



**DEPARTMENT OF FINANCE  
GOVERNMENT OF GOA**

**MEDIUM TERM FISCAL PLAN  
2025**

**Under Section 3 of the Goa Fiscal Responsibility  
and Budget Management Act, 2006  
(Goa Act 12 of 2006)**

## THE UNDERLYING ASSUMPTIONS FOR THE PROJECTIONS MADE FOR THE MEDIUM TERM FISCAL PLAN

### 1. REVENUE RECEIPTS

- A. A growth rate 7.22% has been assumed on GST collections for 2025-26 and there is nominal growth assumed in VAT collections.
- B. Growth of around 6.66 % is assumed on Excise collections in F.Y. 2025-26.
- C. Registration and Stamp duty collections are assumed to have around 8.55 %growth for the F.Y. 2025-26 due to revision in land rates across major talukas.
- D. Increased demand for Motor Vehicles has increased the motor vehicle Tax collections and is expected to grow at the rate of 4 per cent.
- E. The non-tax revenues are projected to grow at 19 per cent due to auctioning of mining leases.
- F. The devolution of taxes and grants from the Centre is assumed as per the projections made by the 15th Finance Commission.
- G. The major recommendations of the State Finance Commission has been adopted by the State Government. Till the mechanism is finalized as per the recommendations of State Finance Commission, the State Government will be providing grants to local bodies for various activities. These grants have been marginally increased assuming that the local bodies will proportionately increasetheirrevenue collection.

- H. It is assumed that the share of States own tax Revenue will continue to grow in the total revenue basket.
- I. As the mining activities are about to commence and strict enforcement is carried out for defaulting consumers of power and water supply, it is assumed that the share of Own Non Tax Revenue will continue to contribute majorly in the total receipts.

## **2. CAPITAL RECEIPT.**

- A. Capital receipts on the one hand includes non-debt capital receipts like revenue earned from sale of government assets, recoveries of loans and advances etc. and includes borrowings under public debt on the others. Since the State is in revenue surplus from F.Y. 2021-22 onwards it can be deduced that the borrowings are being fully used to fund capital expenditure.
- B. Under the Scheme for Special Assistance for States for Capital Expenditure which is a 50-years interest free loan it is assumed that the State will receive around Rs. 900.00 crores in F.Y. 2025-26.
- C. The State has availed borrowings from the financial institutions such as SIDBI and also worked closely with institutions such as NABARD and EDC to borrow at lesser interest rate to fund capital expenditure. It is assumed that this method of resorting to low interest rate borrowing will continued over the next financial year.
- D. The receipts from Small Savings, Provident Fund are assumed to saturate as the majority of the employees are recruited under the purview of New Pension Scheme.

E. The internal debt and other liabilities constitute the total outstanding liabilities of the State have been increasing over the years. The FRBM Acts mandate that the total outstanding debt to GSDP ratio should be less than 25 per cent. It is assumed that from 2025-26 onwards we will be in a position to gradually reduce this ratio from 29 per cent currently to less than 27 per cent in the F.Y. 2026-27.

**3. TOTAL EXPENDITURE FOR THE YEAR 2025-26 IS ESTIMATED AS RS. 28162.63 CRORE.**

**1. Interest Payment**

A. Due to increase in borrowings over the years the rate of increase in interest payment has been substantial. With the focus now on borrowing at lesser interest rate from SIDBI, NABARD, etc. the ratio of interest payment to the total revenue receipt is expected to flatten from 2023-24 onwards. The Interest Payments for the F.Y. 2025-26 is estimated as Rs. 2297.60 crores.

B. Total Outstanding liabilities classification.(uptoFebruary 2024)

<b>Liabilities</b>	<b>Amount in crores</b>
Market Loans	19824.00
<b><u>Other Financial Institution</u></b>	
i. Loans from National Bank for Agriculture and Rural Development	1948.22
ii. Loan from National Coop. Development Corporation	0.12
iii. National Housing Bank	3.88
iv. Small Industries Development Bank of India	311.85
V. EDC	350.00
<b><u>Central Loans</u></b>	
Special Securities issued to NSSF of Central Government	1153.59
Loans & Advances from the Central Government	5268.58
Small Saving, PF	2249.06
Reserve Funds bearing interest	450.57
Reserve Funds not bearing interest	-146.51
Deposit bearing interest	1241.63
Deposit bearing not interest	1304.33
<b>Total</b>	<b>33959.32</b>

