सत्यमेव जयते

Report of the Comptroller and Auditor General of India for the year ended 31 March 2020

लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

GOVERNMENT OF GOA

Report No. 1 of the year 2022

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REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

For the year ended 31 March 2020

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PREFACE

This Report of the Comptroller and Auditor General of India for the year ended 31 March 2020 has been prepared for submission to the Governor of State of Goa. This Report contains three Chapters. Chapter I and II are to be submitted to State Legislature under Article 151(2) of the Constitution of India. Chapter III is to be submitted to State Legislature under Section 19A of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

Chapter-I of this report relates to audit of expenditure of the Social, General and Economic Sectors (Non-PSUs) of the Government Departments. This Chapter contains significant result of the compliance audit of the Departments/ Autonomous Bodies of the Government of Goa.

Chapter-II of this Report relates to significant findings of audit of Receipts and Expenditure of major Revenue earning Departments under Revenue Sector.

Chapter-III of this Report relates to the audit of State Public Sector Undertakings and Departmentally managed Government Commercial and Trading Activities. Audit of accounts of Government Companies is conducted by the C&AG under Section 619 of the Companies Act, 1956 and Sections 139 and 143 of the Companies Act, 2013. The term Company includes Companies deemed to be Government Companies as per provisions of the Companies Act. The audit of Statutory Corporation is governed under their respective Legislation.

The instances mentioned in this Report are those, which came to notice in the course of test audit during the year 2019-20. The Report also includes those instances which came to notice in earlier years but could not be dealt with in previous Audit Reports. The instances relating to the period subsequent to 2019-20 but pertaining to the year 2019-20 have also been included, wherever necessary.

The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

Overview

OVERVIEW

This Report comprises three chapters containing three Performance Audits and 16 paragraphs. Chapter I contains two Performance Audits on Outcome of School Education and Outcome of Salaulim Irrigation Project and the compliance audit findings pertaining to Social, General and Economic Sectors (Non-Public Sector Undertakings-Non-PSUs). Chapter II contains one Performance Audit on Levy and Collection of State Excise Revenue and compliance audit findings pertaining to Revenue Sector. Chapter III contains audit findings pertaining to State Public Sector Undertakings and Government commercial and trading activities.

The total expenditure of the State increased by six *per cent* from ₹ 13,461 crore in 2017-18 to ₹ 14,321 crore in 2019-20. The revenue expenditure of the State increased by 10 *per cent* from ₹ 10,543 crore in 2017-18 to ₹ 11,623 crore in 2019-20. The share of revenue expenditure to total expenditure was 78 *per cent* during 2017-19. The revenue expenditure increased to 81 *per cent* during 2019-20 with corresponding decrease in capital expenditure to 19 *per cent* when compared to 22 *per cent* during 2017-19.

PERFORMANCE AUDITS

SOCIAL, GENERAL AND ECONOMIC SECTORS/NON-PUBLIC SECTOR UNDERTAKING (Non-PSUs)

Performance Audit on Outcome of School Education

The Sarva Shiksha Abhiyan (SSA), Rashtriya Madhyamik Shiksha Abhiyan (RMSA) and Centrally Sponsored Scheme on Teacher Education (CSSTE) are three major flagship school education development programmes launched by Government of India (GoI) and are being implemented in partnership with State Government. The SSA aims at elementary level (Class I-VIII) to implement the Right to Free and Compulsory Education (RTE) Act, the RMSA aims at classes IX-XII and CSSTE aims at providing infrastructural and institutional support to Government Teacher Education Institutions to enhance the overall efficiency of teachers. GoI had introduced (March 2018) the Samagra Shiksha Abhiyan subsuming all three SSA, RMSA and CSSTE schemes.

An "Outcome Audit of School Education" in Goa was conducted covering the period from 2015-16 to 2019-20 between May 2020 and December 2020 to assess whether universal access to school education was made available to all children, quality of education was ensured at all learning levels and students' academic performance got enhanced. The audit scrutiny revealed that Goa Samagra Shiksha (GSS) did not prepare perspective plans and did not adopt bottom-up approach for preparation of Annual Works Plan and Budget (AWP&B) during the period 2015-20. In 20 out of 42 test checked schools, School Management Committees did not prepare School Development Plans during 2015-20. Government of Goa did not implement 25 *per cent* reservation in private unaided schools for children belonging to weaker sections and disadvantaged groups. Government Aided and Private Unaided schools were functioning without conformity to RTE norms relating to infrastructure facilities like playground, library, boundary walls, *etc*. Teachers recruited during the last 10 years did not possess mandatory qualification of TET as per NCTE norms. Large number of Government schools were functioning with single teacher in violation of RTE norms. There was no system to monitor drop out students and to provide transportation arrangements to children with special needs. There were shortfalls ranging from 10 to 44 *per cent* in achieving the targets fixed for in-service trainings to teachers during 2016-20. Gross Enrolment Ratio declined in respect of Elementary, Secondary and Higher Secondary level during 2015-16 to 2019-20. The passing percentage of students in class IX and XI is lower than that in class X and XII during 2015-16 to 2018-19 due to "No Detention Policy up to Class VII". Audit also noticed that performance of students of Goa in National Achievement Survey (NAS) has been found poor in Mathematics and Language in all rounds of NAS.

(Paragraph 1.5)

Performance Audit on Outcome of Salaulim Irrigation Project

Salaulim Irrigation Project in South Goa District with a Cultivable Command Area (CCA) of 9,686 ha. was taken up for execution in 1972 and was completed in 2007 at a cost of ₹ 187.37 crore. The intended objective of the project was to provide irrigation water of 528 million litres per day (MLD) and 380 MLD water supply for drinking and other purposes. Audit was taken up to ascertain whether the intended outcomes of the project was realised. Audit scrutiny of records of line departments *viz*. Directorate of Agriculture, Public Works Department besides covering Water Resource Department (WRD) and its Divisions revealed gap in the intended outcomes and the outcomes realised.

The utilisation of irrigation potential (14,106 ha.) created by construction of the dam, main canal, distributaries and minor canals was confined to 34 *per cent*. Out of this only 1,619 ha. area of land was under cultivation and the balance area was left as fallow land. As against planned cultivation on 2,349.60 ha. in respect of sugarcane crop, the actual average cultivation had been only on 80 ha. in the command area. Lack of support for irrigation and agriculture schemes and inaction on fallow land discouraged the farming activity in the command area. Just two out of the 24 Water User Associations originally registered from the command area were functioning. Non-conducting of meetings by the Command Area Development Board and absence of cohesive efforts on the part of WRD, Agriculture Department and State Public Works Department led to failure in realising the intended outcomes of the project.

(Paragraph 1.6)

REVENUE SECTOR

Performance Audit on Levy and Collection of the State Excise Revenue

State excise revenue is one of the main sources of revenue for the Government of Goa. State excise revenue mainly comprises of excise duty collected from the manufacturing units, license and surcharge charged on wholesale and retail sale of liquor. A Performance Audit on levy and collection of the State excise revenue was taken up to assess the system for levy and collection of the State excise revenue.

The Government has not determined norms for minimum quantity of yield of malt spirit from the use of raw material and standards for allowable wastage during production of malt spirit were not fixed. Norms for drawal of samples of IMFL manufactured by distilleries in the State were also not set. Audit of five selected excise stations revealed that the Department lacks internal control at the primary level of function for grant and renewal of licenses. Existing internal control mechanism was not being enforced by the excise inspectors resulting in short levy of excise revenue amounting to ₹ 7.59 crore in the five selected excise stations during 2014-15 to 2019-20. Non-submission of export verification certificate by the manufacturing units on export of liquor were not acted upon for more than five years.

(Paragraph 2.2)

COMPLIANCE AUDIT

SOCIAL, GENERAL AND ECONOMIC SECTORS/NON-PUBLIC SECTOR UNDERTAKINGS (Non-PSUs)

HOME DEPARTMENT

The monthly charges to be collected from a private training institute for use of barracks and ground of Directorate of Fire and Emergency Services were to be on the basis of number of candidates trained. However, the Directorate collected charges applicable for only 30 candidates throughout the lease period. This resulted in short collection of ₹ 12.32 crore.

(Paragraph 1.7)

PANCHAYAT DEPARTMENT

The Director of Panchayat leased a premises for three years for shifting their office. The premises remained unoccupied/partially occupied for 25 months due to delayed decision on the proposals for furnishing. The rent paid during the unoccupied period was ₹ 2.95 crore which was infructuous.

(Paragraph 1.8)

PUBLIC WORKS DEPARTMENT

Sub-division II of Division XXI of Public Works Department was regularly delaying remittance of revenue collected through receipt books to the divisional cash book resulting in diversion of funds and delayed remittance into the Treasury. Absence of internal controls led to misappropriation of cash receipts to the tune of ₹ 10 lakh from Government account in September 2019.

(Paragraph 1.9)

HOUSING DEPARTMENT

Goa Housing Board did not comply with the provisions of Income Tax Act, 1961 regarding payment of advance tax and filing of return, resulting in levy of penal interest of ₹ 70.69 lakh under the Act, which was avoidable.

(Paragraph 1.10)

REVENUE SECTOR

COMMERCIAL TAXES DEPARTMENT

Assessing Authority did not levy or short levied interest of ₹ 47.92 lakh for delayed payment of taxes.

(Paragraph 2.3)

Commercial Tax Office at Margao, Panaji and Ponda allowed Net Present Value (NPV) exemption to three dealers for ineligible period and to one dealer not entitled under the NPV scheme.

(Paragraph 2.4)

Assessing Authority allowed input tax credit of ₹ 2.79 crore on purchase of goods for which ITC is not admissible under the provisions of Goa Valued Added Tax (GVAT) Act.

(Paragraph 2.5)

Assessing Authority allowed irregular Input Tax Credit of ₹ 4.51 crore to a dealer on transfer of stock.

(Paragraph 2.6)

Assessing Authority failed to levy entry tax of ₹ 3.18 crore on *inter-State* purchase of goods used as raw material for liquor manufacturing units not exempted under the Act.

(Paragraph 2.7)

Luxury tax of ₹ 4.14 crore was exempted by the Assessing Authority even though the Assessee did not fulfil criteria for exemption set under the Goa Tax on Luxuries Act (GTLA).

(Paragraph 2.8)

As per the notification, appeal cases can be admitted only on payment of 10 *per cent* of the disputed amount. However, scrutiny of appeal cases revealed that 22 appeal cases were admitted without collecting 10 *per cent* of disputed amount aggregating ₹ 3.13 crore**.**

(Paragraph 2.9)

REGISTRATION DEPARTMENT

The Civil Registrar and Sub-Registrar (CRSR) office Pernem did not consider the fair market value of land determined by the Collector while executing sale deeds resulting in short levy of stamp duty and registration fee of ₹ 20.63 lakh.

(Paragraph 2.10)

DEPARTMENT OF MINES AND GEOLOGY

The Directorate of Mines and Geology (DMG) failed to ensure collection of royalty for extraction and sale of sand. This resulted in extraction and sale of sand by 55 permit holders without payment of royalty. Further, the DMG had no information on quantity of sand extracted by another 144 permit holders.

(Paragraph 2.11)

DEPARTMENT OF FISHERIES

The Directorate of Fisheries had to forego levy of Goods and Service Tax (GST) of ₹ 26.80 lakh on renting of immovable property, due to delay in registration under GST.

(Paragraph 2.12)

PUBLIC SECTOR UNDERTAKINGS AND GOVERNMENT COMMERCIAL AND TRADING ACTIVITIES

DEPARTMENT OF INDUSTRIES

GOA INDUSTRIAL DEVELOPMENT CORPORATION

As part of the compromise formula for refund of amounts received from seven allottees on cancellation of allotment of land in Special Economic Zone, Goa Industrial Development Corporation worked out a settlement amount of ₹ 256.57 crore. The amount however included construction licence fee and interest charged for delay in receipt of licence fee from allottees, totalling ₹ 17.32 crore, which was paid to local bodies on behalf of allottees.

(Paragraph 3.2)

FINANCE DEPARTMENT

ECONOMIC DEVELOPMENT CORPORATION LIMITED (EDCL)

EDCL allotted a plot in 1986 to Hindustan Hotels Ltd., on lease for construction of a hotel building. The plot was subsequently transferred twice but none of the transferees made any investment for completion of the project and the plot remained unused even after three decades. EDCL also short-collected transfer fee to the tune of ₹ 5.04 crore on the second transfer.

(Paragraph 3.3)

CHAPTER – I
Social, General and Economic Sectors (Non-PSUs)

CHAPTER-I

SOCIAL, GENERAL AND ECONOMIC SECTORS (Non-PSUs)

1.1 Trend of Expenditure

The comparative position of expenditure incurred by the Government during the year 2019-20 and in the preceding two years is given in **Table 1.1**.

Table 1.1: Comparative position of expenditure

(*₹ in crore*)

Disbursements	2017-18	2018-19	2019-20
Revenue expenditure			
General services	3516.93	3792.81	3942.72
Social services	2732.11	2645.94	2739.16
Economic services	2658.63	2868.81	3136.87
Grants-in-aid and contributions	1635.23	1775.28	1803.91
Total	**10542.90**	**11082.84**	**11622.66**
Percentage of increase of Revenue expenditure from year 2017-18	**-**	**5.12**	**10.24**
Capital Expenditure			
Capital outlay	2094.07	2149.14	1660.24
Loans and advances disbursed	33.93	3.10	13.42
Repayment of public debts	790.09	920.46	1024.93
Total	**2918.09**	**3072.70**	**2698.59**
Grand total	**13460.99**	**14155.54**	**14321.25**
Percentage of increase of total expenditure from year 2017-18	**-**	**5.16**	**6.39**

(Source: Finance Accounts of the State for the respective years)

The total expenditure of the State increased by six *per cent* from ₹ 13,461 crore in 2017-18 to ₹ 14,321 crore in 2019-20. The revenue expenditure of the State increased by 10 *per cent* from ₹ 10,543 crore in 2017-18 to ₹ 11,623 crore in 2019-20.

The share of revenue expenditure to total expenditure was 78 *per cent* during 2017-19. The revenue expenditure increased to 81 *per cent* during 2019-20 with corresponding decrease in capital expenditure to 19 *per cent* when compared to 22 *per cent* during 2017-19.

1.2 Authority for Audit

The authority for audit by the Comptroller and Auditor General (CAG) is derived from Articles 149 and 151 of the Constitution of India. The Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 (CAG's (DPC) Act) further reinforce its authority. The CAG conducts audit of expenditure of the Departments of Government of Goa under Section 13 of the CAG's (DPC) Act. The CAG is the sole auditor in respect of 13 Autonomous Bodies which are audited under the provisions of Sections 19 and 20 of the CAG's (DPC) Act. In addition, the CAG also conducts audit of bodies/authorities which are substantially funded by the Government, under Section 14 of the CAG's (DPC) Act. Principles and methodologies for various audits are prescribed in the Auditing Standards and the Regulations on Audit and Accounts, 2007 issued by the CAG.

1.3 Planning and conduct of Audit

There are 59 Departments in the State at the Secretariat level headed by Chief Secretary/Principal Secretaries/Secretaries. They are assisted by Directors/Commissioners and subordinate officers under them. In addition, there are 13 autonomous bodies which are audited by the Accountant General, Goa.

Audit process starts with the assessment of risks faced by various Departments of Government. The risks are assessed on the basis of expenditure incurred, criticality/complexity of activities, levels of delegated financial powers, internal controls, media reports and concerns of stakeholders. Previous audit findings are also considered in this exercise. Based on this risk assessment, the frequency and extent of audit is decided.

After completion of audit of each unit, Inspection Reports (IRs) containing audit findings are issued to the Heads of the Departments. The Departments are requested to furnish replies to audit observations within four weeks of receipt of the IRs. Whenever replies are received, audit observations are either settled or further action for compliance is advised. The important audit observations arising out of these IRs are processed for inclusion in the Audit Reports. The Audit Reports are submitted to the Governor of the State under Article 151 of the Constitution of India.

1.4 Lack of responsiveness of Government to Audit

1.4.1 Inspection reports outstanding

The Accountant General (AG) arranges to conduct periodical inspections of Government Departments to test-check their transactions. The AG also verifies the maintenance of important accounting and other records as per prescribed rules and procedures. These are followed up with Inspection Reports (IRs) which are issued to the heads of the offices inspected with copies to the next higher authorities. Half yearly reports of pending IRs are sent to the Secretaries of the concerned Departments. This facilitates monitoring of the action taken on the audit observations included in these IRs.

As of June 2020, 644 IRs (2,635 paragraphs) were outstanding for want of compliance in the Social and General Sector Wings. Year-wise details of IRs and paragraphs outstanding are detailed in **Appendix 1.1**.

1.4.2 Response of Departments to the draft paragraphs

Two draft Performance Audit Reports and five draft paragraphs were forwarded (November-February 2021) to the Secretaries of the concerned Departments. The Government's replies to these draft paragraphs were required to be received within six weeks. However, replies have not been received till date (September 2021).

1.4.3 Follow up on Audit Reports

Timeline for follow up of Audit Reports is prescribed in the Internal Working Rules of the Public Accounts Committee of the Goa Legislative Assembly. According to it, the Administrative Departments were required to furnish Explanatory Memoranda (EM) to the Accountant General for vetting. The EMs in respect of the paragraphs included in the Audit Reports were to be furnished to the State Legislature within three months from the date of tabling of Audit Report.

Five departments as detailed in **Appendix 1.2** had not submitted EMs for seven paragraphs pertaining to Audit Reports for the years 2015-16 to 2018-19 (March 2021).

EDUCATION DEPARTMENT

1.5 Performance Audit on Outcome of School Education

Executive Summary

The Sarva Shiksha Abhiyan (SSA), Rashtriya Madhyamik Shiksha Abhiyan (RMSA) and Centrally Sponsored Scheme on Teacher Education (CSSTE) are three major flagship school education development programmes launched by Government of India (GoI) and are being implemented in partnership with State Government. The SSA aims at elementary level (Class I-VIII) to implement the Right to Free and Compulsory Education (RTE) Act, the RMSA aims at classes IX-XII and CSSTE aims at providing infrastructural and institutional support to Government Teacher Education Institutions to enhance the overall efficiency of teachers. GoI had introduced (March 2018) the Samagra Shiksha Abhiyan subsuming all three SSA, RMSA and CSSTE schemes.

An "Outcome Audit of School Education" in Goa was conducted covering the period from 2015-16 to 2019-20 between May 2020 and December 2020 to assess whether universal access to school education was made available to all children, quality of education was ensured at all learning levels and students' academic performance got enhanced. The audit scrutiny revealed that Goa Samagra Shiksha (GSS) did not prepare perspective plans and did not adopt bottom-up approach for preparation of Annual Works Plan and Budget (AWP&B) during the period 2015-20. In 20 out of 42 test checked schools, School Management Committees did not prepare School Development Plans during 2015-20. Government of Goa did not implement 25 *per cent* reservation in private unaided schools for children belonging to weaker sections and disadvantaged groups. Government Aided and Private Unaided schools were functioning without conformity to RTE norms relating to infrastructure facilities like playground, library, boundary walls, *etc*. Teachers recruited during the last 10 years did not possess mandatory qualification of TET as per NCTE norms. Large number of Government schools were functioning with single teacher in violation of RTE norms. There was no system to monitor drop out students and to provide transportation arrangements to children with special needs. There were shortfalls ranging from 10 to 44 *per cent* in achieving the targets fixed for in-service trainings to teachers during 2016-20. Gross Enrolment Ratio declined in respect of Elementary, Secondary and Higher Secondary level during 2015-16 to 2019-20. The passing percentage of students in class IX and XI is lower than that in class X and XII during 2015-16 to 2018-19 due to "No Detention Policy up to Class VII". Audit also noticed that performance of students of Goa in National Achievement Survey (NAS) has been found poor in Mathematics and Language in all rounds of NAS.

1.5.1 Introduction

As per Para 1.1.1 of Samagra Shiksha Abhiyan Framework (SSAF), Education is the most important tool for social, economic and political transformation and a key instrument for building an equitable society. A well-educated population, equipped with the relevant knowledge, attitudes and skills are essential for economic and social development. School education is a concurrent subject under the Constitution of India. Article 21-A of the Constitution of India provides free and compulsory education to all children in the age group of six to fourteen years as a Fundamental Right. Accordingly, the Right of Children to Free and Compulsory Education (RTE) Act, 2009, became effective from April 2010.

1.5.2 Organisational set-up

The Education Department headed by Secretary (Education) has overall responsibility for the management of school education in Goa. Further, Goa Samagra Shiksha (GSS), a registered society under the Societies Registration Act, is the implementing agency of Samagra Shiksha Abhiyan in the State. A Governing Council (GC) headed by the Chief Secretary, reviews the implementation of Samagra Shiksha Abhiyan, gives overall policy guidance for efficient functioning of the GSS and amends rules of the GSS as and when required. An Executive Committee (EC) headed by the Secretary (Education) facilitates, supervises and co-ordinates the affairs of the GSS.

The State Project Director (SPD) of GSS is the ex-officio Member Secretary of GC and EC. District Project Officer (DPO) of Sarva Shiksha Abhiyan/Goa Samagra Shiksha (hereinafter termed as SSA/GSS) is responsible for the implementation of programmes of school education at the district level.

Besides, Block Education Officer/Block Resource Coordinator, Cluster Resource Centre Coordinator[1] and School Management Committee supervise programme implementation at block, cluster and school-level respectively. The pre-school education in Goa is under the overall control of Secretary, Women and Child Development Department (WCDD) and is managed by the Director, WCDD.

The organogram of School Education is given in **Appendix 1.3**.

1.5.3 Audit objectives

The performance audit was conducted to ascertain whether:

- Universal access to school education was made available to all children;
- Quality of education was ensured at all learning levels; and
- Students' academic performance got enhanced.

1.5.4 Audit criteria

The audit observations were benchmarked against the following criteria:

- Framework for implementation of SSA, RMSA, CSSTE and Samagra Shiksha Abhiyan issued by GoI;
- Manual on Financial Management and Procurement issued by GoI;

[1] Cluster Resource Centres (CRC) function as academic resource centres for teachers. CRCs provide onsite academic support to teachers during their visit to school, support school management committee in preparation of school development plan *etc*.

- Right of Children to Free and Compulsory Education (RTE) Act, 2009 and Goa RTE Rules (GRTE), 2012;
- National Early Childhood Care and Education (ECCE) Curriculum Framework and Integrated Child Development Services (ICDS) scheme;
- Goa Education Act, 1984 and Goa Education Rules, 1986;
- Orders and circulars issued by GoI and GoG from time to time.

1.5.5 Scope of Audit and Methodology

The performance audit was conducted between May 2020 and December 2020 covering a period of five years from 2015-16 to 2019-20. Audit test-checked the records of Education Department at the Government level, Directorate level, the offices of Director, State Council of Educational Research and Training (SCERT) and SPD, GSS.

Audit also test-checked the records maintained in the offices of DPOs, DIET[2], six sampled Block Resource Centres (BRCs), information received from the Directorate of Women and Child Development (DWCD) as well as 42[3] sampled schools (24 Government schools and 18 Government aided schools) out of 657 Government schools and Government aided schools in the six selected blocks. Besides, Audit conducted (October/November 2020) survey of parents/guardians of students to assess the satisfaction level of the beneficiaries on different parameters relevant to entitlements under the schemes and availability of infrastructural facilities in 42 test checked schools.

Audit objectives, criteria, scope and methodology were explained in an entry conference held (August 2020) with the Secretary (Education) and officials of Education Department. Audit findings were discussed in an exit conference held (July 2021) with the officials of Education Department. The Department has agreed to all the audit findings and recommendations.

1.5.6 Audit sampling

Audit selected both the districts of Goa. The State has three[4] educational zones each consisting of four talukas. Audit selected two blocks (50 *per cent*) from each of the three educational zones by Simple Random Sampling using IDEA software. Audit selected 39 (six *per cent*) out of 657 Government and Government aided schools of different categories from sampled blocks by applying Simple Random Sampling using IDEA software. In addition to this, audit selected one higher secondary school each in three blocks *viz.* Tiswadi, Sanguem and Quepem as no higher secondary school got selected in Random Sampling from these talukas.

AUDIT FINDINGS

1.5.7 Universal access to school education

Universal access to school education was one of the main projected outcomes of the Samagra Shiksha Abhiyan. As per Para 2.2.2 of Samagra Shiksha Abhiyan Framework (SSAF), universal access means that a school is accessible

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[2] DIET- District Institute of Education and Training

[3] Out of 42 sample schools, 10 schools were imparting pre-school education

[4] (North Zone-Pernem, Bardez, Bicholim and Sattari, South Zone-Canacona, Quepem, Salcete and Mormugao, Central Zone-Tiswadi, Ponda, Dharbandora and Sanguem)

to all children within a specified distance. Universal access also ensures inclusion of the most disadvantaged groups (SC, ST, OBC), girls and children with special needs.

As per information provided by Department of Education, there were 1,728[5] schools (870 Government schools, 691 Government aided schools and 167 private unaided recognised schools) in 2019-20. There were at least one primary/upper primary school in all habitations (1,228) of Goa. Further, there were 7,991 identified Children With Special Needs (CWSN) by GSS in the State as on March 2020.

1.5.7.1 Planning

SSAF envisages planning as a continuous process that helps to reach a particular goal or objective in the shortest and the best possible way. The process begins with the identification of appropriate strategies and activities for achieving the goals of the scheme. It includes long term planning like preparation of the perspective plan and short term planning like preparation of annual plans. Perspective plan which is prepared for five years involves developing a vision and chalking out strategies to achieve the same, annual plan is a sub-plan meant for realising the vision and objective of the perspective plan.

1.5.7.1 (i) Non-preparation of perspective plans and absence of bottom-up approach in the preparation of Annual Works Plan and Budget (AWP&B) at the State level

As per Para 3.2.1 of the Samagra Shiksha Manual on Financial Management and Procurement (FMP), each district has to prepare a perspective plan up to 2019–20 based on the data collected through household surveys. Further, as per Para 2.5.2 of Samagra Shiksha-FMP, the planning process was to be initiated through a bottom-up approach and accordingly formation of the village, block and district level core teams were to be ensured. Further, as per laid down procedure planning process is to be participatory in nature, as planning not only creates a sense of ownership among the stakeholders but also creates awareness and helps in the capacity building of personnel at various level. The plan so developed should reflect local specificity and educational needs and aspirations of the people based on consultative meetings and interaction with the community and target groups. Keeping in view the perspective plan, each district has to prepare Annual Work Plan & Budget (AWP&B) every year.

Audit observed that both the District Project Offices did not prepare perspective plans during 2015-20. The SPD of GSS could not prepare the perspective plan at the State level due to non-preparation of perspective plans at District level. Consequently, SPD of GSS prepared AWP&Bs during 2015-20 without considering the requirements[6] at the grassroot level.

Audit further observed that SPD of GSS, instead of following the bottom-up approach of planning while preparing AWP&B, prepared it on the basis of

[5] The count is by considering elementary and secondary/higher secondary schools in Government and Government aided schools as two separate schools.

[6] Habitation-wise status of out of school children, dropout children and vulnerable sections of the Society

UDISE[7] data which had no information about the target group population, out of school and drop-out children during 2015-20.

SPD stated (September 2020) that a single plan was formulated at the State level and the single plan was split into two District plans, given the small size of the State.

Reply of SPD is not tenable since SSAF did not provide exemption to any State from preparation of perspective plan at the State level. Further, as per Samagra Shiksha-FMP, planning was to be done through bottom-up approach.

The Department stated (July 2021) that efforts would be made to prepare the perspective plans and follow bottom-up approach in preparation of AWP&B at the State level.

Thus, the bottom-up approach for preparation of State plan was not adhered to and SPD of GSS could not ensure need-based planning as envisaged in SSAF.

1.5.7.1 (ii) Non-preparation of Annual Works Plan and Budget (AWP&B) at the District level

As per Para 14.1 & 14.2 of Sarva Shiksha Abhiyan-FMP, each District would prepare an Annual Work Plan and Budget (AWP&B). Further, Para 10.7.11 of SSAF stipulates that the District planning team will prioritize all the School Development Plans and consolidate them so as to finalise the AWP&B at the District level.

