit as Percentage of TRR.		
5.	Total Liabilities-GSDP Ratio (%).		
6.	Total Liabilities-Total Revenue Receipts (%).		
7.	Total Liabilities-State's Own Revenue Receipts (%).		
8.	State's Own Revenue Receipts to Revenue Expenditure (%).		
9.	Capital Outlay as Percentage of Gross Fiscal Deficit.		
10.	Interest Payment as Percentage of Revenue Receipts.		
11.	Salary Expenditure as Percentage of Revenue Receipts.		
12.	Pension Expenditure as Percentage of Revenue Receipts.		
13.	Non-developmental Expenditure as Percentage of aggregatedisbursements.		
14.	Gross Transfers from the Centre as Percentage of AggregateDisbursements.		
15.	Non-tax Revenue as Percentage of TRR.		

Form D-2(See Rule 4)A. Components of State Government Liabilities

(Rs. Crore)

Category	Raised during theFiscal Year	Repayment/Redemptionduring the Fiscal Year	Outstanding(End march)	Previous Year(Actuals)	Current Year(RE)	Previous Year(Actuals)	Current Year(RE)
Market Borrowings							
Loans from Centre							
Special Securities issued to the NSSF							

Borrowings from
Financial
Institutions/Banks
WMA/OD from
RBI
Small Savings.
Provident Funds,
etc.
Reserve
Funds/Deposits
Other Liabilities
Total

Form D-2(See Rule 4)B. Weighted Average Interest Rates on State Government Liabilities

(Per cent)

Category	Raised during theFiscal Year	Outstanding Amount(End march)	
Previous Year(Actuals)	Current Year(RE)	Previous Year(Actuals)	Current Year(RE)
Market Borrowings			
Loans from Centre			
Special Securities issued to the NSSF			
Borrowings from Financial Institutions/Banks			
WMA/OD from RBI			
Small Savings. Provident Funds, etc.			
Reserve Funds/Deposits			
Other Liabilities			
Total*			

* Weighted average interest rate where the respective weight is the amount borrowed. This is calculated on contractual basis and then annualized.* Weighted average interest rate where the weights are the amount of the respective components of State Government Liabilities.Form D-3(See Rule 4)Consolidated Sinking Fund (CSF)

Outstanding balance in CSF at the beginning of the previous year	Additions to CSF during the previous year	Withdrawals from CSF during the previous year	Outstanding balance in CSF at the end of the previous year	Outstanding Stock of Borrowings (%)	Additions to CSF During the current year	Withdrawals from CSF during the current year	Outstanding at the end of current/beginning ofensuring year	
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			of current year					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)

Form D-4(See Rule 4)Guarantee given by the Government

Category (No. of Guarantees within bracket)	Maximum amount guaranteed during the year	Outstanding at the beginning of the year	Additional during the year	Reductions during the year (other than invoked during the year
	(Rs. crore)	(Rs. Crore)	(Rs. Crore)	(Rs. Crore)
(1)	(2)	(3)	(4)	(5)
Invoked during the year(Rs. Crore)	Outstanding at the end of the year(Rs.Crore)	Guarantee Commission or fee(Rs. Crore)	Remarks	
Discharged	Not Discharged	Receivable	Received	
(6)	(7)	(8)	(9)	(10) (11)

Form D-5(See Rule 4)Outstanding Risk-Weighted Guarantees
(Amount in Rs.
Crore)

Default Probability	Risk Weights(percent)	Amount outstanding as in the Previous Year andthe Current year	Risk weighted outstanding guarantee in thePrevious Year and Current Year
Director Liabilities	100		
High Risk	75		
Medium Risk	50		
Low Risk	25		
Very Low Risk	5		
Total Outstanding			

Note: The risk-weights have been pre-specified for various risk categories:Form D-6(See Rule 4)Guarantee Redemption Fund (GRF)
(Amount in Rs.
Crore)

Outstanding invoked guarantees at the	Amount in GRF at the end of the	Amount of Guarantees likely to be invoked	Addition to GRF during the Current	Withdrawal from the GRF during the Current	Amount in GRF at the end of the
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end of the Year Outstanding	Previous Year	during the Current Year	Year	Year Outstanding	Current Year
(1)	(2)	(3)	(4)	(5)	(6)

Notes: (i) As per the terms of the GRF during each year, the Government is required to contribute an amount equivalent at least to 1/5th of the outstanding invoked guarantees plus an amount likely to be invoked as a result of the incremental guarantees issued during the year. (ii) Previous year refers to the year preceding the current year. Form D-7 (See Rule 4) Number of Employees in Public Sector Undertakings & Aided Institutions Expenditure of State Government

Sr. No.	Sector Name	Total Employees as on 31-03-	Related Expenditure during (Rs. In crores)
	On Salary		
	On Pension		
1.	State Government		
2.	Judiciary		
3.	Aided Educational Institutions		
4.	Zilla Praja Parishads		
5.	Mandal Praja Parishads		
6.	Gram Panchayats		
7.	Municipal Corporations		
8.	Municipalities		
9.	Urban Development Authorities		
10.	Agricultural Market Committees		
11.	Zilla Grandhalaya Samsthas		
12.	State Public Sector Undertakings		
13.	Universities		
14.	Co-operative Institutions and other Government Bodies		
15.	Temples		
	TOTAL		