**Total Expenditure:**

- a. **Subsidies:**The expenditure on subsidies is expected to rise for agriculture, live stock and rural development sectors. However, the expenditure on certain schemes which are not outcome oriented will be restricted. The expenditure on subsidies for the F.Y. 2025-26 are estimated as Rs. 889.79 crores .
- b. **Salaries:** It is anticipated that there will be rise in salaries due to increase in D.A. and recruitment of new staff is expected to take place through Goa Staff Selection. Hence the provision of Rs.5181.06 crore has been made during the Fiscal year 2025-26.
- c. **Pension:** It is expected that the expenditure on pension is going to increase due to retirement of Government staff and increased in D.R. to the pensioners. Hence the provision of Rs. 2112.43 crore has been made during the Fiscal year 2025-26.
- d. **Others:** As regards to miscellaneous expenditure necessary restrictions are put in place to avoid wasteful expenditure and focused only on the quality expenditure. Further Government is also on the path of bringing in rationalization in its expenditure which shall curb these expenses in coming years.
- e. **Loans and Advances:** As a policy decision, it is decided that the loans and advances will be only extended on restricted basis to Corporations/Autonomous Bodies.
- f. **Capital Outlay:** The capital outlay for the 2025-26 is estimated at Rs. 7863.08 crore. The expenditure is expected to grow keeping pace with the increase in revenue receipts of the State Government. The infrastructure development will have a multiplier effect on the State

economy and will generate more opportunities for citizens in the State along with increased economic activity.

- g. **Debt Repayment:-** The principal repayments of open market borrowings has increased to 1504 crores from 800 crores in 2024-25. This increase leads to be met from mobilization of additional resources to meet this committed expenditure.

#### 4. GROSS STATE DOMESTIC PRODUCT:

1. GSDP is assumed as per the projections provided by Department of Planning, Statistics & Evaluation and as per their estimating mechanism it is estimated to be Rs. 1.38 lakh crores in 2025-26.

#### C. ASSESSMENT OF SUSTAINABILITY RELATING TO:

1. The balance between revenue receipts and revenue expenditures –  
The revenue receipts are expected to be greater than the revenue expenditure in BE 2025-26 improving significantly from BE 2024-25. The improvement of this ratio in BE 2025-26 is mainly on account of buoyant revenues collections and rationalization of revenue expenditure. Hence for FY 2025-26, it is projected to meet out the entire revenue expenditure out of revenue receipts of the State.

#### 2. THE USE OF CAPITAL RECEIPTS INCLUDING MARKET BORROWINGS FOR GENERATING PRODUCTIVE ASSETS:

State has consistently maintained revenue surplus in the pre-COVID-19 period thereby utilizing the market borrowings fully towards Capital Expenditure. However due to the after-effects of CoVID-19 pandemic, the State slumped into revenue deficit resulting in usage of borrowed funds to meet revenue expenditures. However due to buoyant revenues, Revenue surplus is projected in F.Y. 2025-26.

Form F-2

MEDIUM TERM FISCAL PLAN

A. **Fiscal Policy Overview:** The current fiscal policy of the Government is aimed at enhancing revenue receipts, rationalizing expenditure, targeted release of subsidies and maintaining debt at sustainable levels. This policy is being adopted with an intention to make the State revenue surplus in the coming years and to ensure that borrowings can be serviced through our own resources.

B. **Fiscal Policy for the ensuing year:**

1. **Tax Policy:** Considering the taxation scenario in the State of Goa more efforts are required in enforcement and collection of taxes by reducing the compliance burden on citizen as there is very less scope to increase revenue by increasing the taxes. More efforts will be initiated to plug revenue leakages.
2. **Expenditure Policy:** Although the expenditure policy has not undergone major changes, except for the additional debt repayment component, the focus will be to rationalize the revenue expenditure and maximize the capital expenditure by introducing necessary austerity measures.
3. **Borrowing and other Liabilities:** It has been always an endeavor of the Government to maintain the debt at sustainable levels. This includes borrowing done by Corporations/Autonomous Bodies, etc. Hence, the borrowings are restricted to the limits set under FRBM Act, 2006.
4. **Consolidated Sinking Fund:** The State is annually investing in Consolidated Sinking Fund and will continue to do so in order to protect its interest. The annual Contribution towards the said

fund has been increased from Rs. 925.95 crore to Rs. 1,073.21 crores in F.Y. 2024-25.

5. **Contingent and Other Liabilities:** The State Government has streamlined the procedure for borrowings by the Corporations where the guarantee is extended by the State Government. Over the last two years the guarantees have only been extended are towards borrowings in areas of priority of the State Government and the same policy will be continued.
6. **Levy of User Charges:** The User Charges for the various services by the State are an important source of non tax revenue for the Government. Although there is no change in departments policy of level of User Charges the process of collection of this User Charges will be streamlined along with strict enforcement for maximizing the collection.