Audit observed that both the District Project Offices did not prepare AWP&B at the District level during 2015-20.

The SPD of GSS stated (September 2020) that a single AWP&B was formed at the State level and it was split into two District AWP&Bs, given the small size of the State.

Reply of SPD is not tenable since both the Districts have functional District Project Offices for overseeing the planning and SSAF also did not provide exemption to any State from preparation of AWP&Bs at District level.

The Department stated (July 2021) that action would be taken to prepare District-level plans.

Non-preparation of AWP&B at District level and splitting of State level plan into two District plans meant that GSS could not ensure inclusion of requirements of the grassroot level in the AWP&B.

1.5.7.1 (iii) Non-formation of Management Committees and non-preparation of School Development Plans (SDPs)

The statute (Section 21 and 22 of RTE Act 2009, Para 8.3.1 of RMSA framework) requires formation of School Management Committee (SMC)/ School Management Development Committee (SMDC) at each school level. Further, Rule 16 of GRTE Rules 2012 stipulates that these committees shall prepare a School Development Plan[8] (SDP), containing information about

[7] Unified District Information System for Education (UDISE) is a management information system on School Education, which collects information on parameters ranging from school, infrastructure, teachers, enrolments, examination results *etc*., from all recognised and unrecognised schools imparting formal education from pre-primary to class XII.

[8] The School Development Plan shall be a three-year plan comprising three annual sub-plans.

estimates of class-wise enrolment, requirement of teachers for estimated enrolment, infrastructural requirements and entitlements such as free text books and uniforms as per RTE norms and submit it to the Director of Education.

As per the information provided by the GSS, SMC/SMDC was formed in 961 (99 *per cent*) out of 968[9] Government and aided elementary schools and 366 (91 *per cent*) out of 404 Government and aided Secondary/Higher Secondary schools in the State as on March 2020.

However, Audit observed that four (10 *per cent*) out of 42 Government and aided test checked schools did not constitute SMC/SMDC during 2015-20. Also, twenty[10] out of 38 (53 *per cent*) schools which constituted SMC/SMDC did not prepare SDPs during 2015-20.

SPD Samagra Shiksha stated (February 2021) that the SDPs were prepared by all the schools and submitted to the concerned blocks.

Reply is not tenable as Audit observed that 20 out of 42 test checked schools had not prepared and submitted SDPs to the concerned blocks during 2015-20.

The Department stated (July 2021) that formation of SMCs in all Government and aided schools and preparation of SDP would be ensured.

As a result, the actual requirements of schools could not find place in the AWP&B as envisaged in the GRTE Rules 2012.

1.5.7.2 Decreasing trend of Gross Enrolment Ratio (GER)

The most commonly used school participation indicator is the Gross Enrolment Ratio (GER). The GER[11] shows the overall coverage of educational system in relation to the population eligible for participation in the system.

The details of GER at the Elementary, Secondary and Higher Secondary level as provided by the Department is given in **Table 1.2**.

Table 1.2: Gross Enrolment Ratio in Elementary, Secondary and Higher Secondary level

Year	GER[12] in Elementary	GER in Secondary	GER in Higher Secondary
2015-16	117.58	108.54	83.12
2016-17	99.72	107.86	83.70
2017-18	99.11	98.20	79.74
2018-19	96.41	94.66	77.30
2019-20	96.36	90.39	68.55

(Source: Information furnished by GSS for the year 2015-16 to 2018-19 and Information has been taken from PAB minutes (GSS) for the year 2019-20)

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9 Composite schools (having Elementary and Secondary/Higher Secondary) are considered as single school.

10 Three schools prepared the SDP for the year 2019-20 only. 16 Schools did not prepare SDPs for the period 2015-16 to 2019-20. One school prepared the SDP but did not submit SDP to block office.

11 Gross Enrolment Ratio = (Number of children enrolled in a specified stage irrespective of age) ÷ (Number of estimated children in the appropriate age group to that stage of schooling) x 100

12 A GER value approaching or exceeding 100 *per cent* indicates that the State is in principle able to accommodate all of its primary school-age population.

From the above information provided by GSS, it can be seen that there was a decrease in GER at elementary level of 21.22 *per cent*, at secondary level of 18.15 *per cent* and at higher secondary level of 14.57 *per cent* from 2015-16 to 2019-20.

SPD Samagra Shiksha stated (February 2021) that the reduction in GER is due to various factors like mining ban which has large number of outflow of migrant labour and thus the enrolment had decreased which affected the GER. Reply of SPD is not tenable as mining was banned from the year 2012 but GER has decreased from 2015-16 to 2019-20.

The Department stated (July 2021) that efforts would be taken to increase the GER to ensure universal access.

Decreasing trend of GER at all levels indicated that Department of Education and GSS could not ensure universal access to all the children in the age group of six to eighteen years as on date.

1.5.7.3 Non-implementation of reservation to the extent of 25 *per cent* of the strength of class I in private schools for children belonging to weaker section and disadvantaged groups

As per RTE Act, private unaided schools shall admit at least 25 *per cent* of children belonging to weaker sections and disadvantaged groups in class I and provide free and compulsory elementary education to them till completion of education from class I-VIII. Further, as per GRTE Rules 2012, Government of Goa shall reimburse the expenditure incurred by private unaided schools for providing free education subject to a maximum *per capita* expenditure incurred by the State on students.

As per information provided (January 2021) by GSS, there were 2,379 SC, ST and OBC students enrolled in 140 private unaided schools during 2015-20. Audit scrutinised the information provided (July 2020) by Director of Education (DoE) and observed that no proposal for reimbursement of expenditure was submitted by schools hence, the same was not paid by the Department of Education during 2015-20. Further, as per the Project Approval Board (PAB) minutes of Sarva Shiksha Abhiyan (SSA) for the year 2016-17, the Department of Education was in process of issuing notification for *per capita* cost for reimbursement of expenditure as mandated under Section 12(C) of the RTE Act. However, the Department of Education has not notified per student expenditure as on date. Therefore, GSS could not implement provision of 25 *per cent* admission for students belonging to weaker sections and disadvantaged groups in private unaided schools as on date.

GSS while accepting the audit observation stated (February 2021) that the matter is not in ambit of GSS and the GSS may take up the issue to notify and implement the provisions of 25 *per cent* reservations in private unaided schools with DoE.

The Department stated (July 2021) that implementation of 25 *per cent* reservation in private schools would be taken up urgently.

Thus, the Government of Goa could not extend the intended benefits to SC, ST and OBC students in private unaided schools due to non-implementation of the above-mentioned provisions of the RTE Act.

1.5.7.4 Non-distribution of school uniforms under Samagra Shiksha Scheme

The RTE Act mandates[13] free and compulsory education for all children in Government schools and Government aided schools. Uniform constitutes an expense which poor families are often not able to afford and thus becomes a barrier for many children to pursue and complete elementary education. The Samagra Shiksha Scheme provides two sets of uniform to all girls, SC, ST children and Below Poverty Line (BPL) children. The Government of Goa made provision for grant of ₹ 400 per student per year during 2015-18, which was revised to ₹ 600 per student per year from 2018-19.

Audit observed that GSS did not provide uniform allowance to a total of 999 eligible children in 42 test checked schools from 2015-16 to 2019-20.

The Department stated (August/September 2020) that the reasons for not granting uniform allowance were non-release of funds by DPO/BRC to schools during the year 2015-16 (671 students) and non-submission of bank account details by parents/guardians of children during 2016-20 (328 students).

The Department stated (July 2021) that the funds would be released promptly.

Thus inaction of the Department led to denial of school uniform allowance to eligible children.

1.5.7.5 Non-achievement of targets for special training of out of school children at elementary school

The GRTE Rules 2012 prescribes age-appropriate enrolment of out of school children and provisioning of special training for such children so that they can be at par with other children. The details of Out of School Children (OoSC)[14] identified, targets fixed for special training and their achievement are shown in **Table 1.3**.

Table 1.3: Details of trainings imparted to OoSC

Year	No. of OoSC identified	Yearly targets fixed for special training	Achievement	Shortfall against fixed target	*Percentage* of shortfall
2015-16	1280	1280	463	817	64
2016-17	673	673	328	345	51
2017-18	302	302	247	55	18
2018-19	215	215	199	16	7
2019-20	187	187	187	NIL	NIL
Total	**2657**	**2657**	**1424**	**1233**	**46**

(Source: Information furnished by GSS)

It is evident from above table that the GSS could not provide training to a total of 1,233 (46 *per cent*) out of 2,657 identified OoSC during the period 2015-20.

SPD stated (October 2020) that they could not achieve targets for special training to OoSC during 2015-19 owing to migration of OoSC children to their native places or other places. The reply is not acceptable as there is no

[13] Section 3 of RTE Act, 2009

[14] As per Section 4(1) of RTE Act 2009, where a child above six years of age has not been admitted in any school or though admitted, could not complete his or her elementary education, then he or she shall be admitted in a class appropriate to his or her age.

monitoring of these children and SPD could not produce any records to prove the migration.

The Department stated (July 2021) that targets of training for OoSC would be achieved and all OoSC would be enrolled in school in future.

Thus, the fact remained that GSS could not ensure training to all the targeted OoSC, leading to deprivation of elementary education to such OoSC.

1.5.7.6 Lack of monitoring of drop out of Students

As per Para 2.1 of SSAF, retention of children till completion of elementary education (up to class VIII) is one of the major objectives of the Samagra Shiksha Scheme. Further, as per Section 3(1) of the RTE Act, every child in the age group of six to fourteen years shall have right to free and compulsory education in a neighborhood school till completion of elementary education.

The SPD, GSS did not provide the number of dropped out students at the State level in class I to class VIII during 2015-20 due to non-availability of such data. Audit further noticed that the GSS did not put in place Student Data Management Information System (SDMIS) to track the schooling status of students throughout the school education stage so as to achieve the goal of zero drop outs from pre-school to elementary school.

This indicated that GSS did not have any mechanism to monitor dropped out children from schools at the State level. The test check of 42 schools revealed that 253 students from 19 Government and aided elementary schools dropped out during 2015-20. The reasons for dropout of children as stated by the in-charge of concerned schools were migration of students to other states, not being interested in studies, health and family problems.

However, there is no system in existence to track these drop out students and hence the schools could not furnish evidence for the reasons stated above. Thus, GSS could not ensure retention of all students in schools till completion of elementary education, leading to deprival of elementary education to dropout students and non-achievement of universal access to elementary education.

The Department stated (July 2021) that the drop out data would be collected annually and they would ensure that the target for zero dropout would be achieved.

1.5.7.7 Non-provision of transportation arrangements for Children With Special Needs (CWSN)

As per Para 2.4.14 of Samagra Shiksha Abhiyan Framework (SSAF), transport facility shall be provided to Children With Special Needs (CWSN)[15] in elementary classes.

Audit observed (September 2020) that GSS, instead of making transportation arrangements for CWSN, paid Transport Allowance (TA) ranging from ₹ 420 to ₹ 1,875 per month (depending on distance covered and number of days of attendance). Audit further observed that the GSS could not provide TA to all the enrolled CWSN instead, it provided TA to only 496 (six *per cent*) out of

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[15] As per Para 4.2 of SSAF, CWSN are defined as children suffering with one or more disabilities such as blindness, hearing impaired, locomotor disability, learning disability, speech and language disability, multiple disability *etc*.

7,991 CWSN enrolled during 2015-20, year-wise details of which is given in **Appendix 1.4**.

SPD, Samagra Shiksha stated (November 2020) that TA was provided only to ortho and hearing-impaired students and most of the CWSN who were not given TA were with Learning Disability.

Reply of SPD is not tenable as TA was provided to only 257 out of 558 ortho and hearing-impaired students enrolled during 2016-19. Moreover, as per SSAF, TA should be provided to all CWSN irrespective of type of disability.

The Department stated (July 2021) that they would ensure provision of transportation arrangements for CWSN.

Thus, GSS could not make appropriate and safe transportation arrangement for CWSN to attend schools as mandated by SSAF. Also, they did not disburse TA to a majority of the CWSN.

1.5.7.8 Shortfall in holding meetings of School Management Committee (SMC)/School Management Development Committee (SMDC)

As per Rule 14(5) & 15 of GRTE Rules 2012, the School Management Committee/School Management Development Committee (SMC/SMDC) shall meet at least once a month so as to identify the needs of the school, prepare a School Development Plan and monitor the identification of out of school children for ensuring their admission to the age-appropriate class. SMC/SMDC is also responsible for ensuring the identification and enrolment of CWSN in the school and providing the required facilities to them.

During test check of 42 Government and aided schools in six[16] BRCs, Audit observed that there was shortfall in holding of the SMC/SMDC meetings in 38[17] test checked schools which constituted SMCs/SMDCs. As against the required 2,280[18] SMC/SMDC meetings to be held during 2015-20, these 38 schools had held 522 (23 *per cent*) SMC/SMDC meetings during the period, indicating a shortfall of 77 *per cent* SMC/SMDC meetings.

The Department stated (July 2021) that the circular would be issued to schools for conducting the meetings of SMC/SMDC as per provisions of RTE Act.

The shortfall in SMC/SMDC meetings pointed towards inadequate monitoring of identification of out of school children, children with special needs and dropout children from schools leading to non-achievement of objectives of GRTE Rules.

1.5.7.9 Low coverage of children under Early Child Care Education (ECCE) programme

As per Para 1 of National Early Childhood Care and Education (ECCE) Curriculum Framework adopted by Ministry of Women and Child Development (WCD), the first six years of life are critical years of human life since the rate of development in these years is more rapid than at any other stage of development. ECCE programme is being implemented through Anganwadi Centres (AWCs) under Integrated Child Development Services (ICDS) scheme.

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16 Quepem, Sanguem, Pernem, Bicholim, Mormugao and Tiswadi
17 Out of 42 test checked schools, four schools did not constitute SMC/SMDC during 2015-20.
18 (12 x 5 x 38)

Under the ICDS scheme, AWCs provide take home ration to children in the age group of six months to three years and pre-school education to children in the age group of three years to six years.

Audit scrutinised information received from the office of the Director, Director of Women and Child Development (DWCD) and observed that the coverage of children in the age group of six months to six years in the State under ECCE programme in AWCs ranged from 43 *per cent* to 48 *per cent* during 2015-20 as detailed in the **Table 1.4**.

Table 1.4: Coverage of children in the age group from 6 months to 6 years in the State under ECCE through AWCs

Year	Population	Coverage	*Percentage*
2015-16	127841	55265	43
2016-17	125935	55758	44
2017-18	114940	55065	48
2018-19	113450	53446	47
2019-20	110677	51967	47

(Source: Information furnished by Director (DWCD))

The Department stated (July 2021) that the matter would be taken up with DWCD for increasing the coverage.

The low coverage indicated that Department of Women and Child Development could not ensure inclusion of all eligible children for extending benefits under ECCE programme.

1.5.7.10 Result of beneficiary survey and findings from examination of records in test checked schools

Audit carried out survey of 207 parents/guardians in 42 schools in six BRCs to assess the satisfaction level of the beneficiary on different parameters relevant to imparting education, distribution of RTE entitlements and availability of infrastructural facilities.

Satisfaction level among surveyed parents/guardians regarding the distribution of Free Text Books (FTBs), uniform, provision of mid-day meal and availability of safe drinking water is good[19]. However, Audit observed non-availability of safe drinking water in 02 out of 42 test checked schools (GHS Sanguem and GPS Vavurla Quepem). Further, 35 out of 207 surveyed parents/guardians reported collection of fees by eight aided schools, which was in violation of Section 12(b) of RTE Act, 2009.

Audit observed from the records of test checked schools that out of 42 schools, six schools had adverse School Class Room ratio[20] (SCR), five schools had adverse Pupil Teacher Ratio[21] (PTR), 39 schools did not have CWSN toilet, 23 schools did not have playground, 21 schools did not have access ramp and 15 schools did not have Head Master (HM) room, which indicated that the GoG could not ensure infrastructural facilities in all test checked schools as per the

[19] Satisfaction level has been derived from the responses of surveyed parents/guardians.

[20] According to the SSAF, the indicative Student Class Room Ratio (SCR) would be 30:1 (for Primary), 35:1 (for Upper Primary), and 40:1(for Secondary to Higher Secondary).

[21] There should be two teachers for upto 60 children, three teachers for upto 90 children, four teachers upto 120 children and five teachers upto 200 children in a primary school.

prescribed norms and standards in the RTE Act 2009 despite lapse of 10 years since the said act came into existence.

The Department stated (July 2021) that all the schools would be informed to make arrangements of safe drinking water, CWSN toilets, playgrounds, access ramps, HM rooms *etc*. and all the aided schools would also be warned against collection of fees in violation of Section 12 of RTE Act.

Recommendation 1: The Government may ensure preparation of perspective plan, bottom-up approach in planning and implementation of 25 per cent reservation in private unaided elementary schools for children belonging to disadvantaged groups and weaker sections. The Government may also put in place Student Data Management Information System to track the schooling status of students throughout the State.

1.5.8 Quality of education at learning levels

Under SSAF, school education is envisaged as a holistic and convergent programme aimed at providing quality education across the wide spectrum of schools, spanning from pre-school to higher secondary classes. To achieve this, SSAF focuses on ensuring quality education by providing improved infrastructure in schools, by ensuring recruitment of required number of teachers and their rational deployment in schools and by providing in-service trainings to teachers. Audit analysed the status of quality of education being imparted in the schools in the State. The results of analysis are discussed in succeeding paragraphs.

1.5.8.1 Functioning of Government Aided and Private Unaided schools without conformity to RTE norms

As per Rule 10 of GRTE Rules 2012 every Government aided and private unaided elementary school established before the commencement of the RTE Act, shall make a self-declaration in Form-I and obtain a certificate of recognition from Deputy Director of concerned zone (competent authority) within six months from the commencement of GRTE Rules 2012. The Form-I shall have the details of schools' compliance with the norms and standards specified in the Schedule to the RTE Act. Further, Rule 10(4) of GRTE Rules 2012 stipulates that schools which do not conform to the norms and standards specified in the Schedule to the Act within three years from the commencement of GRTE Rules 2012, shall cease to function and recognition, if any, granted shall be withdrawn.

Audit observed from records of the office of Deputy Directors of North and Central Zones that 281 Government aided and 103 private unaided elementary schools established before the commencement of the RTE Act did not furnish the Form-I. Also, the competent authorities[22] did not initiate any action to withdraw recognition of such schools after the lapse of three years of stipulated time as provided under Rule 10(4) of GRTE Rules 2012.

As per UDISE data for the year 2019-20 Government aided and private unaided schools are lacking in the prescribed facilities as detailed in **Table 1.5**.

[22] Deputy Director of concerned zone is the competent authority

Table 1.5: Details of unavailability of infrastructure facilities

Sl. No.	Infrastructure facility	Number of aided and private unaided schools
1	Without playground	153
2	Without ramps	535
3	Without library	70
4	Without boundary wall	81

(Source: UDISE data for the year 2019-20)

Audit further observed during joint physical verification with in-charge of 42 test checked schools that 18 Government aided schools were lacking in prescribed infrastructure facilities such as playground, ramp, library and boundary wall. But they continued to function without any intervention by the Deputy Directors in violation of GRTE Rules.

On being pointed out, the Deputy Director of North Zone and Central Zone stated (November/December 2020) that the recognition to already established schools is granted from Directorate of Education, Goa and not from the zonal office. Their reply is not tenable as the Deputy Director of a zone is the competent authority for granting recognitions to schools as per GRTE Rules 2012.

Further, as per information provided by Deputy Director of South Zone, only 47 out of 257 schools in the zone were inspected for recognition under GRTE Rules 2012. Hence, the Deputy Director of South Zone could neither ensure submission of Form-I by remaining 210 schools nor did he initiate any action against these schools as per Rule 10(4) of GRTE Rules 2012.

The Department stated (July 2021) that the schools would be reminded of the relevant provisions of RTE Act for their action on priorities.

It is evident from the replies of Deputy Directors of three Zones and Director of Education that the Department could not ensure adherence to the RTE norms and standards by schools despite lapse of eight years of notifying GRTE Rules 2012. Such schools continued to function without conformity to RTE norms and standards, which impacted the quality of education as discussed in para **1.5.8.2**, **1.5.8.3** and **1.5.8.5**.

1.5.8.2 Safety issue of Government Schools functioning in dilapidated buildings

Para 2.7 of SSAF lays down norms and standards for a school and provides that a school shall function in an all-weather building in hygienic and healthy condition.

Audit observed from the UDISE data for the year 2018-19 that three schools in North Goa and one school in South Goa were functioning in dilapidated buildings. Total enrolment of students in these schools were 729. It is needless to say that these 729 students are vulnerable to safety issues in these dilapidated building.

Director of Education stated (June 2021) that repair works in GHS Savardem had been completed but the same was on-going in GPS Kalsai. He further stated that in respect of GPS, 1st Bairo, Santa Cruz, administrative approval for repair work was awaited from the Government and in respect of GHS, Sattari, a proposal to prepare detailed estimate for repair/renovation work of existing building along with demolition and reconstruction of school had been sent to PWD.

The Department stated (July 2021) that the PWD would be approached to speed up the repair work of the schools mentioned.

However, the fact remained that three schools covering 652 students and teachers are functioning in unsafe buildings, which requires immediate attention.

1.5.8.3 Incomplete civil works hampering functioning of schools

Para 2.7 of SSAF lays down norms and standards for a school and provides that a school shall function in an all-weather building in hygienic and healthy condition.

Audit examined the information furnished by SPD in regard to status of the civil works as on date (June 2021) during the period 2015-20 and observed the following:

- 10 out of 55 access ramps approved in AWP&B of 2015-16 and 35 out of 44 access ramps approved in AWP&B of 2019-20 were incomplete.
- 12 out of 13 major repair works approved in AWP&B of 2018-19 were incomplete.
- All the nine BRC buildings' repair works approved in AWP&B of 2018-19 were incomplete.
- 11 out of 20 verandah grills approved in AWP&Bs of 2018-19 and 2019-20 were incomplete.
- 22 out of 48 toilet repair works approved in AWP&Bs of 2018-19 and 2019-20 were incomplete.

SPD, Samagra Shiksha stated (July 2021) that delay in completion of civil works was due to delayed release of funds and difficulties in finding contractors who could execute the work in the approved amount. He further stated that pending civil works will be completed as early as possible.

Reply of SPD is not tenable as the SPD of GSS could not ensure availability of funds despite the fact that the incomplete works mentioned above were approved in AWP&Bs during 2015-20.

Thus, delay in completion of works impacted the smooth functioning of the schools for which above mentioned works were approved.

1.5.8.4 Non-adherence to the norms of NCTE in appointment of Government Primary School Teachers

As per Section 23 of the RTE Act, 2009, every school teacher shall acquire minimum academic and professional qualifications as laid down by the academic authority. The National Council for Teacher Education (NCTE), being the academic authority had notified (August 2010) the minimum qualifications[23] for teachers. In addition, passing of Teacher Eligibility Test (TET) conducted by appropriate Government in accordance with the Guidelines

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[23] For classes 1st to 5th: Senior Secondary (or its equivalent) with at least 50 *per cent* marks and two-year Diploma in Elementary Education and for Classes 6th to 8th: B.A/B.Sc (or its equivalent) and two-year Diploma in Elementary Education (by whatever name known)

framed by the NCTE for the purpose is mandatory qualification for appointment of teachers.

The Government of Goa (GoG) did not amend recruitment rules (RR) to incorporate passing of TET as a mandatory qualification during August 2010 to March 2018. Audit scrutinised the data of appointment of teachers during the above mentioned period and observed that GoG in violation of NCTE norms, recruited 447 Government Primary School Teachers (GPST) who did not possess the mandatory certificate of passing TET.

Recruitment rules for appointment of GPST were amended in April 2018 incorporating minimum qualifications of teachers as prescribed by NCTE. Even after amending the RR making TET as an essential qualification, Government of Goa could not conduct TET. Further, the Government of Goa relaxed (July 2018) the requirement of TET and called for applications from eligible candidates and filled up (December 2019) 153 vacancies of GPST with the condition that the selected teachers would have to pass the TET during their probation period, failing which their appointment to the post would stand terminated. However, even after lapse of one year of their appointment, GoG could not put in place the modalities of administering TET.

Director, SCERT stated (December 2020) that the process of conducting TET had been initiated and the first round of TET would be conducted in May 2021. He further stated (July 2021) that TET was postponed due to Covid-19 pandemic. Now TET would be conducted in September 2021. The Department stated (July 2021) that the matter of conducting TET would be vigorously pursued.

However, the fact remained that the Government of Goa failed to conduct TET despite lapse of more than 10 years of notifying the qualification criteria by NCTE. Thus, teachers recruited after August 2010 did not possess the qualification as mandated by NCTE.

1.5.8.5 Large number of Government Schools functioning with single teacher in violation of RTE norms

As per item no.1 of Schedule I of RTE Act 2009, there should be at least two teachers in a primary school having classes from first to fifth.

Audit observed that out of 742 Government Primary Schools in Goa, 403 schools are functioning with single teacher (**Appendix 1.5**) while 48 schools are having teachers more than the required strength (**Appendix 1.6**).

DoE stated (September 2020) that one teacher was posted in a Government Primary School if enrolment in the school was less than 25 as per order issued by the Department in 2009 and additional teachers were posted in the school where enrolment was more than 25.

Reply of Department is not tenable since as per Schedule I of RTE Act, there should be minimum two teachers in a school having enrolment up to 60 children. The order issued by the Department prior to implementation of RTE Act has not been withdrawn.

The Department stated (July 2021) that the additional requirements of teachers to maintain the specified Pupil Teacher Ratio (PTR) would be submitted to the Government for approval.

Thus, Department of Education could not ensure rational deployment of teachers in schools as per prescribed PTR, thereby depriving children enrolled in these schools of quality education as envisaged under RTE Act 2009.

Recommendation 2: The Government may ensure rational deployment of teachers as per RTE norms and also ensure that teachers with minimum qualifications as prescribed by NCTE are recruited.

1.5.8.6 Non-achievement of targets for in-service training of teachers

As per Samagra Shiksha Abhiyan Framework, the role of a teacher is very important for bringing about changes in society. Teachers need to be sensitised towards the needs of SC and ST students from the pre-service training period as well as in the in-service training to deal with the specific problems of inclusion at the block level. Details of the status of in-service training is given in **Table 1.6**.

Table 1.6: In-service training imparted to teachers of elementary schools

		2015-16	2016-17	2017-18	2018-19	2019-20
Primary and Upper Primary Level	**No. of teachers available**	2607	2817	2500	3726	2393
	Target for 10 days training to teachers	2607	2817	2500	3726	2393
	Training imparted to teachers	2607	1585	1677	2550	2150
	Shortfall *(per cent)*	NIL *(0)*	1232 *(44)*	823 *(33)*	1176 *(32)*	243 *(10)*

(Source: Information furnished by GSS)

While the GSS achieved the targets fixed for in-service training to teachers during 2015-16, there were shortfalls ranging from 10 to 44 *per cent* in achieving the same during 2016-20.

SPD Samagra Shiksha stated (February 2021) that due to retirement, transfer and leave of teachers, targets for training could not be achieved during 2016-17 to 2019-20.

However, the fact remained that the GSS could not ensure training to all the teachers, which may adversely impact the quality of education being imparted in the schools.

1.5.8.7 Short release of funds

As per Para 3.1 & 3.6.1 of Samagra Shiksha-FMP, budget allocation to the States would be made considering the annual budget allocation at the central level and the viable proposal received from the States through AWP&B and duly approved by the Project Approval Board (PAB)[24] of GoI. The fund sharing

[24] Secretary, School Education and Literacy is the chairperson, Directors in charge of Integrated Scheme is the convener, Additional Secretary/Joint Secretary, School Education and Literacy is the member, Secretary in-charge of concerned State Government or UT is the member and representatives from ministry of Panchayat Raj, Tribal Affairs, Social Justice and Empowerment, Women and Child Development, Minority Affairs *etc*. are also the members.

ratio between Central and State Governments was 60:40 during the period 2015-20. The fund flow arrangement for various activities under school education programme is given below.