**C. Strategy for the ensuing year.**

1. Create a debt sustainability frame work to meet the increasing debt obligations in the coming years.
2. Revival of growth in major sectors of the economy by generating income and employment and maximizing revenue augmentation.
3. Capital Expenditure especially in Infrastructure spending will be enhanced and more investments will be attracted into the State.
4. Implement National Education Policy and skilling, upskilling and reskilling of Human Resource.
5. Targeted and quick disbursement through Aadhar authentication.

**D. Rationale for Policy Changes:**

1. Rationale for Policy Changes in respect of taxes: The rationale is to enhance the tax collections to meet the increased expenditure by reducing the compliances that are required to be done by the citizens and smoothen the process of tax collection.

2. Rationale for Policy change in respect of budgeted expenditure: The rationale is to ensure that the expenditure is made for quality purpose and the wasteful expenditure is curtailed. The objective is to increase spending under capital expenditure especially for infrastructure works which will play a vital role in overall development of the State.
3. The rationale in management of public debt has always been the sustainability considering the future prospects.
4. Although there is no major change in respect of charges for public utility, the collection process and enforcement will be strengthened.

#### **E. Policy Evaluation.**

1. The increasing debt repayment is an uphill task to manage which will continue to increase over the subsequent years. This debt repayment increasing by 80-90% over repayments of 2024-25 calls for multiple revenue augmentation measures. This can have an adverse impact on welfare schemes, spending on infrastructure developments and other committed expenses.
2. State has to play a primary role in developing human capital by making Capital investment particularly Education, Skill development, Healthcare, Infrastructure and Logistics, and R&D.
3. The new information technology tools need to be implemented on priority to upskill the staff and manpower and increase efficiency of delivery of services thereby reducing committed and redundant expenses.

Form D-I			
		2023-24 (Actuals)	2024-25 (RE)
1	Gross fiscal Deficit as Percentage of GSDP	2.02	2.70
2	Revenue Deficit as Percentage of Gross Fiscal Deficit	-66.25	-33.45
3	Revenue Deficit as Percentage of GSDP	-1.34	-0.90
4	Revenue Deficit as Percentage of TRR	-7.79	-5.16
5	Total Liabilities-GSDP Ratio (%)	30.85	27.99
6	Total Liabilities- Total Revenue Receipts (%)	179.88	159.57
7	Total Liabilities- State's Own Revenue	253.92	223.22
8	State's Own Revenue Receipts to Revenue Expenditure (%)	75.76	75.37
9	Capital Outlay as Percentage of Gross Fiscal Deficit	166.39	165.19
10	Interest Payment as Percentage of Revenue Receipts	10.34	9.63
11	Salary Expenditure as Percentage of Revenue Receipts	22.26	23.43
12	Pension Expenditure as Percentage of Revenue Receipts	12.59	11.09
13	Non-developmental Expenditure as Percentage of aggregate disbursement	28.23	26.29
14	Gross Transfers from the Centre as Percentage of aggregate disbursement	26.08	22.31
15	Non-tax Revenue as Percentage of TRR	23.08	27.89

**Form D2**

**A. Component of State Government Liabilities (Amount in Rs.Crores)**

Category	Raised during the		Repayment/Redemptions during the		Outstanding (End March)	
	Fiscal Year		Fiscal Year			
	2023-24 (Actuals)	2024-25(RE)	2023-24 (Actuals)	2024-25(RE)	2023-24 (Actuals)	2024-25(RE)
Market Borrowings	2,550.00	1,050.00	990.00	800.00	19,574.00	19,824.00
Loans from Centre	695.20	1,251.18	74.73	48.92	4,066.32	5,268.58
Special Securities issued to the NSSF			201.39	164.95	1,318.54	1,153.59
Borrowings from Financial						
NABARD	449.69	303.77	124.36	137.72	1,782.17	1,948.22
NCDC	0.00	0.00	0.06	0.05	0.17	0.12
EDC	350.00	0.00	0.00	0.00	350.00	350.00
SIDBI	108.37	50.85	0.00	0.00	261.00	311.85
WMS/OD from RBI	0.00	3.88	0.00	0.00	0.00	3.88
Small Savings Provident Funds, etc.	133.25	181.02	133.25	181.02	0.00	0.00
Reserve Funds/Deposits	391.44	216.95	409.36	395.38	2,427.49	2,249.06
Other liabilities	1,575.06	1,386.47	1,756.38	1,593.43	3,056.98	2,850.02
<b>Total</b>	<b>6,253.01</b>	<b>4,444.12</b>	<b>3,689.53</b>	<b>3,321.47</b>	<b>32,836.67</b>	<b>33,959.32</b>