GoI → State Govt. → SPD (Samagra Shiksha) → DPO (Samagra Shiksha) → SMC/SMDC (School)

The approved outlay and expenditure incurred under Sarva Shiksha Abhiyan during 2015-20 is given in **Table 1.7**.

Table 1.7: Approved outlay and expenditure under Sarva Shiksha Abhiyan in the State.

(₹ in crore)

Year	Budget approved	Fund received		Opening Balance	Other receipts (Bank interest and refund of advances)	Total Amount Available	Expenditure
		Central	*State*				
2015-16	24.24	8.14	5.42	2.09	0.33	15.98[25]	16.64
2016-17	29.04	8.69	10.79	0.13	0.02	19.63	17.43
2017-18	32.28	8.63	5.75	2.77	0.37	17.52	14.71
2018-19	26.53	9.61	7.16	1.50	1.86	20.13	15.98
2019-20	30.65	11.33	7.55	4.16	0.06	23.10	22.78
Total	**142.74**	**46.40**	**36.67**	**10.65**	**2.64**	**96.36**	**87.54**

(Source: Information furnished by GSS)

The approved budget outlay for the period 2015-20 was ₹ 142.74 crore but the Government released only ₹ 83.07 crore, a shortage of 42 *per cent*. The amount available with GSS was ₹ 87.80[26] crore including opening balance, interest and other income. Out of total fund available ₹ 87.80 crore during 2015-20, the expenditure incurred was ₹ 87.54 crore which shows overall utilisation of 99.70 *per cent* of fund. While overall utilisation of available fund is satisfactory, there was short release of funds from GoI and GoG to GSS during 2015-20. The planning process to prepare Annual Works Plan and Budget (AWP&B) was not realistic as there was absence of bottom-up approach in preparation of AWP&B at the State level (as mentioned in **Para 1.5.7.1 (i)**) and AWP&Bs were not prepared by GSS at the District level **(Para 1.5.7.1 (ii)**). The Department had not sought the release of balance funds from GoI and GoG.

The GSS could not provide uniform allowance to students during 2015-16 and also civil works such as construction of access ramps, verandah grills and toilet repair works were not taken up during 2015-16 to 2019-20 due to non-availability of sufficient funds.

During exit conference the Department agreed (July 2021) to take up the matter of shortfall in release of funds with PAB.

25 Expenditure during the year 2015-16 was more than the available amount due to settlement of advances in the current year which were granted in previous years.

26 OB- ₹ 2.09 crore + Fund received (₹ 46.40 crore + ₹ 36.67 crore) + other receipts ₹ 2.64 crore

1.5.8.8 Non-utilisation of funds under Information and Communication Technology (ICT) (non-recurring) grant of RMSA

As per Para 5.7.4 of RMSA framework, RMSA aims at providing computer education and computer aided education in secondary and higher secondary schools under ICT component.

Audit scrutinised the Project Approval Board's (PAB) minutes and utilisation certificates of RMSA and observed that PAB had approved 56 schools under ICT[27] at the rate of ₹ 6.40 lakh per school with total outlay of ₹ 3.58 crore as non-recurring grants in Annual Works Plan and Budget (AWP&B) for the year 2016-17.

GoI released ₹ 1.08 crore in June 2016 and the State released its share of ₹ 71.68 lakh in March 2017 to RMSA. Total funds released under ICT to RMSA was ₹ 1.79 crore (50 *per cent* of ₹ 3.58 crore) during 2016-17.

Audit observed that RMSA could not utilise any of the funds released under this head during 2016-20. GoI did not release the balance funds of ₹ 1.79 crore (50 *per cent*) during 2016-20 due to non-utilisation of funds.

The Nodal Officer of GSS stated (September 2020) that the ICT in schools remained unimplemented for want of NOC[28] from the Information and Technology Department and applicable model code of conduct for assembly elections in the year 2016-17. He further stated that due to change in proposal[29] during 2017-18, GSS could not implement the ICT in the approved 56 schools. The PAB observed duplication of schools in the approved list of schools and granted approval for implementation of ICT in 19 schools after removing 37 duplicate schools from the list during 2018-20. The Department stated (July 2021) that E-tender had already been uploaded on Goa E-nivida and funds would be utilised shortly.

The GSS could not implement ICT in schools as approved by PAB till date (30 June 2021), thus depriving the students of learning in IT enabled environment. Besides, non-utilisation of ICT funds of ₹ 1.79 crore by GSS resulted in blockage of funds and consequently led to deprival of balance funds of ₹ 1.79 crore (50 *per cent* of ₹ 3.58 crore) from GoI and GoG.

1.5.8.9 Delay in release of Central share to SSA and matching share to RMSA and SSA by Government of Goa

As per Sl. No. 3 & 5 of conditions mentioned in the sanction order of GoI, the amount sanctioned under Sarva Shiksha Abhiyan (SSA) shall be released to the

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27 ICT includes purchase of computers along with operating systems and applications software, educational software, furniture for computers and induction training to ICT teachers

28 Permission of Information and Technology Department is required to purchase computers and other ICT items

29 GSS had planned to purchase computers along with operating systems and applications software, educational software, furniture for computers in the year 2016-17. Subsequently, GSS in its AWP&B of 2017-18 changed its proposal and a new concept of providing each school with console including a PC having all the software was introduced. The console would have speaker, CPU, Monitor, Amplifier Unit and LCD Projector inbuilt. The console would be mounted on a stand with wheels so that it can be moved from one class to another. The school would be provided with 40 tablets. Each tablet would be connected to the PC on the console. The tablet would function only when the PC is on.

Government of Goa, which will disburse the entire funds through electronic transfer to SSA immediately, but not later than 15 days from the date of receipt of Central share. Further, Para 4.1.3.1 of RMSA-FMP and Para 91.2 of Sarva Shiksha-FMP envisage that the participating State would contribute its cost (matching share) in the agreed ratio[30] within 30 days of the receipt of Central contribution as per the sharing pattern under RMSA and SSA.

Review of the sanction orders and release orders of GoG revealed that there were delays ranging from nine days to 133 days in release of Central share of ₹ 43.56 crore by GoG to SSA beyond the prescribed 15 days of the receipt of Central share during 2015-20. Similarly, there were delays[31] in release of matching share of ₹ 32.49 crore by GoG to RMSA and SSA beyond the prescribed 30 days of the receipt of Central contribution during 2015-20.

The DoE stated (January 2021) that delay in office procedure/files transfer was the reason for delay in release of Central share received from GoI as well as matching share by State Government.

Reply is not tenable as delays of up to eight months is not justified as timelines prescribed in SSAF is inclusive of the time required for these office procedures.

The Department stated (July 2021) that utmost care would be taken to transfer funds in time.

Delayed release of funds hindered timely completion of civil works, timely implementation of approved interventions in AWP&B such as disbursement of uniform allowance to all eligible students and providing special trainings to all enrolled OoSC.

Recommendation 3: The Government may prioritise implementation of ICT components and ensure timely release and utilisation of funds for achieving the objectives of Samagra Shiksha Scheme.

1.5.9 Students' academic performance

Samagra Shiksha Abhiyan framework stipulates that assessment of student's academic needs to be seen as an integral part of pedagogy, which has the primary role of facilitating the teacher and learner to devise more effective learning strategies. Also, RTE Act, 2009 stipulated 'No-detention policy' as per which no child could be held back in elementary school (Classes 1-8). Audit analysed the results of Goa Board of Secondary and Higher Secondary Education for students' academic performance in Classes 9-12. Audit also analysed the National Achievement survey results to review whether students' academic performance got enhanced. The observations are presented in the following paragraphs.

1.5.9.1 Lower pass percentage of students in class IX and XI compared to class X and XII

The Goa Board of Secondary and Higher Secondary Education (GBSHSE) has the responsibility for assessing learning outcomes of students through board

30 GoI shall contribute 60 *per cent* and State shall contribute 40 *per cent* of approved fund

31 Matching share of ₹ 6.57 crore was released with delay ranging 3 days to 264 days by GoG to RMSA and matching share of ₹ 25.92 crore was released with delay ranging 4 days to 118 days by GoG to SSA beyond the prescribed period.

exams for class X and XII. The criteria of passing marks and grading were fixed by GBSHSE for class X and class XII. A student has to secure minimum 33 *per cent* marks in external theory and practical examination separately.

The details of annual pass percentage of class X and class XII during 2015-16 to 2019-20 is provided in **Table 1.8**.

Table 1.8: Status of students appeared and passed

Year	Class	Appeared	Passed	Percentage
2015-16	X	20802	18396	88.43
	XII	15816	14049	88.83
2016-17	X	19357	17425	90.01
	XII	16899	14802	87.59
2017-18	X	20251	18142	89.58
	XII	18499	15527	83.93
2018-19	X	19342	17561	90.79
	XII	17876	15637	87.47
2019-20	X	18939	17554	92.69
	XII	17183	15339	89.27

(Source: Information furnished by GBSHSE and results booklet published by GBSHSE for the year 2019-20)

The pass percentage of students of class X increased from 88.43 to 92.69 and that of class XII increased from 88.83 to 89.27 during 2015-16 to 2019-20.

Audit analysed the transition rate of class IX to class X and class XI to class XII during 2015-16 to 2019-20 as detailed in **Table 1.9**.

Table 1.9: Status of students appeared in class IX and XI and continued in class X and class XII

Year	Class	Appeared	Promoted to next class	Percentage
2015-16	IX	29566	19837	67.09
	XI	19763	17244	87.25
2016-17	IX	28476	21069	73.98
	XI	19832	18333	92.44
2017-18	IX	27878	20094	72.08
	XI	20222	17459	86.33
2018-19	IX	28078	20671	73.62
	XI	20675	17727	85.74
2019-20[32]	IX	27815	27815	100.00
	XI	19319	19319	100.00

(Source: Information furnished by GSS)

It is clear from above table that the passing percentage of students in class IX and XI is lower than that in class X and XII during 2015-16 to 2018-19.

On being pointed out, DoE stated (January 2021) that the students were retained in class IX due to "No Detention Policy up to class VIII". Many students did not pay attention to their studies and when they came to class IX, they were not able to attain the minimum level of learning. Further, DoE stated that some students were retained in class XI due to admission of such students in Science stream even though they were not capable of getting admission to the stream.

[32] All students of class IX and XI were promoted to class X and XII respectively vide circular No. 36 dated 03.07.2020

Reply of DoE is not tenable as quality of education should be ensured while following "No Detention Policy". Moreover, as per RTE Act (Amendment) 2019, "No Detention Policy" is optional for the States with effect from January 2019.

The Department stated (July 2021) that "No Detention Policy" would be reviewed and suitable action would be taken to improve the pass percentage of class IX and XI in consultation with GBSHSE.

1.5.9.2 Performance of students in Mathematics and Modern Indian Language in National Achievement Survey

NCERT is the academic and advisory body on school education to Government of India. It conducts nation-wide survey on a sample basis to assess students' learning standard/level and makes strategies for enhancing students' learning level. While several rounds[33] of National Achievement Survey (NAS) have been conducted by NCERT at the elementary education level (at class III, V, VIII levels) since 2001, NAS for class X was first conducted in 2015.

Audit analysed the performance of students of Goa in National Achievement Survey conducted during the period from 2014 to 2018[34], the details of which are given in **Table 1.10**.

Table 1.10: Details of National Achievement Surveys

Year	Class	Highlights
2014	III	Poor performance in Mathematics
2015	X	Poor performance in Mathematics and Modern Indian Language
2017	III, V and VIII	Poor performance in Mathematics and Language
2018	X	Poor performance in Mathematics and Modern Indian Language

(Source: Compiled by Audit from results of National Achievement Surveys)

It is evident from the above table that the performance of students of Goa has been found poor in Mathematics and Language in all rounds of NAS.

On being pointed out, DoE stated (September 2020) that remedial measures such as intensive training to all primary and upper primary teachers, introduction of Challenge Mathematics Books as an additional resource workbook to enhance the understanding of Mathematics have been taken.

The Department further stated (July 2021) that steps would be taken to discuss the matter with all the stakeholders to adopt suitable solutions.

However, the continued poor performance of students from 2014 to 2018 in Mathematics and Modern Indian Language pointed towards inadequacies in remedial measures undertaken by the Department of Education.

Recommendation 4: The Government may take appropriate measures to improve learning outcomes in Mathematics and Language as well as the pass percentage of students in class IX and XI through appropriate interventions.

33 NCERT conducts periodic national surveys of learning achievement of children in classes III, V, VIII and X. So far NCERT has conducted four rounds of NAS for classes III, V and VIII and two rounds for class X.

34 NAS was not conducted during 2019 and 2020

1.5.10 Conclusion

GSS did not prepare Perspective Plan and Annual Works Plan & Budget (AWP&B) at District level during 2015-20. AWP&B was prepared at the State level by following top-down approach as against the bottom-up approach prescribed in SSAF, defeating the objectives of participatory planning that could help develop specific plans to reflect the educational needs of local communities, stakeholder ownership and capacity building at various levels.

The mandated 25 *per cent* reservation in Private Unaided schools for children belonging to weaker sections and disadvantaged groups is yet to be implemented by the Government. Lack of monitoring of school dropouts, provision of TA to only six *per cent* of the 7,991 CWSN enrolled students during 2015-20 indicate the absence of specific interventions necessary to ensure retention of all eligible children at school. The falling GER at all three levels-elementary, secondary and higher secondary indicates that the Government has faltered on the goal of universal access to school education.

Quality education is envisaged as a cornerstone of the programme. However, recruitment of teachers during the past 10 years, who did not possess mandatory qualification of TET as per NCTE norms and the large number of Government schools functioning with a single teacher, in violation of RTE norms, have an adverse impact on the quality of education. Government Aided and Private Unaided schools were functioning without conformity to RTE norms relating to basic infrastructure, in the absence of required monitoring and action by the Department. Short release of funds to the tune of 42 *per cent* than the approved budget and delayed release of funds of ₹ 76.05 crore by Government of Goa to SSA and RMSA during 2015-20 impacted programme implementation.

The poor performance of students of Goa in Mathematics and Language as per the National Achievement Survey is an indicator of the quality of education imparted at various levels in the State.

WATER RESOURCES DEPARTMENT

1.6 Performance Audit on Outcome of Salaulim Irrigation Project

Executive Summary

Salaulim Irrigation Project in South Goa District with a Cultivable Command Area (CCA) of 9,686 ha. was taken up for execution in 1972 and was completed in 2007 at a cost of ₹ 187.37 crore. The intended objective of the project was to provide irrigation water of 528 million litres per day (MLD) and 380 MLD water supply for drinking and other purposes. Audit was taken up to ascertain whether the intended outcomes of the project was realised. Audit scrutiny of records of line departments *viz*. Directorate of Agriculture, Public Works Department besides covering Water Resources Department (WRD) and its Divisions revealed gap in the intended outcomes and the outcomes realised.

The utilisation of irrigation potential (14,106 ha.) created by construction of the dam, main canal, distributaries and minor canals was confined to 34 *per cent*. Out of this only 1,619 ha. area of land was under cultivation and the balance area was left as fallow land. As against planned cultivation on 2,349.60 ha. in respect of sugarcane crop, the actual

average cultivation had been only on 80 ha. in the command area. Lack of support for irrigation and agriculture schemes and inaction on fallow land discouraged the farming activity in the command area. Just two out of the 24 Water User Associations originally registered from the command area were functioning. Non-conducting of meetings by the Command Area Development Board and absence of cohesive efforts on the part of WRD, Agriculture Department and State Public Works Department led to failure in realising the intended outcomes of the project.

1.6.1 Introduction

Surface irrigation is where water is applied and distributed over the soil surface by gravity. Goa receives an annual rainfall of about 2800 to 4200 mm on an average. In the post-monsoon period the water-flow in the rivers starts dwindling and very few rivers or rivulets remain perennial. Notably, only 18.32 *per cent* of the total cultivated area in the State is under irrigation and the rest of the cultivated area *i.e.* 81.68 *per cent* is rain-fed. The Goa State Agriculture Plan (2012) envisaged irrigation as an important aspect not only for increasing productivity but also for bringing more area under double (rabi) cropping.

Salaulim Irrigation Project (SIP):

Salaulim Irrigation Project (SIP) in Sanguem Taluka of South Goa District was initially started as a major irrigation project[35] with a cultivable command area (CCA) of 14,366 ha. in Sanguem, Quepem and Salcete talukas but during the later stage of construction, it was capped to 9,686 ha. The project was taken up for execution in 1972 and was completed in 2007.

The Project comprised construction of central masonry spillway[36] with earthen dam on right and left banks with Left Bank Canal. The average water release from the dam was 512.23 million litres per day (MLD) during non-monsoon months of 2014-20. In addition, 280 MLD water was drawn (2019-20) by State Public Works Department (PWD) directly from the dam reservoir for supply to domestic consumers. The project had brought about 2,964 ha. of land under submergence that caused displacement of 624 families from nine villages. Twenty-four water users' associations were formed in the command area with an aim to achieve participatory irrigation management.

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[35] The other medium irrigation project in Goa is Anjunem Project with a potential of 4,600 ha. Panchawadi, Chapoli and Amthane are the minor irrigation projects in Goa.

[36] Masonry spillway is an overflow section of the dam made out of masonry, mainly utilising granite stone and brick.

1.6.2 Organisational structure

Irrigation management in the State of Goa is overseen by the Water Resource Department (WRD) headed by Secretary (Water Resources). The Chief Engineer (CE), WRD, Goa is responsible for successful implementation and maintenance of the irrigation projects. The CE is assisted by 13 Executive Engineers and six Superintendenting Engineers. One[37] Superintending Engineer (SE) and three[38] Executive Engineers (EE) are looking after the works related to SIP.

1.6.3 Audit objectives

The audit objectives were to assess whether:

- the irrigation project could meet the demands of target sectors *viz.* agriculture and water supply.
- coordination with all stakeholders was ensured for providing benefits to the targeted beneficiaries.

1.6.4 Audit criteria

The audit criteria were derived from following Acts/Rules/ OMs *etc*.:

- Goa, Daman & Diu Irrigation Act, 1973;
- The Goa Command Area Development Act, 1997 & Rules, 1999 (CAD Act, 1997);
- Land Acquisition Act, 1894 and subsequent orders;
- Government Resolutions and Instructions/Orders relating to the works, Rehabilitation, *etc*.;
- Manual on Water Supply and Treatment dated May 1999 by Central Public Health and Environmental Engineering Organization (CPHEEO), Ministry of Urban Development, Government of India;
- Other related circulars/instructions/reports issued by Ministry of Water Resource (MoWR), Central Water Commission (CWC).

1.6.5 Scope and methodology of Audit

Audit of outcomes of the project was covered from April 2014 to March 2020. Audit undertook scrutiny of records of line Departments *viz.* Directorate of Agriculture (DoA), PWD besides covering WRD and its Divisions.

The methodology involved scrutiny of records, analysis of agricultural data and data relating to the daily water discharge generated in the Supervisory Control and Data Acquisition (SCADA)/Telemetry system, obtaining clarification and confirmation to the preliminary observations through issue of audit enquiries, joint physical verification of assets created and conducting joint survey of beneficiaries *viz.* farmers and water user association members.

Analysis of agricultural data and the SCADA data was done for the period 2014-20 without any sampling. Random sampling method was used for selection of beneficiary farmers for conducting the joint survey in the three talukas *viz.* Sanguem, Quepem and Salcete that comprised the command area of SIP. A sample of 250 of the 2,400 farmers and seven of the 24 WUAs were selected for the joint survey.

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[37] SE, CADA, Circle-IV

[38] Divisions X, XII and XIV

The audit objectives, methodology and scope of the performance audit were discussed with the Secretaries, WRD and Agriculture, Government of Goa in an entry conference held on 28/08/2019. The draft audit report was sent to the Government and the Department in July 2021. The exit conference was held on 13/07/2021 with the Secretary (Water Resource), Government of Goa. The replies received from the Department have been appropriately incorporated in the relevant paragraphs of the report.

1.6.6 Acknowledgement

Audit acknowledges the cooperation and assistance extended by the State Government and its implementing agencies in conducting this performance audit.

AUDIT FINDINGS

1.6.7 Deficiencies in irrigation facilities envisaged, created and utilised

1.6.7.1 Non-consideration of laying of field channels in project completion report

The WRD stated in its project completion report that irrigation potential of 14,106 ha. (100 *per cent*) have been achieved by 2007 on the basis of execution of the dam, main canal works, laying distributaries, branch canals and minor canals. Audit observed that the work of laying field channels was completed up to 4,750 ha. after five years in 2012.

In reply to audit observation, WRD accepted (November 2020) the non-consideration of construction of field channels while reporting completion of the project in 2007. Also the irrigation network of 4,750 ha. created had stagnated at 34 *per cent* of the ultimate irrigation potential[39] available (14,106 ha.) on account of discontinuing the work after 2012. The Department stated that records were untraceable and hence the cause for discontinuation of field channel work after 2012 is not known.

The WRD stated (July 2021) that efforts would be made to reduce the gap between irrigation potential and actual utilisation.

1.6.7.2 Non-maintenance of field channels led to reduction in utilisation of irrigated area

As per the WRD, on the basis of the agreements made with the Water User Associations, total irrigation potential utilised[40] was 2,647.29 ha. (2019-20) out of the 4,750 ha. irrigation network created. Audit observed during physical site inspection that the field channels laid were broken and dislocated as shown in the following images.

[39] The ultimate irrigation potential is the gross area that can be irrigated from a project in a design year for the projected cropping pattern and assumed water allowance on its full development. The gross irrigated area will be the aggregate of the areas irrigated in the different crop seasons, the areas under two seasonal and perennial crops being counted only once in the year.

[40] The Irrigation potential utilised is the total gross area actually irrigated by a project/scheme during the agricultural year under consideration.

Broken field channel in Nagve, Quepem taluka

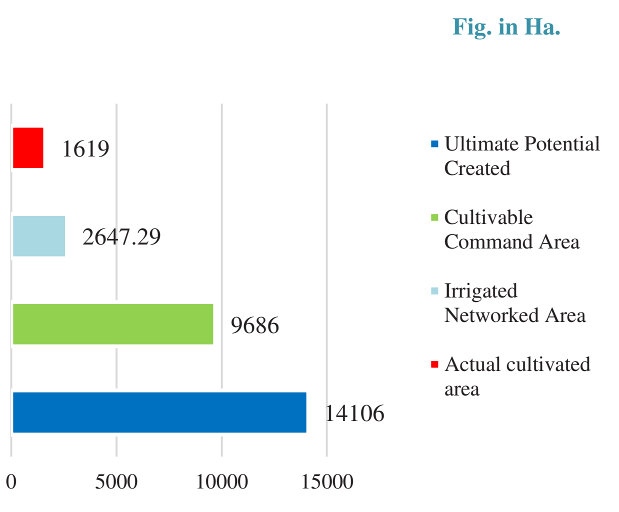
Condition of field channels in Cacora, Quepem

Broken field channel in Cuncolim, Salcete

Field channel missing in a tail reach village Avedem in Quepem taluka.

Due to non-maintenance of the conveyance and distribution system, the actual potential utilisation was far below 2,647.29 ha. Further, scrutiny of the records maintained by the Agricultural Officer from WRD revealed that only 1,619 ha. area of land was under cultivation (2014-20) and the balance area was left as fallow land. This was due to the fact that the locations where the field channels are completely broken, do not have access to irrigation water. Further, the maintenance work also is badly affected because of

Chart 1.1



inactive WUAs (as explained in **para 1.6.12**). Thus, the created canal network actually irrigated only 1,619 ha. of average crop area during 2014-20.

1.6.7.3 Poor utilisation of irrigation potential

In Salcete taluka only 1,172 ha. (2020) out of CCA of 5,486[41] ha. was actually irrigated. In comparison, the tanks constructed in the villages were a major source of irrigation covering an area of 1,000 ha. (2020). The WRD accepted (November 2020) the audit observation and stated that much needed to be done for agricultural development in Salcete area. Audit also observed that distributaries D2 and D3 constructed at a cost of ₹ 9.62 crore was actually irrigating only four ha. out of the 416.79 ha. command area falling under these distributaries. This proved the fact that by not laying the required length of water course/field channels in Salcete taluka, the infrastructure created by SIP could not be utilised to address the irrigation problem.

Stock of field channels left unused in for
land

> ***Recommendation 1: WRD needs to undertake the work of laying field channels in the entire command area of 9,686 ha. to optimise the utilisation of irrigation potential.***

1.6.8 Release of water for irrigation without ascertaining the demand

In order to utilise the full potential, water released from the reservoir should match the water demand as determined by cropping pattern during the non-monsoon months. Audit observed that the water release was 8 to 54 times in excess of the actual crop water requirement in all the months (except november) of rabi season (november – may) indicating water wastage. In November, there was shortage in the water released as evident from **Appendix 1.7**.

Paddy and sugarcane constituted the highest water consuming crop requiring maximum crop water of 9,563 m^3/ha. and 10,806 m^3/ha., respectively during rabi season. Compared to this, the annual irrigation supply from the head regulator per unit command area was in the range of 16,868.51 m^3/ha. to 23,666.34 m^3/ha. during rabi season.

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41 10,166 ha. (Command area in Salcete) – 4,680 ha. (Curtailment in Salcete) = 5,486 ha.

The comparison also revealed huge project operational loss[42] in the range of 316 MLD (613 *per cent*) to 488 MLD (1,245 *per cent*) during the period 2014-20 as indicated in **Table 1.11**.

Table 1.11: Water requirement (MLD) for actual cultivated area

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Quantity required for actual area cultivated (MLD)	61.68	47.98	45.76	46.39	45.82	42.60
Quantity of water released for irrigation (MLD)	377.95	396.46	409.42	456.57	434.72	530.26
Unused water surplus (MLD)	316.27	348.48	363.66	410.18	388.90	487.66
Project Operational loss (in percentage)	612.76	826.33	894.72	984.14	948.80	1244.77

(Source: Actual crop cultivation data furnished by CADA Circle IV of WRD; Crop water requirement data furnished by Directorate of Agriculture)

Audit analysed the reasons for this and found that:

a) The Department had not notified the cropping pattern ever since the project was commissioned; and
b) It had not made assessment of water requirement suitable for agriculture actually practiced by the farmers and surplus water available that could be diverted for domestic and industrial consumption.

The WRD stated (July 2021) that the Standard Operating Procedure will be put in place along with trained man power to monitor and rationalise the release of raw water from the dam as per the need.

Recommendation 2: WRD needs to establish systems to regularly notify cropping pattern and align the water release to the notified cropping pattern.

1.6.9 Shortcomings in canal maintenance

As per the recommendation of National Water Policy, April 2002, disparities in availability of water between head reach and tail-end farms and between large and small farms be avoided/removed. The WRD is required to carry out annual canal maintenance regularly for efficient water conveyance through the irrigation network in order to implement the above recommendation.

1.6.9.1 Poor canal maintenance despite huge annual expenditure

WRD had incurred expenditure towards Management, Operation and Maintenance (MOM) in the range of ₹ 22 crore to ₹ 37 crore annually during the six years period (**Appendix 1.8**). However, Audit observed that minor canals and water courses were in damaged and dilapidated condition in 31 villages surveyed. Out of this expenditure, the expenditure on unutilised water constituted 84 to 92 *per cent* of the total MOM cost incurred.

42 Project Operational loss = (Total volume of irrigation supply ÷ Total volume of gross irrigation requirement) x 100. Closer the value to 100 *per cent* means there is no further losses in the system other than the standard losses in the conveyance and field application. Value more than 100 *per cent* show huge losses in the system, theft, non-accountability of water in the system. Whereas, lower value than 100 *per cent* indicates the non-delivery of sufficient irrigation supply.

Maintenance work in progress in the month of January 2020

Audit analysed the feedback received from the farmers during survey on the water discharge across the length of the irrigation network. There were 29 villages in the tail reach, four villages in the middle reach and six villages in the head reach. Analysis showed that out of the 162 selected farmers from the tail reach, 115 farmers (71 *per cent*) had complained that they were not getting the irrigation water from the SIP. Twenty-two farmers (40 *per cent*) out of 55 selected farmers located in the head reach of the irrigation project had also complained that they did not receive irrigation water. There were 897 agricultural plots in nine villages where water was not released since the time the irrigation network had been created.

While accepting the audit observation WRD stated (November 2020) that follow up action for proper supply of water till tail end was due to be carried out. WRD also stated (July 2021) that Standard Operating Procedures would be put in place for operation and maintenance of the project assets.

1.6.9.2 Improper scheduling of maintenance works led to further water stress

An efficient, equitable and timely distribution of water is essential for securing maximum agricultural output from the command area of an irrigation project. The year wise schedule of the annual maintenance works of the canals undertaken by the concerned divisions[43] of WRD was scrutinised and it was observed that the maintenance works were carried out during the rabi season till June hampering release of water to the farmers. As shown in the **Table 1.12**, 69 *per cent* of the maintenance works undertaken were completed between December and June each year. As a result, water cuts during sowing months of November and December was being perpetuated by untimely maintenance work causing water stress problem for the farmers. It had led to undesirable effects such as loss of yield of sugarcane crop as observed from the grievances/complaints filed by the farmers.

Table 1.12: Status of Canal Maintenance Work

Year	Works completed during							
	April-June	July-Sept.	Oct.-15 Dec.	16 Dec. to March	Total works completed	Pending works	Dates not available	No. of works taken up
2014-15	0	0	3	38	41	0	6	47
2015-16	3	0	46	22	71	0	1	72
2016-17	9	3	22	52	86	1	1	88
2017-18	1	0	12	18	31	0	0	31
2018-19	2	0	3	27	32	4	2	38
2019-20	0	0	2	29	31	10	0	41
Total	**15**	**3**	**88**	**186**	**292**	**15**	**10**	**317**

(Source: Water Resource Department, Goa)

43 The three divisions namely Div. X, XII and XIV look after the entire distribution network of SIP

The WRD stated (November 2020) that due to extended rainfall beyond November, the maintenance work was taken up after November. However, during the site inspection carried out in the months of January and February it was revealed that in most of the villages, water was not released and the maintenance work had either just started or were yet to be taken up. It was also observed that WRD did not have periodic plan for annual operation and maintenance (O&M) activities and instead carried it out on *ad-hoc* basis. There were no standard reporting procedures to deal with pilferages in the irrigation network. It is pertinent to mention that maintenance is an essential activity and it needs to be carried out in such time and manner that it does not affect the supply of water to farmers in the time of need.

The outcome of weak canal maintenance was that 65 *per cent* (163) of the farmers surveyed had no access to irrigation water during rabi season and depended on rain water and ground water. Seventy-two *per cent* (118) of these farmers said that they are completely dependent on agriculture and would grow crops in rabi season if irrigation water was made available to them.

WRD stated (July 2021) that proper time scheduling would be put in place to ensure timely completion of maintenance works before commencement of irrigation season.

Recommendation 3: WRD needs to prepare and implement operation and maintenance plan to ensure adequate water availability during all the months of rabi season.

1.6.10 Unreliable Supervisory Control and Data Acquisition (SCADA)[44] system

The WRD (2010-11) had noted that the rainfall observation, river gauge, reservoir levels and discharge observations were done manually by taking reading at the site and had inherent weaknesses as the data collection was cumbersome, time consuming and subject to human errors. The WRD therefore procured and installed (June 2015) the Telemetry, SCADA and Measurement System for SIP, Goa at a cost of ₹ 2.39 crore. Audit analysis of the data generated from the SCADA system revealed that the data was mostly erroneous and unreliable. The major discrepancies observed were:

- The SCADA readings did not match with the manual readings[45] in 59 out of 60 months analysed;
- There were many instances during 2014-20 where SCADA data showed that even the minimum discharge was above 11 cubic meter per second whereas according to the WRD, the maximum discharge in the Main Canal did not cross 11 cubic meter per second in last 10 years;
- Quantity of water reaching the distributaries was reported to be more than the quantity actually released from the source.

[44] Supervisory Control and Data Acquisition (SCADA) is a system that aims to monitor and control field devices planted at remote sites. SCADA systems are critical as it helps maintain efficiency by collecting and processing real-time data. SCADA is a centralised system that monitors and controls the entire area.

[45] which according to the WRD is accurately recorded

As manual reading was recorded only at the head regulator, WRD could not monitor the amount of water reaching the tail end and also the amount of water wasted.

While agreeing to the audit observations, WRD stated (November 2020) that it had continued with the manual system of recording in respect of reservoir level, spillway discharge/overflow and discharge at head regulator. The reply pointed to the fact that the improper use and maintenance of the SCADA system had resulted in lack of control over the irrigation water supply.

Recommendation 4: WRD needs to monitor and ensure the water availability from the head reach to tail reach during the rabi season by rectifying the SCADA system.

WRD accepted the recommendation and stated (July 2021) that the recalibration of the system would be done through the original equipment provider and the system will be cross-checked manually on fortnightly basis.

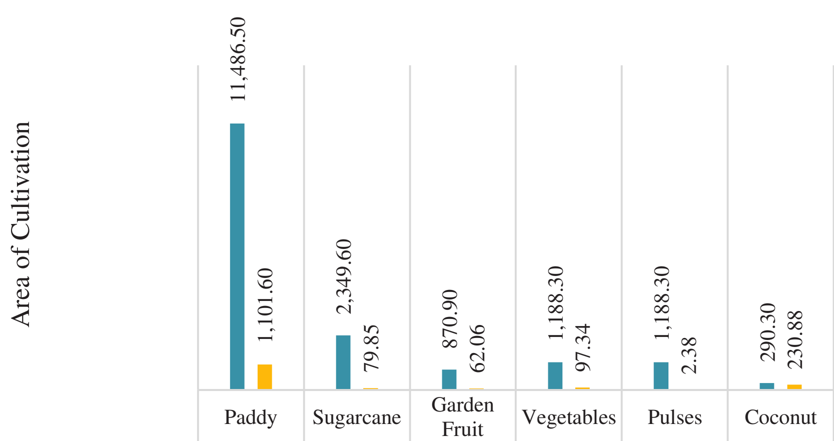
1.6.11 Non-achievement of agricultural growth in command area

The Central Water and Power Commission (CWPC) in 1968 realised that the farmers mainly depended upon seasonal rainfall which gave very low yield. CWPC envisioned that the utilisation of the available irrigation resources would bring prosperity to the farmers of Goa territory as it will bring additional area under cultivation by modern methods and by high yielding crop variety. Against this backdrop, audit reviewed the efficiency and effectiveness with which the achievement of the agricultural outcomes was realised from the SIP. The audit findings are detailed below.

1.6.11.1 Gap in actual cultivation and envisaged cropping pattern

The cropping pattern envisaged at the time of the third revision of the project estimates (2007) was characterised by a major thrust on growth potential of paddy and sugarcane crop.

Chart 1.2: Proposed Cropping Pattern *vis-à-vis* Actual Cultivation



	Paddy	Sugarcane	Garden Fruit	Vegetables	Pulses	Coconut
Envisaged Cropping pattern in 2007	11,486.50	2,349.60	870.90	1,188.30	1,188.30	290.30
Actual average cultivated area in 2014-20	1,101.60	79.85	62.06	97.34	2.38	230.88

Crops Cultivated

(Source: Information furnished by Directorate of Agriculture)

As per the **Chart 1.2**, the area actually covered under crop cultivation between 2014 and 2020 was much below the envisaged area of cultivation in 2007. Thus, while the envisaged cropping pattern targeted cultivation on an area of 17,373.90 ha., the actual area of cultivation during 2014-20 was very low in the range of 1,434.98 ha. to 1,889.07 ha. as evident from **Appendix 1.9**. The analysis also revealed a downward trend in the farming activities.

The major factors that contributed to low cultivation were (i) neither WRD nor the Directorate of Agriculture (DoA) had notified the cropping pattern for implementation in the command area ever since the project was commissioned (ii) non-implementation of *warabandi* scheme and volumetric supply of water leading to failure of equitable availability of water to the farmers (iii) non-development of proper drainage system (iv) non-imparting of training to the WUAs (v) non-functioning CAD Board was unable to bring together the key player *viz.* WUAs, Agriculture Department, WRD, *etc.* to effectively resolve issues relating to water distribution, agricultural yield, cropping pattern (vi) WUAs who were responsible for maintenance of irrigation network at field level were inactive; and (vii) inaction on fallow land. These factors are explained in detail in succeeding paragraphs.

While accepting the audit observations, the DoA stated (July 2021) that they would notify the cropping pattern regularly by involving farmers and Water Users Associations and also take steps to increase the yield of crops in command area.

1.6.11.2 Systemic lapses leading to low crop area cultivation

The Ministry of Environment & Forest, GoI, had advised (May 1991) the State Government to evolve and implement a detailed proposal for command area development with inclusion of aspects such as adoption of new cropping pattern, implementation of *warabandi*[46] scheme, volumetric supply of water, development of proper drainage system, proposal of health care facilities. However, no action was taken by the State Government on any of the suggestions of the Central Ministry.

A Soil Survey in-charge (SSI) on deputation from DoA and two foremen from WRD were mandated with the work of command area development monitored by the Superintending Engineer, CAD Circle IV of WRD. This established setup was not able to deliver effectively on account of the following reasons:

- Clear role definition and systematic allocation of work to the SSI was lacking;
- Annual action plans mentioning the annual physical and financial targets of command area development to be achieved were not prepared;
- There was no practice of submitting periodic activity report to the Superintending Engineer to facilitate proper monitoring and reviewing of the charge handled;

[46] *Warabandi* is a rotational method for equitable distribution of the available water in an irrigation system by turns fixed according to a predetermined schedule specifying the day.

- Record of the problems and complaints of the farmers observed by the foremen were not maintained. The actions taken by the CAD circle office to resolve the issues were also not documented.

The WRD stated (July 2021) that a target based SOP for monitoring the CAD circle will be evolved for its effective functioning and to realise the project outcomes.

1.6.11.3 Non-development of fallow land and non-functioning Command Area Development Board led to poor agricultural development

The State had observed (2012) that some areas within the command area were lying fallow which had to be brought under effective cultivation. Further, the Goa Command Area Development Act, 1997 allowed imposition of fine and recovery of water charges if the land-holder failed to cultivate the fallow land for a period of two consecutive years.

Audit observed that the WRD had not made any attempt to identify and develop the fallow land areas till date (July 2021). As a result, mangroves and weeds were growing on fallow lands affecting the land holdings which were being cultivated. Also, the farmers were unable to use mechanised farming on account of the fallow land surrounding their farm holdings as observed during the survey of farmers conducted by audit team (January-February 2020).

The Command Area Development Board was required to prepare annual report of its activities under the CAD Act, 1997 and submit it to the Government in such form on or before such date as may be prescribed to be laid before the House of the Legislature. The Command Area Development Board had not functioned during the period 2014-20, reasons for which were not furnished by WRD, though sought by Audit. It was observed that even at the time when it functioned (between 1981 and 2013), it never prepared such report indicating that the mechanism to update the State on the progress of command area development was never set in motion. Thus, measures like (i) re-alignment of field boundaries and consolidation of land holdings under a pipe outlet or under an adjacent pipe outlet and (ii) grouping of small holding in a contiguous area near the outlet and larger ones further away, as required in the CAD Act, 1997 for efficient farm management were also not taken up.

Hence, due to shortcomings in the execution of the policies and regulations by the State departments, the agricultural activity had remained confined to just 1,619 ha. out of CCA of 9,686 ha.

The WRD stated (July 2021) that farmers and officers of the Department would be imparted training in best agricultural practices and scientific methods to improve the farm productivity.

Recommendation 5: The State Government needs to immediately revive the Command Area Development Board, so as to boost agriculture.

1.6.12 Absence of Participatory Irrigation Management

Participatory Irrigation Management (PIM) is the manner of managing irrigation, water distribution and its use with all its related aspects, under which the management responsibilities are taken over by the Water Users' Association

(WUA), proceeding from outlets through minors, distributaries and branch canals to main canals and headwork.

WUAs are required to actively undertake the management of water distribution network at the field level. Audit reviewed the working of WUAs and found the following:

1.6.12.1 Inadequacies in society registration

A total of 24 WUAs were registered till date (March 2020) covering an area of 2,647.29 ha. of command area. However, no WUAs were registered in the balance irrigated area of 2,102.71 ha. Additionally, as per the CAD Act, 1997, the CAD Circle and its Division in WRD were required to hand over the PIM system to Water Distribution Co-operative Society[47] after registration. However, nine WUAs comprising of 5,273 farmers were not handed over the water distribution system till date. The agreements made with the societies by the WRD were valid for five years after which the agreements had to be renewed. However, agreements with the above mentioned 15 WUAs had not been renewed and had lapsed more than a decade ago. Thus, the WRD had no legally binding agreement with any of the WUAs to facilitate participatory irrigation management.

The WRD did not assign any reasons for non-renewal or non-handing over of water distribution system to the WUAs. However, it stated (July 2021) that it will initiate steps to execute fresh agreements with all the 24 WUAs existing in the command area for its functioning.

1.6.12.2 Lapses in mandatory activities of WUAs

Non-accomplishment of mandatory activities given in the **Table 1.13** to be performed by the WUAs indicated failure in engaging the WUAs to actively participate in the command area development work:

Table 1.13: Regulatory compliances of WUAs

(No. of WUAs)

Particulars	For > 5 years	For > 10 years	For > 15 years
AGM not held	2	3	10
Elections not held	3	6	10
Returns not filed with the Registrar of societies	1	1	20

(Source: Water Resources Department, Goa)

Besides the above, meetings were not conducted by these societies during the period 2014-20 to transact business relating to maintenance of water course/field channels, water fees collection, adoption of cropping pattern for the season, *etc.* Audit is of the view that the inactive WUAs led to deterioration of irrigation network and rising fallow land.

WRD stated (July 2021) that efforts would be made to reactivate the WUAs.

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[47] Water Distribution Co-operative Society also called as "Pani Vantap Vyavstha Sahakari Saunstha Maryadit" in Goa is same as the Water User Association and is a Co-operative Society of farmers of command area formed at a hydraulic Unit like water course(s) and registered under the relevant Co-operative Societies Act, for the purpose of efficient water management and implementation of CAD programmes.

1.6.12.3 Non-performance of CADA Circle

The CAD Circle was required to provide technical assistance to Water Distribution Co-operative Societies regularly. However, the State Government did not impart any training to increase technical knowledge and enhance managerial ability and capacity of WUAs to operate and maintain irrigation systems under their control. The WRD stated (November 2020) that CAD circle did not maintain any record of monitoring of WUA activities.

The WRD stated (July 2021) that a target based Standard Operating Procedure to monitor the CAD circle would be evolved for its effective functioning and also to realise the project outcomes.

1.6.12.4 Poor efforts to engage the WUAs

The Kirgal Pani Vatap Sahakari Saunstha was the only WUA providing irrigation water to the farm lands and collecting revenue on behalf of the WRD. The WRD stated that *warabandi* system was not followed in the command area of SIP as WUAs were mostly inactive.

Audit scrutiny revealed that except for the six meetings held during 2015-16, regular meetings were not held to encourage community irrigation through the WUAs. The WRD had not mandated the preparation of fortnightly plans by WUAs in order to monitor the maintenance works undertaken by them. From the six out of 24 WUAs surveyed from the command area, two WUAs stated that non-availability of irrigation water was the reason for non-payment of water charges. Thus, non-functioning of the WUAs led to deteriorating conditions of irrigation network and lack of encouragement to the farmers to actively participate in irrigation management. This, in turn, resulted in rising fallow lands and low agriculture.

The WRD stated (July 2021) that efforts would be made to reactivate the WUAs.

Recommendation 6: WRD needs to activate the Water User Associations to ensure their active participation in the maintenance of irrigation network and command area development.

1.6.13 Deficiencies in operations relating to supply of treated water drawn from SIP

The responsibility of supplying drinking water to domestic consumer rests with PWD in Goa. The Salaulim water supply scheme is the largest amongst all the regional water supply schemes with two water treatment plants having capacity to treat 160 MLD and 100 MLD to meet the needs of most part of the South Goa district. Out of the 380 MLD available for drinking water supply, only 338 MLD[48] was actually utilised for treating. Audit noticed the following issues relating to drinking and raw water supply operations during 2014-20.

[48] 160 MLD to Salaulim PWD plant since 1989, 100 MLD to Salaulim JICA plant since 2016-17, 48 MLD to Opa Plant since 2004-05, 10 MLD to Verna Industrial Estate, 10 MLD to PWD at Consua Verna for supply to Mormugao taluka and 10 MLD to Zuari Agro Chemical Ltd.

1.6.13.1 Lack of control over operational and distribution losses occurring in the Water Treatment Plants and the supply pipelines

Water supply management involves improving the supply by minimizing losses and wastage in the transmission mains and distribution system. Study conducted (2006) by Japan International Co-operation Agency (JICA) observed that due to lack of appropriate measuring devices installed at treatment plants or along the transmission/distribution network, it was not possible to measure leakages. It also observed that the distribution networks as well as management practices were not geared to reducing leakages. Audit observed that the conditions had not improved since then, as the absence of flow meters at the tapping points continued to remain a bottleneck in measuring the operational/distribution losses even till date. Audit analysed the data relating to water supply from the three plants[49] that source their water from the Salaulim Irrigation Project. A comparison of intake by the plants and water reaching the domestic and industrial consumers from these plants revealed that the distribution loss accounted for more than 35 *per cent* between 2014 and 2020 as shown in **Appendix 1.10**. According to CPHEEO, the level of wastage between 20 and 50 *per cent* is classified as “excessive”.

The PWD stated (July 2021) that necessary measures to ensure complete control over the operational and distributional losses at water treatment plant shall be taken.

1.6.13.2 Inaction on improving the quality of drinking and irrigation water

Elevated levels of manganese in water is a health concern. Even though the State was aware of the excess level of manganese in Salaulim reservoir water, the water treatment plant was setup (1989) without the processing capabilities necessary for removal of manganese content from the water. The National Environmental Engineering Research Institute, Nagpur (NEERI) had suggested (June 1993) adoption of pre-chlorination process coupled with lime and alum addition followed by post-chlorination of the filtered water for Salaulim water. However, PWD had stopped the pre-chlorination process since the process needed detention time of five hours each day while at the same time there was growing demand for drinking water from the plant. Further, NEERI had recommended minimum doses of lime, alum and chlorine to prevent the carryover of organics, suspended solids. The PWD, however, resorted to increased doses of lime and alum only to meet the growing demand.

Audit further analysed the water quality test data obtained from PWD and observed that:

- CPHEEO Manual considers the acceptable limit of manganese in the drinking water to be 0.05 mg/l. Audit analysed the levels of manganese in raw and treated water at Salaulim water treatment plant which revealed that the treated water contained manganese beyond the above acceptable limits on 54 to 118 days per year between 2014-20 as shown in **Table 1.14**.

[49] 160 MLD and 100 MLD plants at Xelpem, Sanguem and 40 MLD plant at Opa, Ponda

Table 1.14: Number of days the manganese content was above acceptable limit of 0.05 mg/l in treated water

Year	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Raw Water	245	248	199	255	252	231
Treated Water	117	118	71	87	54	86
Max. in raw water	3.5 (June)	2.7 (June)	2.2 (June)	1.45 (July)	1.2 (April)	1.5 (July)
Max. in treated water	0.25 (June and July)	0.3 (June)	0.26 (June)	0.18 (April, July and March)	0.15 (April)	0.22 (July)

(Source: Public Works Department, Goa)

- Similarly, maximum manganese (mg/l) concentration acceptable in irrigation water is 0.20 mg/l, above which it is toxic to many crops. Audit came across several instances of manganese content above the acceptable limit in raw water on 46 to 151 days per year during 2014-20 as shown in **Table 1.15**.

Table 1.15: Number of days the manganese content was above permissible limit in raw water

Year	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Raw Water	123	151	100	113	46	51

(Source: Public Works Department, Goa)

PWD accepted the audit observation and stated (July 2021) that measures would be taken to improve the water quality so that the presence of soluble manganese in treated water is maintained below the prescribed limit.

Recommendation 7: PWD needs to adhere to the standards prescribed in the CPHEEO manual for improving the quality of irrigation and drinking water.

1.6.14 Lack of convergence and co-ordination between WRD and other line departments in the State

The desired outcomes from the SIP were intended to be realised with the active co-operation among the State Departments especially WRD, PWD and DoA. The Goa Command Area Development Act, 1997 passed in the State to accelerate agricultural and allied production provided a common platform to bring together all the concerned line departments. Audit scrutiny of records and the responses of WRD, PWD and DoA revealed lack of co-ordination, teamwork and convergence of efforts on the part of these departments as is evident from the illustrative cases explained below.

1.6.14.1 Non-working of Command Area Development Board

The Act facilitated constitution of Command Area Development Board with members from various[50] departments. Scrutiny of records revealed that even though the Board was constituted in 1981 and reconstituted in 2013, it had remained dysfunctional as meetings did not take place during the review period (2014-20)[51]. The alternative arrangement for carrying on the functions of the

[50] Finance, Agriculture, Veterinary Services, Horticulture and Revenue Department

[51] Only 22 CAD Board meetings were held between 1981 and 1990 in comparison to minimum 40 meetings to be taken up during the period, six meetings were held between 1991 and 1997 as against 28 meetings expected to be conducted, meetings were not conducted after 1997 till the Board was reconstituted in 2013. Again, only one meeting was conducted on reconstitution in 2013.

Board in the absence of meetings were also not looked into. Thus, due to its failure for conducting meetings and deliberate on various issues concerning the command area development, the CAD Board had failed to adopt an integrated approach for agricultural development.

WRD stated (July 2021) that the CAD Board would be reconstituted at the earliest.

1.6.14.2 Lack of convergence between WRD and PWD

As PWD and WRD share a symbiotic relation[52], the efficient discharge of drinking water supply operations is largely dependent on the coordination between the departments. The departments were seen to be not working in collaboration as discussed below:

- The two departments differed on the quantity of water supplied for 160 MLD and 100 MLD Salaulim plants as detailed in **Table 1.16**.

Table 1.16: Comparison of water drawn as per WRD and PWD

(Quantity in MLD)

Year	Water drawn for 160 MLD plant (as per PWD)	Water drawn for 100 MLD plant (as per PWD)	Total Water drawn (PWD)	Water drawn (WRD)	Difference (daily)	Difference (Annual)
2014-15	208.61	00	208.61	172	36.61	13362.7
2015-16	224.07	00	224.07	172	52.07	19005.6
2016-17	222.08	25.96	248.04	172	76.04	27754.6
2017-18	182.86	74.33	257.19	272	(-) 14.81	(-) 5405.65
2018-19	176.80	91.27	268.07	272	(-) 3.93	(-) 1434.45
2019-20	182.06	95.61	277.67	280	(-) 2.33	(-) 850.45
Total	**1196.48**	**287.17**	**1483.65**	**1340**	**143.65**	**52432.35**

(Source: Water Resources Department, Goa and Public Works Department, Goa)

Thus, there was absence of periodic reconciliation of the records maintained by the departments which led to improper accounting and billing of the water supply to PWD.

- The demand and revenue collection status for sale of water for domestic and industrial purposes to PWD by WRD is shown in **Appendix 1.11**. As can be seen from **Appendix 1.11**, the records of WRD showed arrears due from PWD for domestic and industrial water supply at ₹ 1,060.26 crore and ₹ 5.31 crore, respectively. The primary reason for this was that WRD had unilaterally revised[53] the water charges for supply to PWD at ₹ 15 per m^3 effective from 2013 and at ₹ 20 per m^3 from 2016. The PWD stated that the revised rates of raw water fixed by WRD was much higher than the rate (₹ 2.50 per m^3) charged by it on treated water to the domestic consumers after incurring all the costs for water treatment and also the matter had been reported to the Government. Thus, while fixing the water charges, the WRD did not consult PWD and had arbitrarily fixed water charges without considering the cost incurred on water treatment, distribution and the recovery rate of PWD from the end consumers.

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52 PWD pumps water from SIP owned and managed by WRD for supply to the consumers after treatment

53 Notification no. 4/4/CE-WRD-EO/25 dated 04/04/2013 and 4/4/CE/WRD/EO/10, dt. 06/04/2016

The WRD stated (July 2021) that they would conduct joint meetings with PWD and rationalise the water usage charges for raw water supplied to PWD.

Recommendation 8: The State Government needs to take steps to facilitate convergence of the line departments responsible for ensuring utilisation of the irrigation potential, agricultural development and optimal use of water resources.

1.6.15 Mismanagement of rehabilitation of Project Affected Persons (PAP) of SIP

The execution of this project led to submergence of 2,964 ha. of land displacing 624 families of nine[54] villages. Only 552 families (Valkinim: 140 families and Vaddem: 412 families) out of the 624 families opted for rehabilitation package approved by the Government (**Appendix 1.12**) and were fully rehabilitated with all the listed facilities and amenities. The balance 72 families were added subsequently (between 1983 and 1984) for grant of compensation. Scrutiny of the records and the information furnished by the WRD revealed lapses in the handling of the rehabilitation issues by WRD and the State Government as discussed in the succeeding paragraphs.

1.6.15.1 Irregularities in providing amenities

The grant of benefits to the 552 PAPs approved by the rehabilitation committee was examined by audit which revealed discrepancies. Seven families received all the listed benefits (**Appendix 1.12**) approved by the Government twice. One of the PAPs not only received all the Government approved items twice but also received one-time settlement package of ₹ four lakh which was meant to be paid in lieu of one ha. agricultural plot. Twenty-four families received plots, loan, subsidies as well as one-time settlement package of ₹ four lakh.

The WRD stated (July 2021) that it will take up the matter with the Government to resolve the issues relating to grant of amenities.

1.6.15.2 Disparity in compensation to PAPs

As per the State Government order of 2002, the 72 PAPs added later were offered only 100 sq. meter of plot. These 72 families protested the order and demanded compensation at parity with the 552 families who were provided 400 sq. meter housing plot and one ha. agricultural land, *etc*. The Rehabilitation Committee[55] decided (March 2011) to allot 400 sq. meter residential plot to the 72 PAPs against the demand of 400 sq. meter housing plot and one ha. agricultural land. There was no progress in allotment of plots and the matter remained unsettled (November 2020).

The WRD stated that (July 2021) it will take up the matter with the Government to address the demands of these 72 families.

[54] Vinchundrem, Curpem, Naiquinim, Petrem, Curdi, Undorna, Xelpem, Salauli, Ugem

[55] Constituted in 1973

1.6.16 Conclusion

Augmentation of agricultural production was the primary objective of the Salaulim Irrigation Project. However, even the limited irrigation potential created by laying field channels in just 4,750 ha. against available CCA of 9,686 ha. was not supported by periodic notification of cropping pattern, rejuvenating WUAs, *etc*. Lack of convergence between WRD and the other line departments and inaction with regard to containing fallow lands were among the other major causes that weakened the prospects of farming activity in the command area.

Dependence of 65 *per cent* of the farmers surveyed solely on rainwater and ground water due to non-availability of irrigation water highlighted non-realisation of desired outcomes of the project. Sugarcane and other cash crops were not taken up for cultivation due to uncertainty of water availability. The WRD incurred an expenditure of ₹ 22 crore to ₹ 37 crore annually on the project O&M during 2014-20 on 9,686 ha. of land. However, due to faulty execution of policies and regulations by the State departments agricultural activity remained confined to a meagre 1,619 ha., resulting in inefficient and uneconomical use of Government resources, as well as a lost economic opportunity to ramp up agricultural productivity.

The Goa State Agricultural Plan had acknowledged major constraints hindering the sustainable growth and productivity in agriculture and allied sectors in the State. But the State Government did very little to revamp the irrigation management with a view to enhance its coverage and accessibility, resulting in lack of any significant improvement in the ground situation in the command area, post project implementation.

The potential of drinking water supply was also not sufficiently realised on account of inaction on the recommendations of JICA made in 2006 to fix the problem of spillage in the distribution system and failure to control contamination in the water supply.

HOME DEPARTMENT

1.7 Short collection of Government dues ₹ 12.32 crore

The monthly charges to be collected from a private training institute for use of barracks and ground of Directorate of Fire and Emergency Services were to be on the basis of number of candidates trained. However, the Directorate collected charges applicable for only 30 candidates throughout the lease period. This resulted in short collection of ₹12.32 crore.