Form D-2				
B. Weighted Average Interest Rates on State Government Liabilities				
(Per cent)				
Category	Raised during the		Outstanding Amount	
	Fiscal Year		(End March)	
	Previous	Current	Previous	Current
	Year (Actuals)	Year	Year	Year (RE)
		(RE)	(Actuals)	
Market Borrowings	7.56%	7.20%	7.56%	7.48%
Loans from Centre	0.00%	0.00%	5.37%	5.37%
Special Securities issued to the NSSF	-	-	9.83%	9.83%
Borrowings from Financial Institutions/Banks				
EDC	7.50%	7.50%	7.50%	7.50%
SIDBI	5.25%	5.25%	5.25%	5.25%
NCDC	0.00%	0.00%	11.24%	11.08%
NABARD	5.25%	5.25%	4.23%	4.23%
WMS/OD from RBI	0.00%	0.00%	0.00%	0.00%
Small Savings Provident Funds, etc.	7.10%	7.10%	7.10%	7.10%
Reserve Funds/Deposits	3.00%	3.00%	3.00%	3.00%
Other liabilities	0.00%	0.00%	0.00%	0.00%

**Form D3 (Amount in Rs. Crores)**

Outstanding balance in CSF at the beginning of the previous year (2023-24)	Addition to CSF during the previous year (2023-24)	Withdrawals from CSF during the previous year (2023-24)	Outstanding balance in/CSF at the end of the previous year beginning of current year (2023-24)	Outstanding Stock of SLR Borrowings	Addition to CSF during the current year (2024-25)	Withdrawals from CSF during the current year (2024-25)	Outstanding at the end of current year/beginning of ensuring year	(S) Stock of SLR borrowing
				(%)				(%)
1	2	3	4	5	6	7	8	9
832.62	93.33	0	925.95	21.14	100.00	0	1073.21	18.47

Form D4 (Amount in Rs. Crores)										
Category (Number of Guarantee within bracket)	Maximum amount guaranteed during the year (Rs. In Crore)	Outstanding at the beginning of the year 2024- 25 (Rs. In Crore)	Additional during the year (Rs. In Crore)	Reduction during the year (other than invoked during the year) (Rs. In Crore)	Invoked during the year (Rs. In Crore)		Outstanding at the end of the year 2024-25 (Rs. In Crore)	Guarantee Commission of Fee (Rs. In Crore)		Remarks
					Discharge	Not Discharge		Receivable	Received	
1	2	3	4	5	6	7	8	9	10	11
Low Risk (19 nos)	0	528.24	0	0	0	0	528.24	0	0	NIL

Form D- 5					
Outstanding Risk-Weighted Guarantees				(Rs. In crores)	
Default Probability	Risk Weights (%)	Amount outstanding as in the previous year and the current year		Risk weighted outstanding guarantee in the previous year and the current year	
		2023-24	2024-25	2023-24	2024-25
Director Liabilitites	100	0	0	0	0
High Risk	75	0	0	0	0
Medium Risk	50	0	0	0	0
Low Risk	25	528.24	473.20	528.24	473.20
Very Low Risk	5	0	0	0	0
<b>Total Outstanding</b>	NA	528.24	473.20	528.24	473.20

<b>Form D-6 (Rs. In crores)</b>					
<b>Outstanding invoked guarantees at the end of the Previous Year (2023-24)</b>	<b>Outstanding Amount in GRF at the end of the Previous Year (2023-24)</b>	<b>Amount of Guarantees likely to be invoked during the Current Year (2024-25)</b>	<b>Addition to GRF during the Current Year (2024-25)</b>	<b>Withdrawal from the GRF during the Current Year (2024-25)</b>	<b>Outstanding Amount in GRF at the end of the Current Year (2024-25)</b>
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
297.63	431.08		0	0	454.24

Form D-7				
(See Rule 4)				
Number of Employees and Expenditure of State Government				
Sr.no.	Sector Name	Total employees as on 31/03/2024	Related Expenditure during (Rs. In crores)	
			On Salary *	on Pension
1	State Government	44,363	5727.88	1984.05
* includes GIA Salary				

## Form F-1

See Rule 3

### A. Fiscal Indicators- Rolling Targets

	Previous Year (Y-2) Actuals 2023-24	Current year (Y- Current year (Y) Ensuing Year (Y)				Target for two years	
		1) Budget Estimates (BE) 2024-25	1) Revised Estimates (RE) 2024-25	Budget Estimates (BE) 2025-26		2026-27	2027-28
1	Revenue Deficit as Percentage of GSDP	-1.34	-0.91	-1.74		-1.50	-1.30
2	Revenue Deficit as Percentage of Total Revenue Receipts	-7.79	-5.15	-10.58		-8.00	-6.00
3	Fiscal Deficit as Percentage of GSDP	2.02	2.71	2.05		2.02	2.00
4	Total Outstanding Liabilities as Percentage of GSDP	30.85	28.07	26.09		25.90	25.00