Under Rule 15 of the General Financial Rules (GFR) the head of the Department concerned shall be responsible for the assessment and recovery of rent of any building and land hired out. As per Rule 9 of GFR, the head of the Department should ensure that the receipts and dues of the Government are correctly and promptly assessed, collected and duly credited to the Consolidated Fund. Further, he is responsible for making detailed rules and procedure *inter-alia* regarding assessment and collection of receipts (Rule 11 (1) of GFR).

Directorate of Fire and Emergency Services (DFES) is operating Goa Fire Forces Training Centre in its own premises at Panaji. On the request (December 1999) of M/s Sea Scan Marine Services Pvt. Ltd., a company, the Government allotted (February 2000) two barracks of the Fire Training Centre to the company to set up a Maritime Training Institute for imparting training in Fire Fighting and Specialised Marine Training Courses[56]. As per agreement (February 2000) the company has to pay monthly charges at the rate of ₹ 51,500 per 30 candidates or ₹ 1,717 per day per 30 candidates whichever is greater. In addition, electricity and maintenance charges were to be borne by the company. The monthly charges were revised to ₹ 75,000 per 30 candidates per month by notification from May 2011.

The company operated (February 2000) the training centre in the name of Sea Scan Maritime Foundation (SCMF) and imparted training in approved courses of Director General of Shipping, Government of India. The DFES collected monthly charges at the rate of ₹ 51,500 with effect from October 2000 to June 2011 and at the rate of ₹ 75,000 per month thereafter.

The Government on the basis of an RTI application (July 2018) sought clarifications from DFES regarding details of courses conducted, number of candidates trained and the monthly charges collected from the company. DFES has not maintained any records nor the company furnished the details sought from them. Hence, DFES proposed (September 2018) termination of the agreement. The Government on confirming that no public purpose was served with this training, as SSMF was conducting the course only pertaining to Marine Training privately and there was no role of the DFES in the courses provided by the SSMF, approved the termination proposal in April 2019.

Audit scrutiny (October 2019) of records of DFES for the period from April 2015 to January 2019 revealed that:

- The company conducted four training courses[57] during the period April 2015 to January 2019 with varying strength of candidates (ranged between 77 and 458 per month). DFES however, never worked out the monthly charges based on the actual number of candidates but collected at the rate of ₹ 75,000 per month which was applicable for only 30 candidates.
- DFES also did not assess and collect the electricity and maintenance charges separately any time during the contract period[58] from the company.
- Audit analysed the details of number of candidates and courses operated by the company and linked it with the monthly charges actually collected by DFES for the period from April 2015 to January 2019. The monthly charges due for the above period was worked out to ₹ 2.42 crore against ₹ 34.50 lakh collected.

The DFES had never attempted to collect details of courses and number of candidates who were imparted training by the company and failed to observe the provisions of the GFR in assessing and collecting the Government dues. DFES stated (August 2020) that they were directed by the Government to collect the dues for entire period of agreement. The Directorate extrapolated

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56 Training courses approved by the Directorate General of Shipping, Mumbai for prospective seafarers joining merchant ships and cruise liners

57 PSSR – Personal Safety and Social Responsibility, EFA – Elementary First Aid, FPFF – Fire Prevention and Fire Fighting, PST – Personal Survival Techniques

58 The contract period was not mentioned in the Agreement but the company had requested the Government to grant the permission for the same on a long-term basis. However, permission for conducting the said training programme was supposed to be given on year to year basis, which was also not followed by DFES, Panaji.

audit finding and worked out the collection of ₹ 12.32 crore due from the company.

The matter was referred to the Government in November 2020, however, it did not offer its comments (November 2021).

PANCHAYAT DEPARTMENT

1.8 Infructuous expenditure of ₹ 2.95 crore due to non-utilisation of hired premises

The Director of Panchayat leased a premises for three years for shifting their office. The premises remained unoccupied/partially occupied for 25 months due to delayed decision on the proposals for furnishing. The rent paid during the unoccupied period was ₹ 2.95 crore which was infructuous.

Office of Director of Panchayats (DoP) was accommodated in the Government owned building (Junta House, Panaji) since 1994. In view of the dilapidated condition of the building and to overcome the space shortage the DoP considered the possibility of hiring a private building (Myles High at Patto) which had been vacated by the Sports Authority of Goa. The proposal for leasing the building at an approximate rent of ₹ 8.95 lakh per month was submitted (September 2017) to Panchayat Department which in turn directed DoP to ascertain the reasonability of rent.

Since the reasonable rent worked out (October 2017) by the PWD (₹ 1.89 lakh[59] per month) was much lower than the rent quoted by the owner of the building the DoP re-submitted the proposal stating that the building was situated in commercial area where all corporate offices are located and they were in urgent need of shifting from existing building due to its dilapidated condition.

As the Government did not agree to lease the building on nomination basis[60] the DoP called (March 2018) quotations from bidders for hiring approximately 900 sq. mtr. area of office premises at Patto area of Panaji. Out of four quotations received, DoP rejected two lowest quotations as these were nearly five k.m. away[61] from Patto and remaining two quotations the lowest quote of Myles High Hotels & Towers for office space admeasuring 868.46 sq. mtr. was selected (September 2018) for a monthly rent of ₹ 9.44 lakh plus GST.

The DoP took possession of the premises in October 2018 and an agreement was signed (April 2019) with a lock in period of three years till September 2021. It was extendable by another three years on mutually agreed terms. Rent payment[62] of ₹ 2.95 crore was made to the owner for the period from October 2018 to October 2020 apart from payment (May 2019) of the Security Deposit of ₹ 53.28 lakh.

Audit observed (March 2020) that after taking possession of the building, the DoP entrusted (December 2018) interiors and furnishing work of the premises

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[59] Proportionate worked out from ₹ 1.15 lakh per month recommended by PWD for an area of 528.85 sq. m. as only that much area was under consideration initially.

[60] The DoP's proposal was based on response made by it against the newspaper advertisement of the owner of the building.

[61] Campal, Panaji and Caculo Mall, St.Inez

[62] ₹ 8.88 lakh per month excluding taxes with ₹ 56,088 per month as Common Area Maintenance charges

to GSIDC[63]. The three proposals[64] for interior works submitted by the DoP between January 2019 and March 2020 were rejected by the Panchayat Department mainly on the apprehension that expenditure on interiors and furnishing would be of no use after the premises are vacated. The Panchayat Department finally instructed (March 2020) DoP to explore the possibility of shifting with existing furniture. The building remained unoccupied (October 2018 to March 2020) and partially occupied (April 2020 onwards) during the intervening period, rendering infructuous expenditure of ₹ 2.95 crore on rent paid.

The DoP stated (October 2021) that work order for furnishing the leased premises was issued in March 2021 for an amount of ₹ 81.76 lakh. However, the majority of its total strength consisting of six gazetted officers (out of 12) and 70 non-gazetted officers (out of 75) remained to be shifted to the new premises due to non-occupation of the leased premises (October 2021).

Thus, due to lack of timely planning to occupy the leased premises, despite the urgency to shift out of the existing dilapidated building, the said premises had been idling for 25 months, resulting in infructuous expenditure on rent to the tune of ₹ 2.95 crore.

The matter was referred to the Government in December 2020, however, it did not offer its comments (November 2021).

PUBLIC WORKS DEPARTMENT

1.9 Non-remittance of cash receipts of ₹ 10 lakh

Sub-division II of Division XXI of Public Works Department was regularly delaying remittance of revenue collected through receipt books to the divisional cash book resulting in diversion of funds and delayed remittance into the Treasury. Absence of internal controls led to misappropriation of cash receipts to the tune of ₹ 10 lakh from Government account in September 2019.

Rule 13 of the Government of Goa (Receipts and Payments) Rules, 1997 stipulates that all monetary transactions should be entered in the cash book as soon as they occur and should be attested by the Head of Office (HoO) as token of check and deposited into accredited bank for inclusion in the Government account without undue delay. The cash book should be closed regularly and checked by the HoO. Further, Rule 306 of General Financial Rules (GFR) requires that a security bond be furnished by a Government servant handling cash.

Assistant Engineer (AE), Sub-division II, Vasco under PWD Division XXI was responsible for collection of cash receipts for rendering services like cleaning of sewage tanks, providing new connections *etc*. For this purpose, the Division XXI issues receipt books in Form GAR 5 to the AE for use in collection of cash from public. On completion of a receipt book the AE is required to remit the total amount collected under the receipt book to the Division XXI along with detailed account of various amounts collected. The cashier of the Division enters the amount in the cash book, generates challan and deposits the amount

[63] Goa State Infrastructure Development Corporation

[64] ₹ 3.96 crore in January 2019, ₹ 5.05 crore in August 2019 and ₹ 3.17 crore in March 2020

into treasury. A contract staff posted in the Sub-division who was handling the receipt book collected cash and signed the receipts on behalf of the Junior Engineer of the Sub-division.

Test check (30/08/2019) of the cash book and counterfoils of three used receipt books (No. 6, 10 and 14) revealed that the total collection made by the Sub-division II from 17/06/2019 to 30/08/2019 was ₹ 2,96,600 whereas the currency notes in the cash chest amounted to only ₹ 9,500 showing a shortage of ₹ 2,87,100 at the time of physical verification by Audit in the presence of Executive Engineer of the Division XXI. It was also found that a collection of ₹ 7,12,791 between 14/02/2019 to 17/06/2019 was made through receipt books numbered 28, 29, 32 and 01. Thus, a total amount of ₹ 10,09,391 was collected from 14/02/2019 to 30/08/2019 out of which only an amount of ₹ 9,500 was available in the cash chest. The receipt of ₹ 10.09 lakh was neither entered in the cash book of the Division nor deposited into the Government treasury. The Division stated that the contract staff had kept an amount of ₹ 2,96,600 in personal possession instead of submitting the same to the Division office. However, the Division did not clarify about the staff responsible for misappropriation of receipts of ₹ 7,12,791 nor did it provide reasons for delay in remitting this amount. It was therefore evident that the sub-divisional staff misappropriated Government cash amounting to ₹ 10 lakh between February 2019 and August 2019, which was finally deposited a week later (September 2019) after being pointed out by Audit.

Further, verification of 29 receipt books issued to the Sub-division during the earlier period (January 2017 to January 2019) revealed that the Sub-division was perennially holding back sizeable amount of Government money without remitting the same to the Division for depositing into Government treasury. The amounts held back ranged from ₹ 1.12 lakh to ₹ 3.49 lakh during the above two year period. Audit observed that these violations went undetected on account of the following internal control deficiencies in the system of cash receipts and remittances followed by the Division:

a) Handling of cash transactions of the Sub-division was delegated to a freshly recruited contract staff without obtaining security bond as required under GFR provisions.
b) There was no written authorisation for the contractual staff to collect cash and sign on the receipt book on behalf of the Junior Engineer.
c) The Sub-division neither maintained a subsidiary cash book to record the cash collections and remittances to the Division nor did it follow the practice of verifying the cash receipts on a daily basis.
d) New receipt books were issued by the Division without seeking deposit of the collection made through receipt book issued earlier.
e) The Division did not reconcile the cash receipts recorded in the Cash book with the receipt books submitted by the Sub-division.

The Principal Chief Engineer, PWD stated (May 2020 and February 2021) that the entire amount which was collected by the Sub-division II had been remitted into Government treasury on 06/09/2019, hence, there was no embezzlement of cash at all. Further, the service of the said contract staff was terminated with effect from 01/04/2020 and the Sub-division has started collecting money only in demand draft/cheque and submitting it to Division on weekly basis for remittance to bank. New receipt book is issued to Sub-division only after submission of the completed receipt book and since no cash is collected now, no security bond is obtained. Further, the development of a software through NIC for accepting and collecting fees towards house sewerage connection by way of e-challan through Goa online portal is in final stages.

Though the Division has taken steps to strengthen the controls, the fact remains that the Division addressed the matter only partially after being pointed out by Audit. While the Division recovered an amount of ₹ 2,87,100 from the contract staff and terminated his/her services, it did not make any attempt to initiate appropriate action against the staff responsible for misappropriation of ₹ 7,12,791 except arranging for the same to be refunded. The Division also did not fix accountability for constant delays in the deposit of sizeable amount of receipts in the Government treasury since January 2017.

The matter was reported to the Government in December 2020, however, it did not offer its comments (November 2021).

HOUSING DEPARTMENT

1.10 Avoidable payment of interest under Income Tax Act, 1961

Goa Housing Board did not comply with the provisions of Income Tax Act, 1961 regarding payment of advance tax and filing of return, resulting in levy of penal interest of ₹70.69 lakh under the Act, which was avoidable.

Section 208 of the Income Tax Act, 1961 requires an assessee to pay advance tax during a financial year where the amount of such tax payable by the assessee during that year is ₹ 10,000 or more. Such advance tax is payable (Section 211 of the Income Tax Act), at the rates of 15, 45, 75 and 100 *per cent* of the tax, on or before the 15 day of June, September, December and March respectively of the financial year. Section 234 A of the Act, provides that if the return of income for any assessment year is furnished after the due date or not furnished, assessee shall be liable to pay simple interest at the rate of one *per cent* for every month on the amount of assessed tax, as reduced by the amount of advance tax, if any, paid and any tax deducted/collected at source. Similar rate of interest is chargeable under Section 234 B if an assessee failed to pay advance tax or where the advance tax paid by the assessee is less than 90 *per cent* of the assessed tax. Interest is also chargeable at the rate of one *per cent* per month under Section 234 C, if an assessee fails to pay advance tax or pays advance tax lesser than the specified percentage rates, on or before the specified due date.

Goa Housing Board, an autonomous body constituted under Goa, Daman & Diu Housing Board Act, 1968 to provide quality and cost effective housing options to citizens of Goa, did not have a system to assess the liability of advance tax payable on income earned by it. It did not pay advance tax on the due dates as required under Section 211 of Income Tax Act for the last four years (2015-16, 2016-17, 2017-18 and 2018-19) and defaulted in timely filing of returns of income for two years (2015-16 and 2018-19). Consequently, the Board had to pay penal interest totaling ₹ 70.69 lakh under Sections 234 A, 234 B and 234 C during the last four year period 2015-19 as shown in **Table 1.17**.

Table 1.17: Details of penal interest paid

(₹ in lakh)

Assessment year	2015-16	2016-17	2017-18	2018-19
Interest for delay in filing return of income (Section 234 A)	4.50	0.00	0.00	5.84
Interest for default in payment of advance tax (Section 234 B)	17.83	1.63	5.44	14.60
Interest for deferment of advance tax (Section 234 C)	7.86	1.78	3.73	7.48
Total interest paid	**30.19**	**3.41**	**9.17**	**27.92**

Due to lack of tax planning and non-compliance of provisions of Income tax Act, the Goa Housing Board had to pay penal interest, amounting to ₹ 70.69 lakh, which was avoidable.

The Board admitted (October 2019) that payment of penal interest was avoidable with proper assessment of taxable income. It stated that advance tax could not be paid as its financial position was precarious. It, however, noted the audit observation for future compliance.

The reply is not tenable as timely payment of advance tax and filing of return are statutory requirements to be complied by following the appropriate[65] management practices.

The matter was referred to the Government in November 2020, however, it did not offer its comments (November 2021).

[65] Assessment of tax liability in advance either through in house personal or by engagement of tax consultants, finalisation of annual accounts in time *etc*.

CHAPTER – II

Revenue Sector

CHAPTER-II

REVENUE SECTOR

2.1 Revenue receipts

2.1.1 Trend of revenue receipts

The tax and non-tax revenue raised by the Government of Goa during the year 2019-20, the State's share of net proceeds of divisible Union taxes and duties assigned to the State and grants-in-aid received from the Government of India during the year and corresponding figures for the preceding four years are mentioned in the **Table 2.1**.

Table 2.1: Details of total revenue receipts of State Government

(₹ in crore)

Sl. No.	Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
1	**Revenue raised by the State Government**					
	▪ Tax revenue	3975.37	4261.16	4731.37	4871.36	4700.56
	▪ Non-tax revenue	2431.93	2712.00	3033.27	2873.66	2737.54
	Total	**6407.30**	**6973.16**	**7764.64**	**7745.02**	**7438.10**
2	**Receipts from the Government of India**					
	▪ Share of net proceeds of divisible Union taxes and duties	1923.76	2299.20	2544.26	2878.36	2479.85
	▪ Grants-in-aid	221.18	292.61	744.62	814.60	1379.57
	Total	**2144.94**	**2591.81**	**3288.88**	**3692.96**	**3859.42**
3	**Total revenue receipts of the State Government (1 and 2)**	**8552.24**	**9564.97**	**11053.52**	**11437.98**	**11297.52**[1]
4	**Percentage of 1 to 3**	**75**	**73**	**70**	**68**	**66**

(Source: Finance Accounts of the State)

The above table indicates that there was continuous increase in collection of revenue between 2015-19, whereas it dropped in 2019-20 by ₹ 306.92 crore. The revenue raised by the State Government during the year 2019-20, constituted 66 *per cent* of the total revenue receipts. The balance 34 *per cent* of the receipts during 2019-20 was from the Government of India by way of share of net proceeds of divisible Union taxes, duties and grants-in-aid.

2.1.2 Tax revenue

The tax revenue raised by the Government of Goa during 2019-20 was ₹ 4,700.56 crore. The details of the tax revenue along with details of preceding four years are given in **Table 2.2**.

[1] For details, please see Statement No. 14 Detailed accounts of revenue receipt by minor heads in the Finance Accounts of the Government of Goa for the year 2019-20. Figures under the head 0005-Central GST, 0008-Integrated GST, 0020-Corporation tax, 0021-Taxes on income other than corporation tax, 0032-Taxes on wealth, 0037-Customs, 0038-Union excise duties, 0044-Service tax and 0045-Share of net proceeds assigned to State booked in the Finance Accounts-Tax revenue, have been excluded from revenue raised by the State and included in State's share of divisible Union taxes in this statement

Table 2.2: Details of tax revenue receipts of the State Government

(₹ in crore)

Sl. No.	Head of revenue		2015-16	2016-17	2017-18	2018-19	2019-20	Percentage increase (+) or decrease (-) in 2019-20 over 2018-19
1	Taxes on sales, trade *etc.*	BE	2370.00	2624.35	2582.32	782.58	1395.74	
		RE	2067.34	2245.50	1491.52	782.58	1091.32	
		Actual	2115.69	2438.17	1621.69	1013.53	1032.84	1.90
2	SGST	BE	-	-	-	3123.62	2756.89	
		RE	-	-	1710.66	3123.62	2493.01	
		Actual	-	-	1463.74	2529.09	2438.50	(-)3.58
3	Entertainment Tax/Luxury Tax *etc.*[2]	BE	617.86	848.01	905.62	28.81	13.88	
		RE	689.64	792.78	332.93	28.81	17.48	
		Actual	757.81	822.59	315.98	13.50	(-)2.52	(-)118.67
Sub-total (Actual collection under 1,2 and 3 above)			2873.50	3260.76	3401.41	3556.12	3468.82	
4	Stamp Duty & Registration fees[3]	BE	549.35	678.49	600.59	612.53	641.30	
		RE	584.46	625.16	600.59	612.53	631.30	
		Actual	524.90	365.11	529.69	432.33	393.37	(-)9.01
5	State Excise[4]	BE	292.14	348.50	381.77	399.86	475.25	
		RE	293.00	348.50	381.77	399.86	475.25	
		Actual	315.70	316.03	408.44	477.95	491.77	2.89
6	Taxes on Goods and Passengers	BE	13.23	25.00	25.00	25.00	27.50	
		RE	13.24	21.47	25.00	25.00	27.50	
		Actual	22.81	23.65	26.08	25.39	25.02	26.58
7	Land Revenue	BE	213.37	156.01	61.64	39.59	60.17	
		RE	155.53	182.91	61.64	39.59	60.17	
		Actual	24.51	39.09	42.02	66.62	37.11	(-)44.29
8	Other taxes	BE	230.52	236.00	243.46	260.26	385.97	
		RE	230.54	229.41	243.46	260.26	385.97	
		Actual	213.95	256.51	323.73	312.95	284.47	(-)9.10
	Total	**BE**	**4286.47**	**4916.36**	**4800.40**	**5272.25**	**5756.72**	
		RE	**4033.75**	**4445.73**	**4847.57**	**5272.25**	**5182.02**	
		Actual	**3975.37**	**4261.16**	**4731.37**	**4871.36**	**4700.56**	**(-)3.50**

(Source: Compiled by Audit from Budget Estimates and Finance Accounts)

Taxes on Sales, Trade *etc.* (except that of petroleum products and liquor), Entertainment tax, Luxury tax and taxes on entry of goods and medicinal and toilet preparations containing alcohol, opium *etc.,* are subsumed in the GST subsequent upon implementation of GST *w.e.f.* 01 July 2017. During 2019-20 the major share of tax revenue (52 *per cent*) was collected under 'SGST'.

2.1.2.1 Revenue from GST

Government of Goa implemented Goods and Services Tax (GST) with effect from 01 July 2017. GST is levied on *intra-State* supply of goods or services (except alcohol for human consumption and five[5] specified petroleum products)

[2] Taxes on entry of goods and medicinal and toilet preparation containing alcohol, opium *etc.*

[3] Due to less receipts under court fees realised in stamps and sale of stamps during the years 2018-19 and 2019-20 tax revenue has declined.

[4] Excludes medicinal and toilet preparations containing alcohol, opium *etc.*

[5] Petroleum crude, motor spirit (petrol), high speed diesel, natural gas and aviation turbine fuel *etc.*

and its components are shared by the Central GST (CGST) and the State GST (SGST). Further, Integrated GST (IGST) is levied and collected by the Central Government on *inter-State* supply of goods and services. The IGST so collected is apportioned between the Centre and the concerned State where the goods and services are consumed.

Table 2.3: Details of budgeted and actual receipt of GST

(₹ in crore)

Year	Budget Estimates (BE)	Revised Estimates (RE)	Actuals
	SGST/UTGST	SGST/UTGST	SGST/UTGST
2017-18	0.00	1710.66	918.46
2018-19	3123.62	3123.62	1420.95[6]
2019-20	1601.16	1601.16	1526.17

(Source: Details furnished by the SGST Department)

The overall GST revenue of the State Government increased by ₹ 105.22 crore (7.2 *per cent*) in 2019-20 over the preceding year 2018-19.

2.1.2.2 GST Registrations

The category-wise registrations under GST have been given in **Table 2.4**.

Table 2.4: Details of GST registrations during the year 2019-20

Category of Registrant	No. of Registrants	Percentage of total
Normal taxpayers	36033	86
Composition taxpayers	5246	12
Tax Deductors at Source	634	2
Tax Collectors at Source	107	0
Input Service Distributors	78	0
Others (Casual, NRTP, OIDAR)	18	0
Total Registrants	**42116**	

(Source: Data furnished by State Tax Department)

The total registrations under GST as on 31 March 2020 were 42,116 of which normal taxpayers accounted for 86 *per cent* and composition taxpayers were 12 *per cent*. Of the total registrants, 20,569 were migrated from pre-GST regime, accounting for around 49 *per cent,* while balance were new registrations.

2.1.2.3 GST Return filing pattern

Filing of GSTR 1 and 3B

The monthly return filing trends of GSTR-1 and GSTR-3B during the year 2019-20 as compiled from the summary reports shared by State Commercial Tax Department have been depicted in **Table 2.5**.

[6] Budget Estimate and Revised Estimate for the year 2018-19 are inclusive of IGST share whereas actuals shown above is the proceeds of SGST exclusively.

Table 2.5: Return filing trends of GSTR 1 and 3B

(Figures in numbers)

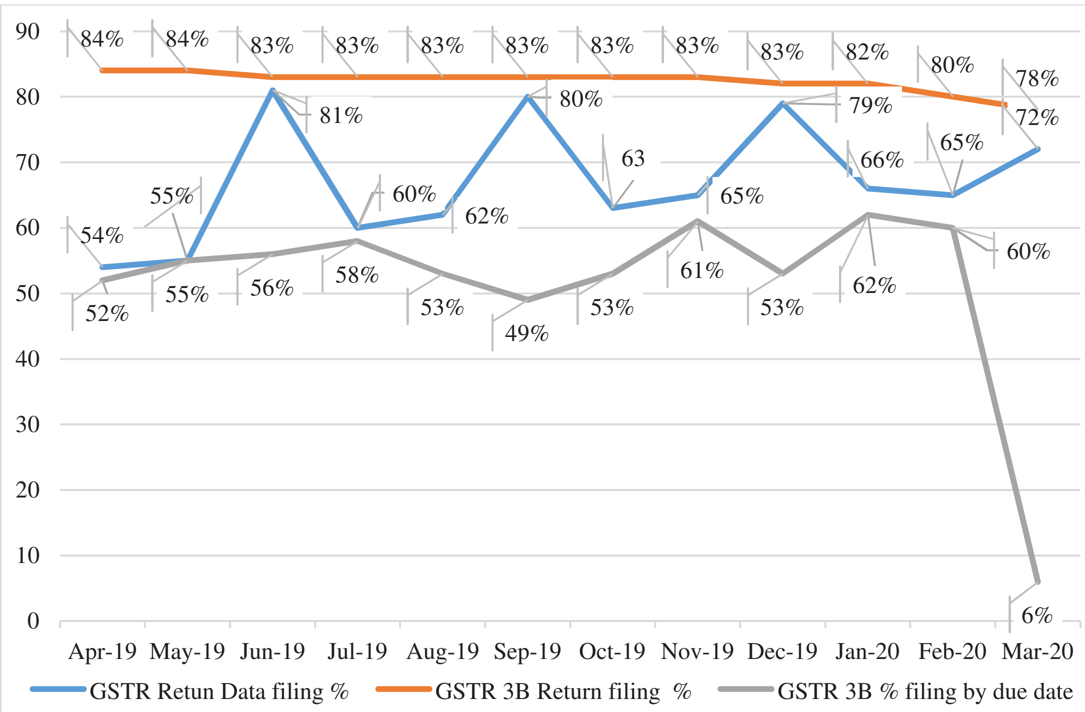
Return Type	GSTR 1			GSTR 3B				
Months	**Due for filing**	**Returns filed**	**Return filing *per cent***	**Due for filing**	**Returns filed as on 28 Feb 2019**	**Return filing *per cent***	**Returns filed by due date**	***Per cent* filed by due date**
April 2019	21309	11423	54	33353	27922	84	17206	52
May 2019	20779	11441	55	33480	28008	84	18371	55
June 2019	33757	27258	81	33757	28096	83	18735	56
July 2019	19308	11550	60	34090	28248	83	19770	58
Aug 2019	18815	11582	62	34201	28306	83	18287	53
Sep 2019	34397	27515	80	34397	28424	83	16764	49
Oct 2019	18492	11678	63	34642	28618	83	18296	53
Nov 2019	18104	11724	65	34765	28711	83	21249	61
Dec 2019	35044	27553	79	35044	28869	82	18472	53
Jan 2020	17705	11616	66	35365	28860	82	21905	62
Feb 2020	17648	11505	65	35756	28733	80	21313	60
Mar 2020	36052	26097	72	36052	28211	78	2018	06

(Source: Data furnished by Commercial Tax Department)

The filing of GSTR-3B for April 2019 was 84 *per cent* while the filing percentage for March 2020 was only 78 *per cent*. It was noticed that 52 *per cent* taxpayers filed their GSTR-3B returns within the due date and 31 *per cent* returns were filed after due date. The monthly achievement of filing of GSTR-3B on due dates, ranged from 06 *per cent* to 62 *per cent* during the year 2019-20.

The trend of return filing pattern is depicted in **Chart 2.1**.

Chart 2.1: Filing pattern of GSTR 1 and 3B on monthly basis



The filing percentages of GSTR 1 returns were less when compared to the corresponding percentages of filing of GSTR 3B returns during 2019-20.

Filing of GSTR 4

The total number of composition taxpayers for the year 2019-20 was 4,633 who were to file return in GSTR 4 till 2018-19. The return format is replaced with CMP 08 during the year 2019-20. The details of return filing pattern of CMP 08 are given in **Table 2.6**.

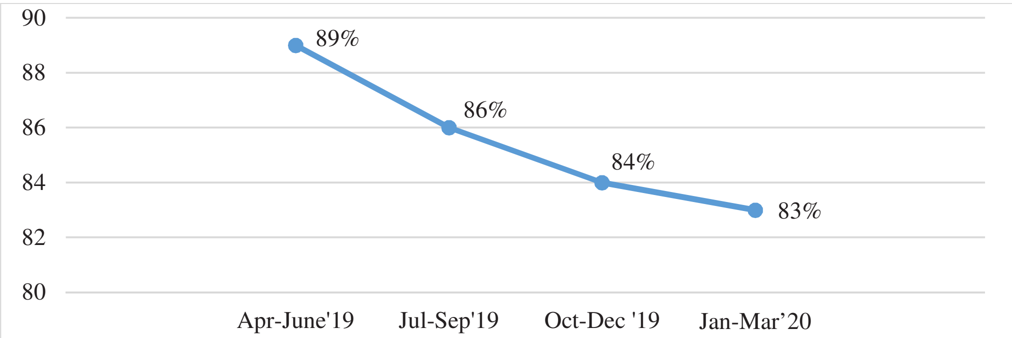
Table 2.6: Details of return filing of number of return CMP 08 during the year 2019-20

Months	Due for filing	Number of returns filed	Percentage of tax payers filed return
Apr-June 2019	Not furnished	4128	89.10
Jul-Sep 2019		4005	86.45
Oct-Dec 2019		3899	84.16
Jan-Mar 2020		3840	82.88

(Source: Data furnished by Commercial Tax Department)

The trends of quarterly return filing of CMP 08 during 2019-20 are given in **Chart 2.2**.

Chart 2.2: Filing of GSTR 4



(Source: Data furnished by Commercial Tax Department)

Filing of GSTR 6 as on March 2020

GSTR-6 is filed by Input Service Distributor (ISD) giving the details of input tax credit received and distributed. The details of filing GSTR 6, as compiled from the summary reports shared by Commercial Tax Department is depicted in **Table 2.7**.

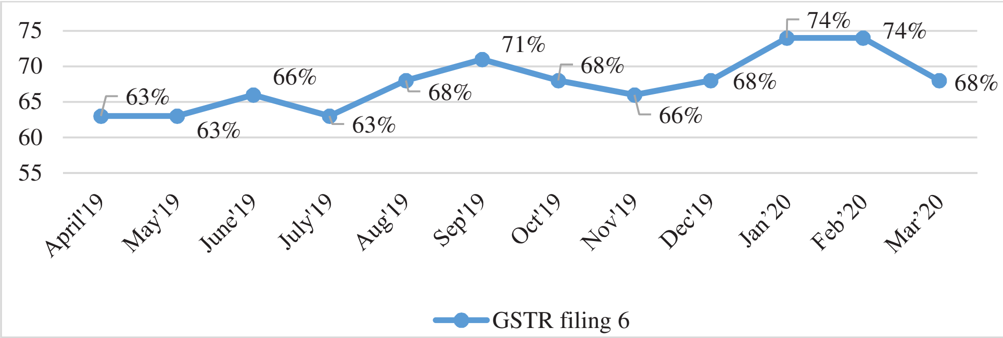
Table 2.7: The details of filing GSTR 6

Months	Number of returns due for filing	Number of returns filed	Return filing *per cent*
April 2019	Information not furnished	24	63
May 2019		24	63
June 2019		25	66
July 2019		24	63
Aug 2019		26	68
Sep 2019		27	71
Oct 2019		26	68
Nov 2019		25	66
Dec 2019		26	68
Jan 2020		28	74
Feb 2020		28	74
Mar 2020		26	68

(Source: Data furnished by Commercial Tax Department)

Returns filed for GSTR 6 taxpayers range from 63 *per cent* (April 2019) to 74 *per cent* (February 2020). The trend of return filing is depicted in **Chart 2.3**.

Chart 2.3: Filing of GSTR 6



(Source: Data furnished by Commercial Tax Department)

Note: The total number of GSTR 6 taxpayers for the year 2019-20 was 38, hence, the percentage is calculated as (return filed/38) x100.

2.1.2.4 Integrated Goods and Services Tax

The IGST apportioned to the State as per Section 17 of IGST Act, 2017 and that apportioned provisionally/*ad-hoc* basis to the State during the last three year period 2017-20 were as shown in **Table 2.8**.

Table 2.8: The details of IGST

(₹in crore)

IGST Component	2017-18	2018-19	2019-20 (Provisional)
IGST apportioned to the State as per Section 17 of IGST Act, 2017	450.29	753.65	880.41
IGST provisionally/*ad-hoc* apportioned to the State/UT	95.00	354.49	73.60

(Source: Data furnished by Commercial Tax Department)

IGST apportioned to the State for the year 2018-19 was ₹ 753.65 crore whereas provisional share for 2019-20 was ₹ 880.41 crore which shows an increase of 16.80 *per cent* over the previous year. The provisionally/*ad-hoc* apportionment of IGST to the State for the year 2018-19 was ₹ 354.49 crore whereas for the year 2019-20 the apportionment was ₹ 73.60 crore.

2.1.2.5 Analysis of Bi-monthly Compensation received during 2019-20

Table 2.9: Details of compensation due and received

(₹in crore)

Month	Provisional Compensation due	Provisional Compensation received	Shortfall(+)/ surplus (-)
April-May	173.98	135.00	38.98
June-July	204.85	244.00	39.15
August-September	252.27	252.00	0.27
October-November	234.35	234.00	0.35
December-January	73.56	-	73.56
February-March	193.40	228.00	(-)34.60

(Source: Data furnished by Commercial Tax Department)

It could be seen from the above table that when compared to the provisional compensation due the compensation received were less during the first five bi-monthly period of the year 2019-20. During the bi-monthly period of February and March there was surplus of ₹ 34.60 crore.

2.1.3 Non-tax revenue

The details of the non-tax revenue along with details of preceding four years are given in **Appendix 2.1**. The non-tax revenue raised during 2019-20 was ₹ 2,737.54 crore. Details of non-tax revenue raised by some principal departments of Government of Goa during the period 2015-16 to 2019-20 are indicated in **Table 2.10**.

Table 2.10: Details of Non-tax revenue receipts of the State Government

(₹ in crore)

Sl. No.	Heads of revenue		2015-16	2016-17	2017-18	2018-19	2019-20	Percentage increase (+) or decrease (-) in 2019-20 over 2018-19
1	Power	BE	1497.17	1687.75	1819.15	1907.65	2244.16	
		RE	1497.17	1687.75	1819.15	1907.65	2244.16	
		Actual	1708.91	1765.80	2119.09	1919.80	1960.52	2.12
2	Non-Ferrous Mining and Metallurgical Industries[7]	BE	742.57	439.28	377.60	327.59	60.64	
		RE	205.11	259.34	377.60	327.59	60.64	
		Actual	216.53	347.63	332.79	34.39	08.78	(-)74.77
3	Other Administrative Services	BE	163.27	176.47	178.67	161.38	310.25	
		RE	133.10	183.70	179.83	161.38	310.25	
		Actual	108.98	152.52	139.66	450.94	260.25	(-)42.29
4	Water Supply and Sanitation	BE	145.75	162.62	126.05	136.96	154.73	
		RE	145.75	114.59	126.05	136.96	154.73	
		Actual	115.40	119.69	129.80	145.96	147.66	1.16

(Source: Finance Accounts of the State and Estimates of Receipts for the concerned years)

There was a steep decline in revenue from non-ferrous mining and metallurgical industries in 2018-19 and 2019-20 due to less receipts under Mineral Concession Fees, Rent and Royalties, Royalty Deed Rent, Surface Rent Application Fees *etc*. and other receipts.

2.1.4 Analysis of arrears of revenue

The arrears of revenue pending collections in respect of some principal departments of the State Government as on 31 March 2020 were ₹ 4,007.31 crore of which ₹ 894.68 crore had been pending for more than five years as detailed in **Table 2.11**.

[7] Includes major minerals such as iron ore, manganese and bauxite; minor minerals such as basalt (Granite), laterite stones, ordinary sand, river pebbles, murrum and laterite boulders

Table 2.11: Arrears of revenue

(₹ in crore)

Sl. No.	Name of the Department	Amount outstanding as on 31 March 2020	Amount outstanding for more than five years	Action taken by the Department
1	Commercial Taxes Department	1882.28	778.90	The Department intimated that 749 cases involving ₹ 27.50 crore were pending in Revenue Recovery Court (RRC). Further visits were constantly made by the officers of the Department for recovery of the remaining arrears and the dealers were persuaded to pay the dues and reminders were also issued.
2	Electricity Department	439.50	16.80	The Department had referred 9,438 cases involving ₹ 33.13 crore to RRCs. Disconnection notices were issued to consumers against whom electricity charges were outstanding. Notices were issued for payment of the arrears to the heads of various departments against whom arrears were outstanding. Request was also made to Director of Accounts to recover the arrears from the defaulting departments through book adjustments, if they fail to settle the dues. A billing dispute redressal committee had been set up for settlement of disputed cases. The Department had introduced One Time Settlement scheme from 01 December 2020 in order to enable prompt recovery of outstanding dues by waiver of Delay Payment Charges.
3	Public Works Department	136.87	16.08	The Department stated that arrears involving ₹ 14.16 crore were pending before RRC as on 31 March 2020. Show cause notices had been issued and disconnection under process. Information regarding arrears of Rent, HRA & License fee are not furnished by the Department.
4	Water Resources Department	1548.66	82.90	Water tax ₹ 29.38 crore: The Department stated that beneficiaries who have not paid water taxes have been requested to pay on priority. Raw water charges ₹ 1,516.24 crore: Department stated that farmers were contacted personally for collecting revenue and reminder letter sent to PWD. Hire charges of machinery ₹ 0.33 crore: Department stated that the cases are referred to the Government to waive-off the same. Rent from shops and halls: The Department stated that notices have been served on defaulters for effecting payment.
	Total	**4007.31**	**894.68**	

(Source: Information furnished by concerned departments)

The information relating to the cases pending in Courts and with Departmental Appellate Authorities was not furnished by the departments. However, it would be seen from the above that 22.33 *per cent* of the arrears have been pending for more than five years. With the passage of time, the chances of their recovery become low. It is recommended that the Government may instruct the concerned departments to make extra efforts for settlement of the arrears.

2.1.5 Pendency of refund cases

The details of refund cases pending at the beginning of the year 2019-20, claims received and refunded during the year and the cases pending at the close of the year 2019-20 in respect of Commercial Taxes Department are given in **Table 2.12**.

Table 2.12: Details of pending refund cases

Sl. No.	Particulars	Sales tax/VAT		State Excise	
		No. of cases	Amount (₹ *in crore*)	No. of cases	Amount (₹ *in crore*)
1	Claims outstanding at the beginning of the year	696	142.80	-	-
2	Claims received during the year	590	80.81	-	-
3	Claims rejected	1	0.01	-	-
4	Refunds made during the year	522	90.67	-	-
5	Balance outstanding at the end of the year	763	132.93	-	-

(Source: Information furnished by respective departments)

Above table shows that 763 cases of refunds involving ₹ 132.93 crore were outstanding in Commercial Taxes Department as on 31 March 2020. Section 33 (2) of Goa Value Added Tax Act, 2005 provides for payment of interest, at the rate of eight *per cent per annum* for the delay in refunds. It would be prudent on the part of the Department to settle the refund cases expeditiously to save the Government from the interest liability. In the case of State Excise Department, no claims were pending for refund at the end of 31 March 2020.

2.1.6 Response of the Government/Departments towards Audit

The office of Accountant General, Goa (AG) conducts periodical inspection of the Government/Departments to test check the transactions and verify the maintenance of important accounts and other records as prescribed in the rules and procedures. These inspections are followed by Inspection Reports (IRs) which incorporate irregularities detected during the inspection and not settled on the spot. The IRs are issued to the heads of the offices inspected with copies to the next higher authorities for taking prompt corrective action. The Heads of the offices/the Government are required to promptly respond to the observations contained in the IRs and rectify the defects and omissions. They have to report compliance through initial reply to the Accountant General within four weeks from the date of issue of the IRs. Serious financial irregularities are reported to the Heads of the Department and the Government.

Analysis of IRs issued up to December 2019 disclosed that 1,049 observations involving ₹ 3,469.17 crore relating to 232 IRs remained outstanding at the end of June 2020. Out of these, 232 observations from 94 IRs were outstanding for more than five years. The figures as on June 2020 along with the corresponding figures for the preceding two years are given in the **Table 2.13**.

Table 2.13: Details of pending Inspection Reports

	June 2018	June 2019	June 2020
Number of IRs pending for settlement	212	218	232
Number of outstanding audit observations	906	933	1049
Amount of revenue involved (₹ *in crore*)	557.62	717.56	3469.17

(Source: Compiled from Audit records)

The Department-wise details of the IRs and audit observations outstanding as on 30 June 2020 are mentioned in the **Table 2.14**.

Table 2.14: Department-wise details of pending Inspection Reports

Sl. No.	Name of the Department	Nature of receipts	Number of outstanding IRs	Number of outstanding audit observations	Money value involved (₹ *in crore*)
1	Finance	Commercial Taxes	102	470	401.51
2	Excise	State excise	15	47	5.13
3	Revenue	Land revenue	32	136	9.69
4	Transport	Taxes on motor vehicles	43	205	68.94
5	Stamps and Registration	Stamp duty and registration fee	38	168	180.81
6	Mines and Geology	Non-ferrous mining and metallurgical industries	02	23	2803.09
Total			**232**	**1049**	**3469.17**

(Source: Compiled from Audit records)

Audit did not receive the first replies from the heads of offices within four weeks from the date of issue of the IRs in respect of 24 IRs issued up to December 2019. There was increase in pendency of the IRs by 6.42 *per cent* as compared to previous year. This indicated that the heads of offices/departments did not initiate action to rectify the defects, omissions and irregularities pointed out by the AG in the IRs.

2.1.7 Response of the departments to the draft audit paragraphs

One Performance Audit and 10 paragraphs were sent to the Secretaries of the respective departments during September-December 2020. Reply in respect of these paragraphs have not been received from the Government (June 2021).

2.1.8 Audit planning

The auditable units under various departments are categorised into high, medium and low risk units. The risk analysis was done considering their revenue position, past trends of the audit observations and other parameters specified in Compliance Audit Guidelines. The annual audit plan is prepared on the basis of critical issues in Government revenues and tax administration. Audit also considered budget speech, revenue during the pasts five years, features of the tax administration, audit coverage and its impact during past five years *etc.*

During the year 2019-20, 76[8] units were planned of which 58 units were audited along with 12 Apex units, audit of the remaining 6 units was suspended due to COVID pandemic.

2.1.9 Results of audit and coverage of this chapter

During the year 2019-20, Audit test checked the records of 58 units of Sales Tax/Value Added Tax, State Excise, Motor Vehicles Tax, Goods and Passengers Tax, Stamp Duty and Registration and other Departmental offices.

[8] 76 units = 12 Apex Units + 64 units

The test check showed under-assessment/short-levy/loss of revenue aggregating ₹ 134.96 crore in 111 cases. During the year, the departments concerned have recovered cases of under assessment and other deficiencies amounting to ₹ 60 lakh involved in 15 cases.

The details of assessments, registrations, licenses issued and other activities undertaken by five major revenue collection departments of the State and the extent of audit and coverage are as discussed below.

Commercial Taxes Department

There are eight auditable units in the Commercial Taxes Department, Audit selected all the eight units for test check wherein 11,017 assessments were finalised during the year 2019-20. Audit test checked 827 assessments (7.50 *per cent*) during the year 2019-20 and noticed 44 cases (5.32 *per cent* of audited sample) of non/short levy of tax/interest/penalty, irregular allowance of input tax credit, grant of incorrect tax exemption benefits *etc.* involving ₹ 70.45 crore.

Revenue Department

There are 25[9] auditable units in the Department, of which seven were selected for test check during 2019-20. Audit noticed 20 cases of arrears of land tax, irregularities in regularisation of unauthorised construction, pending revenue recovery cases, lapses/short collection of mutation fee/conversion fee *etc.* involving ₹ 9.01 crore.

Excise Department

There are 12 auditable units in the Excise Department of which no units were selected for test check for the year 2019-20. A Performance Audit on 'Levy and Collection of State Excise Revenue' was conducted during the year 2019-20 to assess the effectiveness in enforcement of the provisions of the Acts and Rules in levy and collection of State Excise Revenue.

Transport Department

There are 17 auditable units in the Transport Department. Total 57,817 vehicles were registered during 2019-20. Audit noticed 20 cases of short levy of road tax, non-implementation of the revised tax rates due to delay in updating of online system, non-recovery of fee for authorisation certificates issued for tourist permit, short levy of fee for special number, non-collection of renewal fee from authorised testing station involving ₹ 1.33 crore.

Registration Department

There are 15 auditable units in the Registration and Stamp Department of which 10 units were audited during 2019-20. Total 19,378 instruments were registered during 2019-20 out which 495 instruments were selected for test check. Audit noticed 27 cases of short realisation of stamp duty and registration fees, splitting of transaction resulting in short levy of stamp duty, short levy of stamp duty and registration fee due to incorrect calculation in lease deeds/non-consideration of market value/understatement of consideration *etc*. involving ₹ 54.16 crore.

This Chapter contains one Performance Audit and ten paragraphs involving financial effect of ₹ 160.48 crore.

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[9] 25 Units= 03 new additional units included in Audit Plan 2019-20 (Addl. Collector III, Mapusa, Dy. Collector SDM, Dharbandora & Mamlatdar, Dharbandora)

EXCISE DEPARTMENT

2.2 Performance Audit on Levy and Collection of the State Excise Revenue

Executive Summary

State excise revenue is one of the main sources of revenue for the Government of Goa. State excise revenue mainly comprises of excise duty collected from the manufacturing units, license and surcharge charged on wholesale and retail sale of liquor. A Performance Audit on levy and collection of the State excise revenue was taken up to assess the system for levy and collection of the State excise revenue.

The Government has not determined norms for minimum quantity of yield of malt spirit from the use of raw material and standards for allowable wastage during production of malt spirit were not fixed. Norms for drawal of samples of IMFL manufactured by distilleries in the State were also not set. Audit of five selected excise stations revealed that the Department lacks internal control at the primary level of function for grant and renewal of licenses. Existing internal control mechanism was not being enforced by the excise inspectors resulting in short levy of excise revenue amounting to ₹ 7.59 crore in the five selected excise stations during 2014-15 to 2019-20. Non-submission of export verification certificate by the manufacturing units on export of liquor were not acted upon for more than five years.

2.2.1 Introduction

The Commissioner of Excise has been empowered to administer the levy and collection of the State excise revenue. State excise revenue is collected at two points; one at the point of manufacture of liquor in manufacturing units through levy of excise duty and other at the level of taluka excise stations for granting permission for wholesale and retail sale of liquor through levy of license fees, additional fees, occasional fees, surcharge *etc*. The manufacturing units are manned by Superintendents of Excise/Excise Inspectors deployed for overall supervision of units and the taluka excise stations are in charge of Excise Inspectors deployed in the respective taluka stations.

State excise revenue (₹ 491.79 crore) constituted 10.46 *per cent* of the tax revenue (₹ 4,700.56 crore) raised by the State Government in 2019-20 and is one of the major sources of revenue for the State. The main sources of revenue for the taluka excise stations is through collection of yearly renewal license fees from wholesaler/retailers and grant of new liquor licenses. Besides, surcharge from hotels for operation of casinos, licensees operating on weekly closure day, additional time license fee, occasional license fee, fines, sales proceeds *etc*. are also collected. At the manufacturing units excise duty is levied on manufacture of liquor for local dispatch based on the Maximum Retail Price (MRP) of the liquor. Export fee is levied for export of liquor out of the State by the manufacturing units. In addition to local excise duty and export fee, library cess and health surcharge *etc*. are also levied.

There are 12,003 licensees[10] operating wholesale and retail outlets in the State of Goa and 52 manufacturing units under the jurisdiction of 11 excise stations.

The performance audit on levy and collection of the State excise revenue was taken up to assess the system for levy and collection of the excise revenue.

2.2.2 Trend of Revenue Collection

The tax revenue raised by the State Excise Department as a part of the total tax revenue of the State Government during the period from 2014-15 to 2019-20 were as shown below in **Table 2.15**.

Table 2.15: Trend of Excise Revenue Collection

(₹ in crore)

Sl. No.	Particulars	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
1	Tax revenue	3895.92	3975.37	4261.16	4731.37	4871.36	4700.56
2	State Excise Revenue[11]	268.00	319.52	320.90	410.00	477.98	491.79
3	Percentage of increase from previous year	13.67	19.22	0.43	27.77	16.58	2.89
4	Percentage of (2) to (1)	6.88	8.04	7.53	8.67	9.81	10.46

(Source: State Finance Accounts)

It can be seen from the above table that during the years 2014-15, 2015-16, 2017-18 and 2018-19 the excise revenue increased gradually over previous year, however, during the year 2016-17 the increase was negligible. The reasons for negligible increase in the excise revenue during the year 2016-17 though called for were not provided by the Department. The percentage of excise revenue to the total tax revenue increased marginally from 6.88 *per cent* in 2014-15 to 10.46 *per cent* in 2019-20.

2.2.3 Organisational set-up

The Secretary, Finance to the Government of Goa is in-charge of the State Excise Department which is headed by the Commissioner. The Commissioner of Excise (CE) is assisted by one Additional Commissioner, two Assistant Commissioners, Superintendents of Excise along with Excise Inspectors, Sub-Inspectors, Excise Guards and Assistant Excise Guards besides other administrative staff. The Department has 11 excise stations[12], seven[13] check posts and 52 inspectorates at manufacturing units. The organogram of the Department is provided in **Appendix 2.2**.

2.2.4 Audit objectives

The performance audit on levy and collection of the State Excise Revenue was conducted:

- to ascertain the adequacy of Goa Excise Policy in safeguarding revenue;
- to assess the effectiveness in enforcement of the provisions of the Acts and Rules in levy and collection of excise revenue;

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10 The main categories of licensees are licenses for retail sale of liquor in packed bottles; retail sale of liquor for consumption (Hotelier/Bars & Restaurants) and Wholesalers

11 Includes medicinal and toilet preparations containing alcohol, opium *etc*.

12 Bardez, Bicholim, Valpoi, Pernem, Tiswadi, Margao, Ponda, Vasco, Quepem, Sanguem and Canacona

13 Patradevi, Naibag, Kiranpani, Dodamarg, Keri, Mollem and Pollem

- to assess the effectiveness of internal control mechanism of the Department in safeguarding the State Excise Revenue.

2.2.5 Audit Criteria

Audit observations are benchmarked against the provisions of following Acts/Rules:

- The Goa Excise Duty Act, 1964;
- The Goa, Daman and Diu (Excise Duty) Rules, 1964; and
- Notifications, circulars, orders issued by the Department and Governments of the neighbouring States.

2.2.6 Scope and Audit Methodology

Performance Audit commenced with an entry conference in May 2019 with the Secretary (Finance). Records of the office of Commissioner of Excise, selected Taluka excise stations, manufacturing units and excise check posts covering the period from 2014-15 to 2019-20 were test checked between May 2019 and September 2019. Exit conference was held in May 2020 with the Commissioner of Excise. The replies received from the Department at various levels have been incorporated at appropriate places in this report.

Out of 71[14] units for sample selection, two[15] excise stations from North Goa, three[16] excise stations from South Goa, 22 manufacturing units and three[17] check posts were selected on the basis of simple random sampling for test check. In addition, records at the Commissionerate were also audited.

AUDIT FINDINGS

Audit findings have been broadly classified under headings: lacunae in Goa Excise Policy/Act/Rules; non-enforcement of existing controls and lack of internal control mechanism as discussed in the succeeding paragraphs.

2.2.7 Lacunae in Goa Excise Policy/Act/Rules

The policy for minimum production and allowable wastage on production of malt spirit was not framed by the Government of Goa as detailed in succeeding paragraphs.

2.2.7.1 Absence of standards for minimum production and wastage on malt spirit

The raw material used for production of malt spirit is *barley malt* (brew) which goes through the process of grinding/milling, mashing, fermentation and distillation to produce Fresh Malt Spirit (FMS). The FMS obtained after distillation is then stored in the wooden cask to mature for period ranging between 12 months and 96 months. After maturation at the time of disgorging (emptying from the wooden casks) the malt spirit, the units claim wastages as a maturation loss for storage of FMS in casks.

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[14] One head office, 11 excise stations (five in North, Goa and six in South, Goa), 52 inspectorates at manufacturing units and seven check posts
[15] Tiswadi and Bardez excise stations
[16] Ponda; Salcete and Mormugao excise stations
[17] Dodamarg; Keri and Mollem

Rule 47(A) of the Goa Daman and Diu Excise Duty (GDDED) Rules, 1964 stipulates that the production or yield of all type of spirits, beer, wines, liquors as the case may be, from the raw material used in Distillery/Brewery/Winery or manufactory licensed under the Act or the Rules made thereunder shall not be less than the quantity specified by the Government by notification in the official gazette from time to time.

Audit noted that the Government of Maharashtra has fixed standard for allowable wastage of 0.5 *per cent* per month as a maturation loss. Similarly, the Government of Karnataka has fixed maturation loss of five *per cent* per six months upto 24 months; four *per cent* per six months from 30 to 42 months; three *per cent* per six months from 48 to 66 months and two *per cent* per six months from 72 to 84 months. However, the Government of Goa has neither notified the minimum production of FMS out of a specific quantity of barley malt, nor fixed the allowed loss (wastage) of malt spirit stored in the wooden casks for maturation, despite enabling provisions in Rules.

Out of 20 test checked units two units[18] manufacture malt spirit, the production of FMS during the period 2014-20 by the unit "A" was 19.76 lakh litre and unit "B" was 42.05 lakh litre.

In absence of Government notification, the excise officials of both the units stated that no register of batches of brew consumed by the units are maintained. The quantity of FMS self-assessed and disclosed by the units as produced from the batch of brew was accepted by the excise official in-charge of units for excise purposes without any consideration of the minimum quantity required to be produced. Although there is no provision for allowance of maturation loss on malt spirit, the unit "A" claimed wastage of 10.86 lakh litre of malt spirit during the period 2014-20 on account of maturation loss for storage of FMS in wooden casks. The unit exports the matured malt spirit for which excise duty of ₹ 10 per Bulk Litre (BL) is leviable. Thus, excise duty amounting to ₹ 108.60[19] lakh was leviable for dispatch of 10.86 lakh litre of malt spirit for which wastage has been claimed.

The excise inspector-in-charge of unit "B" stated that records of wastages on maturation loss of malt spirit claimed by the units were not available. The matured malt spirit produced by the unit is consumed in-house for manufacture of IMFL products on which excise duty ranging between ₹ 1,080 per bulk litre and ₹ 2,000 per bulk litre is leviable.

Government prescribed standard for minimum production of spirit and permissible wastage are key controls for effective supervision of distilleries by the Excise Department. Absence of such key controls is fraught with the risk of excess/short accountal of liquor and wastages remaining undetected by the Department which in turn would result in leakage of Government revenue.

After being pointed out by Audit, the Government has notified (June 2021) the allowable wastage of 0.5 *per cent* per month on the quantity of malt spirit kept for maturation in the wooden vats.

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18 Unit A: United Spirits Limited (License No: M (M&G)/Spirit/1), Bethora, Ponda & Unit B: John Distilleries (License No. M/Malt Spirit/03), Cuncolim, Salcete

19 Excise duty at the rate of ₹10 per bulk litre

Recommendation 1: The Government may notify standards for minimum production of malt spirit from the raw material used as stipulated in Rule 47 (A) of GDDED Rules, 1964.

2.2.8 Non-enforcement of existing control mechanism

In order to enforce the rules and notifications the Department established taluka excise stations under the control of excise inspectors. The Department also posted superintendents of excise and excise inspectors in every manufacturing units. Audit observed that enforcement mechanism was deficient resulting in short recovery of excise duty, license fees and other dues as detailed in the following paragraphs.

2.2.8.1 Departmental inaction against non-renewal of licenses

Under Rule 91 of the Goa Daman and Diu (Excise Duty) (GDDED) Rules, 1964 licenses for sale other than occasional license shall be granted for a period not exceeding three financial years. The application for renewal shall be made to the Commissioner within 15 days before the expiry of license. The excise inspector shall within eight days from the expiry of the license issue notices in the form prescribed by the Commissioner to those licensed vendors who have not submitted their application for renewal within the time prescribed. If the licensed vendor who has been served with a notice fails to apply for renewal within eight days of service of such a notice, the license shall automatically stand cancelled. The Department grants license for a period of one financial year and the license is to be renewed every year.

Audit found 1,275 licensees out of 9,188 licensees in the five selected excise stations had not renewed their licenses for the periods ranging from 2014-15 to 2019-20. The year wise details of licenses to be renewed in these 1,275 cases of non-renewal are as detailed in **Table 2.16**.

Table 2.16: Year-wise details of non-renewal

Name of Excise Station	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Tiswadi	08	13	26	42	50	53
Bardez	03	08	23	112	241	491
Ponda	06	11	15	59	70	127
Salcete	00	00	04	155	240	465
Mormugao	00	03	05	41	73	139
Total	**17**	**35**	**73**	**409**	**674**	**1275**

(Source: Information furnished by the excise stations)

An amount of ₹ 3.31 crore is leviable in the above cases of non-renewal of licenses. It can be seen from the above table that significant numbers of licensees have not renewed their licenses for the period ranging between 2014-15 and 2019-20. Although Rule 91 of GDDED Rules, 1964 stipulates that the excise inspector shall within eight days from the expiry of the license issue notices to the licensees, audit observed that notices were sent only in 418 cases[20] whereas notices for non-renewal has not been sent in the remaining 857 cases. Out of 418 notices issued 74 cases have been renewed.

[20] Bardez Station (152 notices); Ponda Station (60 notices); Tiswadi Station (9 notices); Salcete Station (98 notices) and Mormugao Station (99 notices)

Audit sought for clarifications/records as to whether verification of the licensed premises is being carried out by the taluka excise inspectors as empowered under Section 23 of the Goa Excise Duty Act, 1964 to ensure non-operation of licensed premises in the above cases of non-renewal of licenses.

The excise inspectors stated (July/October/December 2019) that no specific verification of the licensed premises was carried out, however, routine verification of such premises was carried out to ensure illegal sale of liquor. The verification reports of the inspection carried out by the excise inspectors was not found on record.

After being pointed out by Audit, the Department renewed 250 licenses out of 1,275 for period ranging between 2016-17 and 2019-20 and recovered ₹ 40.51 lakh between June 2019 and September 2020 as detailed in **Table 2.17**.

Table 2.17: Year-wise details of renewal and amount recovered

Name of Excise Station	2016-17		2017-18		2018-19		2019-20	
	No. of licenses renewed	Amount recovered (₹)	No. of licenses renewed	Amount recovered (₹)	No. of licenses renewed	Amount recovered (₹)	No. of licenses renewed	Amount recovered (₹)
Tiswadi	00	00	02	10240	03	24360	08	174860
Bardez	01	7560	04	25900	10	108420	70	1049560
Ponda	01	5760	21	90960	24	148140	47	366500
Salcete	00	00	19	108330	25	208480	95	1157840
Mormugao	02	24060	04	32680	06	54840	29	452320
Total	**04**	**37380**	**50**	**268110**	**68**	**544240**	**249**	**3201080**

(Source: Recovery figures furnished by the excise stations)

As can be seen from the above table, the Department renewed licenses for the period ranging between 2016-17 and 2019-20. However, cases pertaining to the period from 2014-15 to 2015-16 have not been renewed. Further, the Department has renewed only 19.61 *per cent* (*i.e.* 250 of 1,275 licenses) of non-renewal cases pointed out by Audit. The renewal of 250 licenses after audit observation indicates that the license premises were being operated by the licensees without renewal of licenses. The status of the remaining 1,025 cases of non-renewal for which license fee amounting to ₹ 2.91 crore is recoverable could not be ascertained in audit due to non-availability of verification records with the respective excise stations.

The Commissioner stated (May 2020) that the Department had cancelled about 180 number of licenses and instructions were issued to excise inspectors to propose for cancellation of non-renewal cases after following due procedure.

2.2.8.2 Short-levy of additional fee from hotels having casinos

As per instructions contained in Sr. No. 7(b)(b) of the Government of Goa Notification No. 1/1/2008-Fin (R&C) (A) dated 23/04/2008, additional license fee of ₹ One lakh was to be levied separately for retail sale of Foreign Liquor (FL) from hotels having casino license issued by the Government irrespective of any category.

Further, Rule 122 of Goa Daman and Diu (Excise Duty) Rules, 1964 empowers the Department to levy additional amount equivalent to two *per cent* of such license fee for each month of delay on grounds of non-payment of any annual license fee in prescribed time.

During audit scrutiny (July 2017, November 2017 and February 2018) of records it was observed that in four out of the five selected excise stations additional license fee of ₹ One lakh as stipulated in the notification *ibid* were not levied from nine licensees having casinos license for retail sale of FL during the period from 2008- 09 to 2015-16. This resulted in short levy of additional license fee amounting to ₹ 1.22 crore including interest as detailed in **Table 2.18**.

Table 2.18: Details of short levy of additional fee from hotels having casinos

(₹in lakh)

Name of Excise Stations	License No.	Period of short levy	Additional fee leviable	Interest under Rule 122
Tiswadi	FL/12	2008-09 to 2012-13	5.00	8.80
Bardez	FL/21	2008-09 to 2014-15	7.00	11.06
	FL/81	2008-09 to 2015-16	8.00	11.68
	FL/85	2009-10 to 2014-15	6.00	8.76
	FL/113	2011-12 to 2014-15	4.00	4.88
Salcete	FL/17	2009-10 to 2014-15	6.00	9.24
	FL/08	2009-10 to 2012-13	4.00	7.12
	FL/11	2009-10 to 2011-12	3.00	5.70
Mormugao	FL/01	2010-11 to 2014-15	5.00	6.40
Total			**48.00**	**73.64**

(Source: Records of license fees levied by the excise stations)

The Commissioner stated (May 2020) that directions would be issued to the excise inspector of stations to be more vigilant in recovering Government dues.

An amount of ₹ 24.12 lakh[21] from four licensees have been recovered by Salcete, Mormugao and Tiswadi excise stations. Out of the above four cases of recovery, interest was recovered by only Salcete excise station from one licensee whereas from remaining three licensees only short levied amount was recovered without interest. In respect of remaining five licensees recovery is yet to be affected.

2.2.8.3 Non-levy of excise duty for failure to submit export verification certificate

Under Rule 13 (1) of the GDDED Rules, 1964 the Commissioner of Excise grants permit for export of liquor manufactured in the State. Rule 13 (2) further stipulates that with a reasonable time fixed by the Commissioner and specified in the bond or permit, as the case may be, the exporter shall produce before the Assistant Excise Commissioner, a copy of the import permit endorsed with a certificate signed by the appropriate Excise Officer of State or Union Territory into which the import is made certifying the due arrival of the liquor at its destination.

Accordingly, Commissioner had issued a circular dated 9 May 2008 directing the party to submit the Export Verification Certificate (EVC) within 10 days of consignment reaching the destination or within 10 days of expiry of the permits. In case the party failed to produce the EVC within the stipulated time no further permit should be issued for export and duty leviable on local sales should be collected from them.

[21] Salcete (₹ 17.12 lakh); Mormugao (₹ Five lakh); Tiswadi (₹ Two lakh)

During scrutiny (June-September 2019) of records of the 20 selected manufacturing units Audit found that three units had not submitted 99 EVCs for period ranging between 13 days and 2,026 days. The excise inspector-in-charge of the unit should have levied excise duty amounting to ₹ 94.53 lakh (as detailed in **Table 2.19**) besides health surcharge amounting to ₹ 1.89 lakh[22] for non-submission of EVC within stipulated period.

Table 2.19: Details of non-submission of EVCs by the units

Name of distillery	No. of EVC involved	Quantity of liquor involved in BL / Months of dispatch	Period of non-submission of EVC from date of dispatch[23]	Excise Duty leviable (@ ₹ 25 per BL)
Unit A[24]	23	115161	535 to 734 days	2879025
		September 2018 to March 2019		
Unit B[25]	71	237195	13 to 2026 days	5929875
		February 2015 to August 2020		
Unit C[26]	05	25745	22 to 804 days	643625
		July 2018 to August 2020		
Total	**99**			**9452525**

(Source: Information furnished by the excise inspectors of manufacturing units)

The Commissioner of Excise stated (May2020) that the Department has decided to stop issuing permits/NOCs to units having more than 10 pending EVCs and only after receipt of undertaking from the units that they will submit the same within specific days the permits/NOCs are issued. Audit noticed that the Commissioner was silent about recovery of duty pointed out by Audit for past failures to submit EVCs.

2.2.8.4 Short levy of excise duty due to incorrect consideration of lower MRP slab for levy of excise duty

According to the Government Notification No.1/1/2008-Fin (R&C), dated 10 November 2008 read with Circular dated 25 November 2008, all the volumes of packages of FL/IMFL and wine whether they are below 750 ml or above, have to be individually converted to the volume of 750 ml for determination of the "MRP slab". The highest MRP arrived at, after calculating the same *vis-à-vis* each volume, should be considered for the levy of excise duty.

During scrutiny of MRP of the liquor product recorded in the labels by the 20 test checked manufacturing units Audit found that in two units the excise inspector had incorrectly determined the MRP for levy of excise duty resulting in short levy of excise duty to the tune of ₹ 17.84 lakh (as detailed in **Table 2.20**) besides health surcharge amounting to ₹ 0.36 lakh.

22 Health surcharge @ two *per cent* of excise duty *i.e.,* two *per cent* x ₹ 94,52,525 = ₹ 1,89,051
23 Calculated upto 23/09/2020
24 Unit A: Sun Moon Inc., License number M/IMFL/92-93/22 Madkaim, Ponda
25 Unit B: Gemini Distilleries Pvt. Ltd, License number M/IMFL/106 Sancoale Ind. Estate, Zuarinagar
26 Unit C: Vinayaka Liquor Pvt. Ltd., License number M/IMFL/105 Kundaim, Ponda

Table 2.20: Details of short levy of duty due to incorrect determination of MRP

(Amount in ₹)

Name of licensee	Year	MRP (₹)		MRP after converting to 750 ml		Quantity dispatched in BL	Duty leviable on highest MRP	Duty levied	Short levied duty
		Volume of packaging (ml)							
Unit A[27]	2017-18	₹ 80	₹ 550	1000	590	4296.60	1138599[28]	386694[29]	751905
		60 ml	700 ml						
	2018-19	₹ 80	₹ 550	1000	590	3037.80	911340[30]	318969[31]	592371
		60 ml	700 ml						
Unit B[32]	2019-20	₹ 25	₹ 100	104	100	10989.00	714285[33]	274725[34]	439560
		180 ml	750 ml						
Total							**2764224**	**980388**	**1783836**

(Source: Records maintained at manufacturing units)

The Commissioner stated that the directions have been issued to the excise inspectors to issue notices to both the units for the short-levied excise duty.

Audit noticed that the Commissioner was silent about recovery of duty pointed out by Audit, for past failures to submit EVCs.

2.2.8.5 Non-levy of surcharge for keeping the retail outlets selling foreign liquor open on weekly closure day

Under Sub-rule (5) of Rule 99 of GDDED Rules, 1964 the vendors shall keep their licensed premises closed for sale of liquor one day every week at their choice as approved by the Department. However, the Government may allow licensed premises to be kept open on weekly closure day on payment of surcharge as notified by the Government. As per notifications issued by the Government a surcharge of 100 *per cent* of license fee of the Indian Made Foreign Liquor (IMFL)/and/or Country Liquor (CL)/and/or Foreign Liquor (FL) in addition to the license fee for all the licenses were to be levied for keeping the licensed premises open on the weekly closure day.

The Department grants permission for two licenses *i.e.* one for retail sale of IMFL/CL license and other for retail sale of FL in packed bottles (*i.e.* retail vendors). Accordingly, the licensees can apply for one of the above licenses or both the licenses. During Audit scrutiny (between November 2017 and June 2019) of the records of surcharge levied and collected from licensees having both the licenses[35] in the five selected excise stations, Audit found that in three excise stations the excise inspectors levied surcharge only on IMFL/CL license and did not levy surcharge on FL license. As per the notification *ibid* separate surcharge for sale on weekly closure day was to be levied on both the licenses. Therefore, in addition to normal license fee surcharge amounting to ₹ 13.12 lakh

27 Global Spirits and Foods (License number M/IMFL/139), Tiswadi Taluka
28 Duty calculated at the rate of ₹ 265 per bulk litre
29 Duty calculated at the rate of ₹ 90 per bulk litre
30 Duty calculated at the rate of ₹ 300 per bulk litre
31 Duty calculated at the rate of ₹ 105 per bulk litre
32 Superking Distillery (License number M/IMFL/101), Tiswadi Taluka
33 Duty calculated at the rate of ₹ 65 per bulk litre
34 Duty calculated at the rate of ₹ 25 per bulk litre
35 License for retail sale of IMFL/CL and FL

on 110 retail vendors with FL license was leviable for keeping the licensed premises open on weekly closure days as detailed in **Table 2.21**.

Table 2.21: Details of non-levy of surcharge of license fee on FL retailers

Name of the Excise Station	Total number of FL Retailers in packed bottles	Percentage of licensees test checked	Number of licensees test checked	No. of cases detected for non-levy of surcharge on FL Retailers	Total amount involved for non-levy of surcharge amount (in ₹)
Tiswadi	98	15	15	03	64000
Bardez	355	100	355	101	1212000
Ponda	13	100	13	06	36000
Total	**466**	**215**	**383**	**110**	**1312000**

(Source: Records maintained at the Excise stations)

The Commissioner stated (September 2019) that an amount of ₹11.88 lakh have been recovered from 99 licensees and recovery for the remaining was under process. The Department has effected recovery of ₹ 12.24 lakh[36] from 105[37] licensees till date (September 2021).

Audit acknowledges the action taken to recover amounts pointed out by Audit. However, the Commissioner was silent about whether an exercise was carried out to determine similar non-levy in units not covered by Audit and control mechanism put in place to avoid recurrence of such lapses in future.

2.2.8.6 Non-recovery of fine towards compounding of offence

Under Sub-section (1) of Section 39A of the Goa Excise Duty Act, 1964 the Commissioner is empowered to compound the offence booked under this Act or Rules made thereunder. Further, under Sub-section (3) on payment of such sum by the offender no further proceeding shall be commenced against such person.

During the period 2014-20, the Commissioner compounded 635[38] cases of offences in five selected excise stations. The compounded cases are forwarded by the head office to the respective taluka excise stations directing the offences to be compounded and fine recovered within 10 days and in cases of non-payment of fine by the offenders the case papers are to be sent back to the head office for enabling them to file the same in the Court of Law. Scrutiny of the records of the compounded cases revealed that in three excise stations the excise inspectors has not recovered the compounded amount of ₹ 1.93 lakh in 50 cases[39]. In seven[40] out of 50 cases, notices for recovery of fine were not sent to the offenders by the excise inspectors and in remaining 43 cases, instances of non-payment of fine by the offenders was not reported back to headquarters. In the remaining 585 cases compounded amount have been found to be recovered.

The Commissioner stated (May 2020) that directions had been issued to the excise inspectors to recover fine towards compounding of offences failing which recovery proceedings would be initiated against the defaulters.

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[36] Bardez (₹ 11.88 lakh), Ponda (₹ 0.36 lakh)
[37] 99 from Bardez and six from Ponda
[38] Bardez (192), Salcete (225), Ponda (61), Mormugao (70) and Tiswadi (87)
[39] Salcete (10), Tiswadi (five), Bardez (35)
[40] Salcete (five) and Bardez (two)

Recommendation 2: The Commissioner may initiate action against functioning of retail/wholesale outlets without valid licenses, levy surcharge on retail outlets having foreign liquor license, ensure submission of EVCs by the units and monitor the progress of recoveries pointed out by Audit.

2.2.9 Lack of Internal Control Mechanism

Internal controls are laid down in rules and regulations to minimise the risk of errors and irregularities in implementation and operation of various notifications intended to raise the revenue of the State. The scrutiny of selected units in the Excise Department revealed lack of key controls which resulted in ineffective supervision and loss of revenue as discussed in the following paragraphs.

2.2.9.1 Lack of Internal control mechanism in identification of correct category of hotels for levy of license fees

Under Section 13 (A) of the Goa Excise Duty (GED) Act, 1964 the Government may levy such fee as may be prescribed in consideration of grant of license under the Act. In exercise of the powers conferred by Section 13 (A) of the GED Act, 1964 the Government of Goa levies license fees on hotels for retail sale of liquor based on the "Category[41]" of the hotel classified by the Department of Tourism (DoT), Government of Goa (GoG) and "Star" status classified by the Ministry of Tourism, Government of India (GoI). Besides, there are normal hoteliers without any category for which comparatively lower license fee is levied than hotels classified by the GoG and GoI under various categories.

Audit obtained data regarding "Categorisation of hotels" from the website of DoT, GoG and the "Star" status of the hotel from the website of the Ministry of Tourism, GoI. Audit compared the data with the information regarding A, B and C category hotels identified under the five selected taluka excise stations for levy of license fees. The number of hotels categorised as A, B and C by the Excise Department *vis-à-vis* the Department of Tourism are as detailed in **Table 2.22**.

Table 2.22: Number of category hotels identified by Excise Department *vis-à-vis* Department of Tourism (DoT)

Name of Taluka Excise Station	No. of A Category Hotels		No. of B Category Hotels		No. of C Category Hotels	
	As per (DoT)	As identified by Excise Station	As per (DoT)	As identified by Excise Station	As per (DoT)	As identified by Excise Station
Tiswadi	15	13	32	16	83	29
Bardez	36	32	153	98	404	58
Ponda	Nil	Nil	02	01	15	10
Salcete	23	21	46	38	130	50
Mormugao	07	05	13	07	31	13
Total	**81**	**71**	**246**	**160**	**663**	**160**

(Source: Database obtained from Website of Department of Tourism, GoG and information furnished by the Excise Department)

It can be seen from the above table that "A", "B" and "C" category hotels identified by the five excise stations for levy of license fees were lower than the number of hotels registered with the DoT under the respective category. In this

41 Category "A"; Category "B" and Category "C"

scenario there was a risk of higher category hotels being treated under lower categories and consequent short levy of license fees. To ascertain the risk of incorrect categorisation of hotels for levy of license fees Audit selected 100 *per cent* (81) "A" category hotels, 50 *per cent* (124) "B" category hotels and 10 *per cent* (66) "C" category hotels[42] registered with the DoT for cross-verification of excise license fees levied/collected from these hoteliers by the respective excise stations.

During cross-verification (June-September 2019) we found 20 cases where the license fees on category hotels were being levied at rates applicable to the normal hoteliers resulting in short levy of license fee amounting to ₹ 55.21 lakh and interest to the tune of ₹ 33.96 lakh as detailed in **Appendix 2.3**.

The primary function of taluka excise stations is grant/renewal of licenses for retail sale of liquor and levy of appropriate license fee. They are expected to be vigilant while accepting the categorisation mentioned by the hoteliers in their application for granting of licenses by comparing it with categorisation done by the GoG and GoI. The excise stations failed to verify the correctness of facts before categorising the hotels which resulted in short levy of license fees. There is need for the Department to place internal controls for identification of correct category of hotels to avoid recurrence of such lapses and plug the leakage of revenue.

The Commissioner stated (May 2020) that internal controls would be put in place and directions would be issued to inspectors of excise stations to be more vigil in recovering Government dues.

An amount of ₹ 6.69 lakh[43] from three licensees have been recovered by the excise stations of Bardez, Salcete and Mormugao. In respect of the remaining 17 cases recovery is pending.

The cases pointed out by Audit is illustrative and based on test check of 165 cases in selected five taluka excise stations. These excise stations did not produce files relating to remaining 106 cases to Audit.

2.2.9.2 Absence of Departmental norms for sample testing of liquor manufactured

Rule 49 of the Goa Daman and Diu (Excise Duty) Rules, 1964 stipulates that the excise staff, from time to time, as directed by the Commissioner shall draw the samples of the excisable articles manufactured by the distillery, brewery or winery and shall dispatch such samples duly sealed to the Public Health Laboratory (PHL) for testing to ensure that they conform to the specification and do not contain any noxious materials.

Audit observed that no directions have been issued by the Commissioner on extent of samples required to be drawn and sent to PHL for testing. During scrutiny (June-September 2019) of the records of 20 test checked units Audit found that out of 16,220 batches of liquor manufactured during the period 2014-20, 1,656 samples of the batches were sent to PHL for testing as detailed in **Table 2.23**.

[42] Files of 10 "A" category hotels (12 *per cent*), 57 "B" category hotels (46 *per cent*) and 39 "C" category hotels (59 *per cent*) were not produced for audit scrutiny

[43] Bardez (₹ 2.12 lakh), Mormugao (₹ 3.18 lakh), Salcete (₹ 1.39 lakh)

Table 2.23: Number of samples sent *vis-à-vis* the number of batches manufactured

Year	Number of batches of liquor manufactured	Number of samples of the batches manufactured sent to PHA for testing	Percentage of sample sent *vis-à-vis* the batches manufactured
2014-15	2251	211	9.37
2015-16	2458	294	11.96
2016-17	2438	273	11.19
2017-18	2780	282	10.14
2018-19	3549	241	6.79
2019-20	2744	355	12.94
Total	**16220**	**1656**	

(Source: Information furnished by the excise inspectors of manufacturing units)

As per the standard calculation adopted by the manufacturing units for minimum production of IMFL products from the use of Extra Neutral Alcohol[44] (ENA: Raw material for manufacture of IMFL), the quantity of final blend of liquor manufactured depends on the alcoholic strength of final blend manufactured.

If the actual alcoholic strength of IMFL manufactured is lower than the strength disclosed in the label the quantity of final blend produced would increase proportionately. In such cases the Department should ensure that the additional quantities produced are accounted and duty paid.

Thus, drawal of sufficient samples, testing all the samples and recording of all the test results before dispatch of liquor manufactured by the distilleries is a key control issue for monitoring the quality as well as the quantity of liquor manufactured. The Department needs to strengthen its testing mechanism thereby safeguarding the interest of Government revenue and public health.

After being pointed out by the Audit the Commissioner of Excise issued circular (May 2020) directing the excise official deployed in the manufacturing units to draw samples of every batch of liquor manufactured and dispatch to Public Health Laboratory for obtaining analysis report.

Recommendation 3: The Commissioner may place adequate control mechanism to ensure correct categorisation of hotels and norms set for sample testing are strictly adhered to by the manufacturing units.

2.2.9.3 Inadequate and ineffective supervision of distilleries

The Manual of the Excise Department has set norms for surprise inspections to be carried out at the distilleries, breweries and wineries. However, norms for number of inspections, inspecting authority and mode of reporting *etc.* have not been set in the departmental manual. During test check of the records of selected 20 manufacturing units audit found that inspections from the head office have not been conducted in eight units during the period 2014-20. The details of inspections carried out in respect of 12 units during the period 2014-20 were as detailed in **Table 2.24**.

[44] Minimum Production of Blend of IMFL = $\frac{\text{Volume of ENA used X Strength of ENA}}{\text{Required Strength of liquor}}$

Table 2.24: Details of inspections carried out by head office in 12 units

Year	No. of Units inspected	Number of inspections carried out
2014-15	01	02
2015-16	01	01
2016-17	01	02
2017-18	02	03
2018-19	09	10
2019-20	08	17

(Source: Information furnished by the excise inspectors of manufacturing units)

It can be seen from the above table that during the period from 2014-15 to 2017-18 only one or two units were inspected by the head office and the number of inspections carried out were insignificant. The number of units and total inspections carried out have marginally increased during the period from 2018-19 to 2019-20.

During physical verification of the stock along with the excise inspector-in-charge of 20 units visited, Audit found in one distillery *viz.* Vinayak Distilleries (License No.M/IMFL/105), Ponda a shortage of 2,498.37 bulk litres of the blend of liquor *vis-à-vis* the closing balance recorded in the blend/bottling register and an excess of 250.14 litres of ENA in the alcohol storage tanks *vis-à-vis* the closing balance recorded in the alcohol register maintained by the excise inspector-in-charge.

Excise duty amounting to ₹ 0.62 lakh[45] was leviable for dispatch of 2,498.37 bulk litres of the blend of liquor found short. Further, excess of 250.14 litres of ENA than that recorded in the alcohol register in the distillery needs detailed investigation.

The matter of shortage of blend of liquor and excess of ENA found during physical verification was reported (September 2019) to the Commissioner for comments and comments are awaited.

The shortage/excess found in the test checked unit inspected by Audit emphasised the need to strengthen the periodic inspections in quantity and quality (number of inspections and its effectiveness).

2.2.9.4 Lack of departmental norms for timely disposal of confiscated liquor

Under Section 37 of the Goa Excise Duty Act, 1964 when any offence has been committed the articles used for commission of offence is confiscated and the articles confiscated vests with the Government. Further, under Rule 106 of GDDED Rules, 1964 the confiscated articles shall be sold by public auction and the proceeds of sale credited to the Government. The Government publishes notice for auction in the official gazette and the confiscated liquor are auctioned by the auction committee[46] against the offset price approved by the Commissioner of Excise.

In the five selected excise stations test checked, Audit found that liquor valuing ₹ 72.07 lakh confiscated during the period 2014-20 were lying with the excise

[45] The M.R.P of the product is ₹ 100 per 750 ML, for which excise duty amounting to ₹ 25 per bulk litre is leviable *i.e.* ₹ 25 x 2,498.37 = ₹ 62,459.25

[46] Auction Committee comprises of Assistant Commissioner of Excise; Superintendent of Excise and Excise Inspector/Staff of the respective taluka excise stations

stations for want of auction though the cases have been disposed off by the Commissioner. The year-wise details of the liquor confiscated are as shown in **Table 2.25**.

Table 2.25: Year-wise details of confiscated liquor lying with the excise stations

Name of Taluka Excise Station	Year-wise value of the confiscated liquor lying with the excise stations for want of disposal through auction						Total Sale value of liquor (in ₹)
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	
Tiswadi	22529	23596	31263	72174	37153	6828	193543
Bardez	269466	15599	1681950	7000	Nil	Nil	1974015
Ponda	Nil	Nil	89053	45216	7425	70517	212211
Salcete	277255	627140	553086	471242	750114	1002717	3681554
Mormugao	505470	14305	152050	97514	177027	199099	1145465
Total	**1074720**	**680640**	**2507402**	**693146**	**971719**	**1279161**	**7206788**

(Source: Information furnished by the excise stations)

Rule 106 of GDDED Rules provides for auction of confiscated articles. However, the norms for timely disposal of liquor has not been stipulated. In absence of norms for timely disposal of liquor the confiscated liquor valuing ₹ 72.07 lakh is lying with the excise stations for period ranging between one and six years. Confiscated liquor lying with the excise stations for such long period is fraught with the risk of misuse and misappropriation and also loss due to degradation. This further resulted in blockage of excise revenue to the extent of sale proceeds receivable from auction.

The Commissioner stated (May 2020) that the auction of confiscated liquor had been partly done in respect of Sattari, Canacona and Pernem talukas. The reasons for non-disposal of confiscated liquor pointed out by Audit have not been furnished.

2.2.9.5 Short-levy of license fee from organisers of music festivals

Under Rule 92 of the GDDED, Rules 1964 occasional license fee for retail sale of liquor is granted for stalls in connection with public entertainment of a temporary nature and such other public gatherings. The license is issued by the excise inspector in whose jurisdiction the stalls are established on payment of the respective fee. The rate of fee notified by the Government during the period 2017-18 and 2018-19 for grant of occasional license were as detailed in **Table 2.26**.

Table 2.26: Rate of fee for occasional fee notified by the Government

Upto 100 guests	₹ 5000 per day
100 guests to 500 guests	₹ 10,000 per day
501 guests to 1000 guests	₹ 50,000 per day
1001 guests to 5000 guests	₹ 1,00,000 per day
The above license fee shall cover only one point[47] and for every additional point, 50 *per cent* of license fee will be charged	
Above 5000 guests	₹ 6,00,000 per day
The above license fee shall cover upto six points and for every additional point above six points, an additional fee of ₹ 1,00,000 for additional point shall be charged	

[47] Point refers to liquor selling stalls/outlets

As can be seen from the **Table 2.26** that the license fee leviable is based on the guest attendance per day in the public gathering. The excise inspector of excise station, Bardez had granted occasional license for organising music festivals namely "Timeout 72" for three days in 2017-18 and "Sunburn Klassique" for two days in 2018-19. In both the music festivals the excise inspector levied license fees considering guest attendance below 5000 per day as disclosed by the licensees. Verification of actual guest attendance per day was not carried out by the Excise Department.

Audit called for the information of guest attendance per day in the music festivals from State Goods and Service Tax Department (SGST) which collects GST on tickets sold. As per the information furnished by the SGST Department guest attendance per day in both the music festivals were significantly more than 5,000. This resulted in short levy of license fee amounting to ₹ 15 lakh as detailed in **Table 2.27**.

Table 2.27: Details of short levy of license fees

(Amount in lakh)

Name of music event	Number of days license granted by Excise department	Number of guest attendance per day considered for levy of license fees	License fee levied	Number of guest attendance per day as per SGST department	License fee leviable	Short levy of license fee
Timeout 72	3 (27th to 29th December 2017)	Below 5000	12.00	10000	21.00	9.00
		Below 5000		15000		
		Below 5000		32000		
Sunburn Klassique	2 (23rd to 24th February 2019)	Below 5000	6.00	10000	12.00	6.00
		Below 5000		15000		
Total Short levy						**15.00**

(Source: Information regarding guest attendance provided by the SGST department)

Thus, non-verification of the actual guest attendance for granting the occasional license during music festivals by the Department resulted in short levy of license fee amounting to ₹ 15 lakh.

The Commissioner stated (May 2020) that the directions had been issued to the excise inspectors to obtain the details from Commercial Taxes Department to recover the dues.

The possibility of recovery of ₹ 15 lakh short levied from the parties who had organised the music festivals *viz*. "Timeout 72 Music Festival" and "Sunburn Klassique" is remote as the parties had applied for only occasional license and is not a regular licensee.

Recommendation 4: The Commissioner may put in place controls for periodic inspection of distilleries and set norms for timely disposal of confiscated liquor.

2.2.10 Conclusion

The standards for minimum production of malt spirit from the use of raw material and allowable wastage on storage of malt spirit was not framed by the Government. The allowable wastage has been framed by the Government, however, norms for minimum production of malt spirit is yet to be framed. The standard for minimum production needs to be framed to regulate production of malt spirit. Audit of five selected taluka excise stations and 20 distilleries revealed lack of key controls and non-enforcement of existing control mechanisms by the Department resulting in short levy of excise revenue amounting to ₹ 7.59 crore. Out of ₹ 7.59 crore pointed out by Audit the Department have recovered ₹ 83.56 lakh. Audit of manufacturing units revealed absence of key controls such as Government standards for minimum production and wastages on Malt spirit and norms for testing samples of IMFL manufactured.

COMMERCIAL TAXES DEPARTMENT

2.3 Non/Short levy of interest ₹ 47.92 lakh

Assessing Authority did not levy or short levied interest of ₹47.92 lakh for delayed payment of taxes.

As per Section 25 (4) (a) of Goa Valued Added Tax (GVAT) Act, 2005, wherever a dealer has not filed any return and tax is due as per the books of the dealer, or as assessed or re-assessed under the provisions of the Act, then such dealer shall be liable to pay interest on defaulted amount @ 12 *per cent per annum* up to 31/05/2013. The rate was increased to 18 *per cent per annum* with effect from 01/06/2013 vide notification No 4/5/2005/Fin(R&C) (107) dated 29/05/2013. Further, as per Section 9(2B) of Central Sales Tax (CST) Act, 1956 read with Section 25(4) (a) of GVAT Act, 2005 interest as applicable to GVAT Act shall be levied on the defaulted amount under CST.

Scrutiny of records (September 2019 to January 2020) of two[48] Commercial Tax Offices (CTOs) revealed that a total of 5,011 dealers were assessed during the three year period 2016-19. Audit conducted a test check of 145 assessments in these CTOs and found that the CTOs did not levy interest/short levied interest under Section 25 (4) (a) of the GVAT Act in respect of 11 dealers[49] assessed during the year 2016-19. Details of non/short levy of interest in respect of these 11 dealers for a total amount of ₹ 47.92 lakh as applicable under the provisions of the Act are shown in **Table 2.28**.

Table 2.28: Details of non/short levy of interest

(Amount in ₹)

Name of CTO	TIN No./RC No.	Period of assessme-nt	Date of Assessment	Net Tax Due	Delay in mont-hs	Interest[50] to be levied	Interest levied	Non/ Short levy of interest
Curchorem	C/CST/417	2014-15	31/03/2018	413118	35	216887[51]	204493	12394
	30861301602	2014-15	26/03/2018	126081	34	64301	NIL	64301
	30871301645	2014-15	26/03/2018	253084	34	128053	NIL	129073
	C/CST/1178	2013-14	25/04/2017	158583	35	83256	NIL	83256
	30491301757	2013-14	18/05/2018	41675	48	30006	11326	18680
	30201301674	2013-14	29/05/2017	133675	37	74190	61824	12366
	30041301471	2012-13	23/04/2016	45500920[52]	01	455009	20475414	3185064
					34	23205469		
	30671301755	2011-12	12/12/2018	45375	13	5899	9529	41291
					66	44921		

48 Bicholim and Curchorem

49 Five cases of non-payment of tax alongwith returns and six cases of short payment of tax

50 Interest calculated @ 12 *per cent* per annum for period of assessment upto 31/05/2013 and @ 18 *per cent* per annum from 01/06/2013 onwards

51 Interest leviable = ₹ 2,16,887 x 18 *per cent* x 35 months/12 and so on for other cases

52 Interest calculated @ 12 *per cent* upto 31/05/2013 and @ 18 *per cent* from 01/06/2013 onwards

	30781301355	2010-11	02/08/2017	550631	25	137658	49500	501131
					50	412973		
		2011-12	02/08/2017	726525	13	94448	140600	498742
					50	544894		
Bicholim	30770401831	2012-13	12/05/2016	439906	02	8798	NIL	8798
					35	230950	NIL	230950
	30110402097	2014-15	14/12/2016	24011	20	7203	1254	5949
Total						**26698005**	**21668888**	**4791995**

The non-levy or short-levy of interest was reported (May 2020) to the Commissioner of Commercial Taxes who stated (May/June 2020) that demand notice for recovery of short levied interest have been issued to all 11 dealers.

The Department further stated (October 2021) that interest recovery from two dealers had been made and action to recover the interest in respect of remaining nine dealers was being taken.

The matter was referred to the Government in September 2020, however, it did not offer its comments (November 2021).

2.4 Irregular grant of tax exemption of ₹ 2.32 crore under NPV scheme

Commercial Tax Office at Margao, Panaji and Ponda allowed NPV exemption to three dealers for ineligible period and to one dealer not entitled under the NPV scheme

The goods manufactured by newly established small/medium/large scale industrial units set up upto 31/03/2002 were exempt from Goa Sales tax for periods ranging from five years to fifteen[53] years under Entry No. 68 and 85 of the Second Schedule of the Goa Sales Tax Act, 1964. These goods were also exempt from Central Sales Tax (CST) by notifications issued under Section 8(5) of the CST Act, 1956 for the allowed specified period from the date of the first sale.

On introduction of Goa Value Added Tax Act, 2005 (GVAT) the above exemption was allowed to continue for the unexpired period[54] of Tax benefit vide Notification dated 31/03/2005 by introduction of GVAT Deferment cum Net Present Value Compulsory Payment Scheme, 2005 (NPV scheme). Under this scheme, the eligible units had two options:

i) Charge from consumers applicable rate of tax on sale of manufactured goods under GVAT Act and CST Act and deposit in Government treasury 25 *per cent* of the tax liability payable and retain the balance amount of 75 *per cent*.

ii) Exercise option only for local tax under GVAT Act and continue to claim exemption from CST subject to production of C declaration forms as before.

Additional period of benefit for two years was granted to dealers whose benefit expired after 31/03/2010 vide notification dated 22/04/2010. Further extensions of one year each were granted under notifications dated 05/12/2012 and 26/06/2014. One of the condition for extension of additional period in all three

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53 Fifteen years for SSI under Entry No. 68, 10 years for MSI and five years for LSI under Entry No. 85

54 Unexpired period is the period computed from 31/03/2005 *i.e.* from the introduction of NPV scheme

notifications *ibid* was that the industrial units which had been declared by the Central Government to be of highly polluting nature and to whom the tax exemption had been extended by the Government under special order shall not be entitled to the benefit of additional period of tax exemption.

Test check (November 2019 to March 2020) of assessment records of three[55] Commercial Tax Offices (CTOs), out of Seven CTOs audited, revealed irregularities in grant of NPV benefits of ₹ 2.31 crore in case of four dealers as mentioned below.

(Amount in ₹)

Sl. No.	Name of CTO	TIN No./R.C No.	Period of Assessment	Ineligible NPV period	Irregular NPV benefit granted	Interest calculated on irregular NPV
1	Margao	30211103643	2014-15	April-June 2014	7819749	5278330[56]
2	Panaji	30310102936	2014-15	January-March 2014	2649215	1430576[57]
3	Ponda	30210200767	2013-14	January-March 2014	1230013	701107[58]
			2014-15	April-June 2014	868634	573298[59]
4	Ponda	30610201032[60]	2012-13	October 2012 to March 2013	384060	213153[61]
			2013-14	April 2013 to March 2014	788424	425749[62]
			2014-15	April - August 2014	491837	309857[63]
			Total		**14231932**	**8932070**

First three dealers[64] were not eligible for some part of the years 2013-14 and 2014-15 and the tax benefit was allowed for the non-covered NPV period during assessments. In fourth case[65], the unit was dealing in paint industry declared as high polluting industry rendering the dealer ineligible for the benefit of additional period of tax exemption. The unit was subsequently denied (29/02/2016) grant of additional NPV benefit under notification 05/12/2012 and 26/06/2014 by Department itself on the basis of unit being high polluting industry. Hence, the grant of additional NPV benefit under notification dated 22/04/2010 for the period 28/08/2012 to 27/08/2014 was also incorrect.

The four cases were reported (May 2020) to the Commissioner of Commercial Taxes who stated (January 2021) that re-assessment notices have been issued in the first three cases. In respect of fourth case the benefit under NPV Scheme has been revoked (February 2021).

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55 Margao, Panaji and Ponda

56 Interest calculated at the rate of 18 *per cent* per annum for 45 months (from July 2014 to March 2018 *i.e.* upto month of Assessment)

57 Interest calculated for 36 months (April 2015 to March 2018)

58 Interest calculated for 38 months (April 2014 to May 2017)

59 Interest calculated for 44 months (July 2014 to February 2018)

60 Dealer is dealing in high polluting industry thereby not entitled for NPV tax exemption benefit

61 Interest calculated for 37 months (April 2013 to April 2016)

62 Interest calculated for 36 months (April 2014 to March 2017)

63 Interest calculated for 42 months (September 2014 to February 2018)

64 TIN (30211103643) was not eligible for period 30/01/2014 to 25/06/2014, TIN (30210200767) was not eligible for the period 06/12/2013 to 25/06/2014, TIN (30310102936) was not eligible for the period 23/01/2014 to 25/06/2014 and the benefit was disallowed by AA for the period 23/01/2014 to 31/03/2014 at the time of assessment for the year 2013-14

65 TIN (30610201032) was ineligible for NPV benefits for extended periods after 27/08/2012

The matter was referred to the Government in September 2020; however, it did not offer its comments (November 2021).

2.5 Irregular allowance of Input Tax Credit

Assessing Authority allowed input tax credit of ₹2.79 crore on purchase of goods for which ITC is not admissible under the provisions of GVAT Act.

As per Section 9 (1) of the Goa Value added Tax (GVAT) Act 2005, Input Tax Credit (ITC) either partially or wholly shall be allowed for the tax paid during the tax period in respect of goods including capital goods purchased and/or taken on hire or leased to him within Goa, other than those specified in Schedule 'G'. The goods ores and minerals other than minor mineral is specified as one of the item under Schedule G for which ITC is not admissible.

During scrutiny (February 2020) of assessment records[66] of Commercial Tax Office, Mapusa, Audit found a case where the dealer (TIN: 30560308196) purchased mineral iron ore during the period 2014-17 for which ITC benefit amounting to ₹ 2.79 crore was allowed by the Assessing Authority as under.

(₹ in lakh)

Particulars	2014-15	2015-16	2016-17
GTO	2685.04	2327.99	6128.35
TTO under CST	1819.53	2327.99	5821.66
TTO under GVAT	865.50	Nil	306.69
Tax @ 5 *per cent*	43.27	Nil	15.33
Penalty	0.27	0.27	2.55
Tax paid	Nil	Nil	Nil
ITC claimed/allowed	**85.58**	**85.22**	**108.35**

As the mineral iron ore is specified in Schedule G of GVAT Act, the Assessing Authority should have disallowed ITC claimed for purchase of "Iron Ore" during the period 2014-17 at the time of assessment (between March 2018 and December 2019).

The allowance of ITC benefit amounting to ₹ 2.79 crore to the dealer during the period of assessment 2014-17 for purchase of goods listed in Schedule G of GVAT Act, 2005 was irregular.

The irregular allowance of ITC was reported (May 2020) to the Commissioner of Commercial Taxes who stated (June 2020) that re-assessment notice to the dealer has been issued.

The matter was referred to the Government in September 2020; however, it did not offer its comments (November 2021).

2.6 Irregular allowance of Input Tax Credit on stock transfer

Assessing Authority allowed irregular Input Tax Credit of ₹4.51 crore to a dealer on transfer of stock.

In exercise of the powers conferred by Sub-section (3) of Section 6 of the GVAT Act, 2005 read with Notification No.4/5/2005-Fin(R&C) (60) dated 09/02/2009, the Government of Goa allows Input Tax Credit (ITC) for Stock transfer in

66 Out of total 2,076 assessments (VAT/CST) done, Audit checked 135

excess of the rate of tax specified in Sub-section (1) of Section 8[67] of the Central Sales Tax Act, 1956 on goods purchased within the State and used in the manufacturing or processing of finished products. Under Sub-rule (2) of Rule 7 of the GVAT Rules, 2005 where a registered dealer makes sale of taxable goods, exempt goods and exempt transaction (stock transfer) in a tax period, he shall make the calculation of input tax credit (ITC) in proportion to such sales.

During scrutiny (March 2020) of assessment records of the Commercial Tax Office, Margao, Audit found a dealer (TIN No: 30341100225 and CST No: M/CST/747) registered as a Wholesaler/Retailer dealing in the business of selling and stock transferring commercial vehicles (Bus) and chassis. The dealer manufactures bus chassis in its plant located in another State and transfers the chassis to its Goa unit for getting its body built vehicle *i.e.* the finished product (Bus) by another dealer (TIN: 30400401016) in the State of Goa. The finished product is then sold/transferred: *intra-State*, *inter-State*, export and stock transfer by the dealer under its brand name Tata Motors Ltd.

As the dealer is not involved in manufacturing or processing of finished products (Bus), the ITC on stock transfer of goods as per the notification *ibid* was not admissible to the dealer. The ITC of the dealer should have been worked out proportionately as stipulated under Sub-rule (2) of Rule 7 of the GVAT Rules, 2005 *i.e.* ITC on taxable goods and stock transfer should have been allowed/disallowed in proportion to such sales.

However, the Assessing Authority had allowed ITC on stock transfer of finished product (Bus) and chassis amounting to ₹ 4.51 crore (₹ 3.85 crore + ₹ 0.66 crore) for the period 2014-16 at time of assessment (between March 2018 and March 2019) as detailed below.

(₹in lakh)

2014-15				
Particulars	**ITC allowed by the Assessing Authority**	**ITC admissible as worked out by Audit**	**Admissible ITC worked out by the Audit**	
Total turnover	24994.63	24994.63	ITC claimed by the dealer on five *per cent* purchase	208.20
Inter-State sale	1440.24	1440.24	ITC claimed by the dealer on 12.5 *per cent* purchase	396.18
Stock-transfer	21208.80	21208.80[68]	Proportionate ITC to be disallowed for stock transfer on five *per cent* purchases	176.66 (84.85 *per cent* of ITC claimed)
Balance Taxable turnover (Local Sales)	2345.58	2345.58	Proportionate ITC to be disallowed for stock transfer on 12.5 *per cent* purchases	336.16 (84.85 *per cent* of ITC claimed)
Output tax *i.e.* VAT @ 12.5 *per cent* on 2345.58	293.19	293.19	Admissible ITC	91.56

67 Sub-section (1) of Section 8 of CST Act, 1956 prescribes the rates of tax on sale in the course of *inter-State* trade

68 Stock transfer is 84.85 *per cent* of the taxable turnover (₹ 21,208.80/₹ 24,994.63 x 100)

Input Tax Credit	**476.06**[69]	**91.56**		
Irregular ITC allowed	**384.50**			
2015-16				
Total turnover	51266.95	51266.95	ITC claimed by the dealer on five *per cent* purchase	464.58
Inter-state sales	2117.96	2117.96	ITC claimed by the dealer on 12.5 *per cent* purchase	0.95
Export Sale	21270.23	21270.23	Proportionate ITC to be disallowed for stock transfer on five *per cent* purchases	212.03 (45.64 *per cent* of ITC claimed)
Stock transfer	23397.14	23397.14[70] (45.64 *per cent*)	Proportionate ITC to be disallowed for stock transfer on 12.5 *per cent* purchases	0.43 (45.64 *per cent* of ITC claimed)
Balance Taxable turnover (Local Sales)	4481.60	4481.60	Admissible ITC	252.10
Output tax *i.e.* VAT @ 12.5 *per cent* on 4481.60	560.20	560.20		
Interest levied	0.002	0.002		
Total output tax payable	560.20	560.20		
Input Tax Credit	**318.56**	**252.11**		
Irregular ITC allowed	**66.45**			

The irregular allowance of ITC was reported (May 2020) to the Commissioner of Commercial Taxes who stated (June 2020) that re-assessment notice to the dealer has been issued.

The matter was referred to the Government in September 2020, however, it did not offer its comments (November 2021).

2.7 Non-levy of Entry Tax on *inter-State* purchase of raw materials for manufacture of liquor

Assessing authority failed to levy entry tax of ₹ 3.18 crore on inter-State purchase of goods used as raw material for liquor manufacturing units not exempted under the Act.

In exercise of the powers conferred by Sub-section (1) of Section 25 of the Goa Tax on Entry of Goods (GTEG) Act, 2000 the Government of Goa vide Notification No. 5/11/2008-Fin (R&C) (12) dated 31/03/2013 provided exemption from payment of entry tax on *inter-State* purchase of raw material into local area for use in the manufacture of intermediate or finished products by the Small Scale Industrial Units. This exemption was available on purchase of raw material for use in respect of goods other than liquor, alcohol, ferroalloys, steel melting, steel and chemical units. The liquor manufacturing units were not eligible for exemption from payment of entry tax vide the notification *ibid*. The

69 As per the Assessment order/verification report ITC allowed for the period of assessment 2014-15 and 2015-16 have been worked out by the Department by allowance of ITC on local sales and proportionate allowance of ITC on stock transfer as stipulated in the above notification for manufacturer.

70 Stock transfer is 45.64 *per cent* of taxable turnover

rate of entry tax leviable on *inter-State* purchase of spirit, alcohol, malt, hops, essences and additives for manufacture of IMFL, beer, wine *etc*. was five *per cent*.

During test check (November 2019 to March 2020) of assessment records of two[71] Commercial Tax Offices (CTO), Audit found five cases where the entry tax amounting to ₹ 3.18 crore for *inter-State* purchase of raw materials *viz*. extra neutral alcohol, consumables essence, caramel, flavor *etc*. for manufacture of liquor have not been paid by the dealers and the Assessing Authority (AA) also failed to levy entry tax at the time of assessment. The details of entry tax leviable in these five cases are mentioned below.

(₹ in lakh)

Sl. No.	Name of CTO	TIN No./R.C No.	Period of Assessment	Inter-State raw material purchased during the period	Entry tax leviable @ five *per cent*
1	Margao	30861107990E	2013-14	988.20	49.41
			2014-15	1164.64	58.23
			2015-16	1219.42	60.97
2	Ponda	30100205338E	2013-14	670.36	33.52
			2014-15	919.33	45.97
			2015-16	780.02	39.00
3	Ponda	30920400730E	2013-14	184.97	9.25
			2014-15	127.22	6.36
			2015-16	49.04	2.45
4	Ponda	30550402340E	2014-15	44.20	2.21
			2015-16	197.87	9.89
5	Ponda	30170402937E	2015-16	20.02	1.00
				Total	**318.26**

The non-levy of entry tax on *inter-State* purchase of raw materials as mentioned in above five cases were reported (March/May 2020) to the Commissioner of Commercial Taxes who stated (March/May/June 2020) that re-assessment notices to the dealers have been issued in all five cases.

The Commissioner of Commercial Taxes stated (December 2020) that out of these five cases, one dealer filed an appeal with the Hon'ble High Court of Bombay at Goa which was dismissed subsequently and re-assessment proceedings are in progress in all the above mentioned cases.

The matter was referred to the Government in October 2020; however, it did not offer its comments (November 2021).

2.8 Irregular grant of exemption on payment of Luxury tax

Luxury tax of ₹ 4.14 crore was exempted by the Assessing Authority even though the Assessee did not fulfil criteria of exemption set under the GTLA Act.

Under the provisions of Section 21 of the Goa Tax on Luxuries Act (GTLA), 1988, Government of Goa issued Notification (March 2013), exempting luxury tax in excess of 40 paise in a rupee for luxuries provided in a hotel during the months from June to September every year with effect from 01 April 2013. This is subject to conditions that (i) the hotelier holds a valid registration certificate, (ii) files the returns within the prescribed time, (iii) pays all taxes within the time

[71] Margao and Ponda

prescribed under the Act and (iv) should not be in arrears of tax or other dues. As per Notification (March 2016) luxury tax in excess of 75 paise in a rupee shall be exempt for luxuries provided in a hotel during the months from June to September every year with effect from 01 April 2016 subject to above mentioned prescribed conditions. Further, as per Sub-section 2 of Section 21 of GTLA, 1988, where a hotelier has availed of exemption of luxury tax and any of the conditions subject to which such exemption was granted are not complied with, for any reason whatsoever, then such hotelier shall be liable to pay luxury tax on the luxury provided in a hotel at the normal rates.

Scrutiny of assessment records of 118 hoteliers out of 1,178 hoteliers assessed in two[72] luxury tax offices revealed (January 2019, February/March 2020) that though there were undisputed arrears in respect of three hoteliers (CTO, Margao) and delay in payment of dues by three hoteliers (CTO, Panaji), the Luxury Tax Officer (LTO) allowed the luxury tax exemptions to them while finalising the assessments (between March 2016 and March 2019) for the years 2013-14, 2014-15 and 2016-17. This resulted in short levy of luxury tax amounting to ₹ 4.14 crore as detailed in below:

R.C.No.	Period of assessment/ Month of Assessment	Violations in the conditions of the notification	Taxable Turnover	Normal Rate of Tax in *per cent*	Rate of Tax levied in *per cent*	Rate of excess exemption allowed in *per cent*	Amount of excess exemption allowed (in ₹)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Luxury Tax Office, Margao							
MRG/GTL/ 20	2013-14 March 2018	(iv) There was outstanding assessed dues for the assessment year 2012-13 assessed on July 2016	160230679	12	4.8	7.2	11536609
	2014-15 June 2018		195236796	12	4.8	7.2	14057050
	2015-16 June 2018		196807544	12	4.8	7.2	14170143
MRG/GTL/ 226	2014-15 Feb 2019	(iv) There was outstanding assessed dues for the assessment year 2011-12 assessed on March 2016	1508410	12	4.8	7.2	108606
MRG/GTL/ 86	2014-15 March 2019	(iv) There was outstanding assessed dues for the assessment year 2012-13 on March 2017	197776	5	2.0	3.0	5933
			2672388	8	3.2	4.8	128275
			191143	12	4.8	7.2	13762
Luxury Tax Office, Panaji							
PNG/GTL/ 217	2014-15 Jan 2019	(iii) Delay in remittance upto 185 days	4071784	8	3.2	4.8	195446
			532500	12	4.8	7.2	38340
	2015-16 Jan 2019		6807470	6	2.4	3.6	245068
			1061222	9	3.6	5.4	57306
			488146	12	4.8	7.2	35147
	2016-17 Jan 2019		9514800	6	4.5	1.5	142722
			2643334	9	6.8	2.2	59475
PNG/GTL/ 181	2015-16 Oct 2018	(iii) Delay in remittance upto 13 months	5700929	6	2.4	3.6	205233
			2802537	9	3.6	5.4	151337
			82463	12	4.8	7.2	5937
300501087 05L	2014-15 Mar 2019	(iii) Delay in remittance upto 45 days	1998708	5	2.0	3.0	59961
			3286174	8	3.2	4.8	157736
			17590	12	4.8	7.2	1266
						Total	**41375350**

72 Panaji and Margao

The irregular grant of exemption on payment of luxury tax as mentioned in above six cases were reported (May 2020) to the Commissioner of Commercial Taxes who stated (June 2020) that three hoteliers in respect to LTO, Panaji ward have been re-assessed and demand notices for ₹ 36.51 lakh were issued in June 2020.

The Commissioner further stated (December 2020) that notice of re-assessment was issued in first case, letter of recovery was issued in second case and notice for re-assessment will be issued in third case pertaining to Luxury Tax office Margao.

Similar irregularity in grant of exemption was reported during the audit of these two wards (Panaji and Margao) in past years also. The Commissioner may put in place adequate internal control/internal audit mechanism to eliminate such irregularities in future.

The matter was referred to the Government in October 2020; however, it did not offer its comments (November 2021).

2.9 Non-recovery of mandatory remittance on appeal cases

As per the notification, appeal cases can be admitted only on payment of 10 per cent of the disputed amount. However, scrutiny of appeal cases revealed that 22 appeal cases were admitted without collecting 10 per cent of disputed amount aggregating ₹ 3.13 crore.

The Government of Goa vide Notification No.7/15/2016-LA dated 12/09/2016 amended Sub-section (4) of Section 35 of the Goa Value Added Tax (GVAT) Act, 2005 wherein it was stipulated that no appeal under Sub-section (2) of GVAT Act, 2005 (delayed filing of appeals) shall be entertained by the Appellate authority unless such appeal is accompanied by a satisfactory proof of payment of whole of the undisputed amount of tax, interest and penalty and 10 *per cent* of the disputed amount of tax, interest and penalty. The provisions of this amendment was made applicable to all the appeals filed (including timely filed appeals) *w.e.f.* 01/07/2017 *vide* Government Notification No. 8/4/2017-LA dated 30/06/2017.

During Audit (June 2020) of the office of Commissioner of Commercial Taxes, Panaji, Audit found that 151 appeal cases were filed between July 2017 and March 2020 with the Additional Commissioner, North Goa which involved a total disputed amount of ₹ 192.90 crore. Out of 151 appeal cases filed, Audit selected 37 cases involving disputed amount of ₹ 68.36 crore for verification to ascertain remittance of 10 *per cent* of the disputed amount into Government treasury as stipulated in the notification *ibid*.

Audit verification (June 2020) of files pertaining to these 37 appeal cases revealed that in 22 appeal cases filed, 10 *per cent* of the disputed amount aggregating ₹ 3.13 crore **(Appendix 2.4)** was not remitted into Government treasury by the dealer. In the remaining 13 cases the assessed dues were 'Nil' as the disputed amount was towards additional Input Tax Credit claimed by the dealer in the appeals filed and in two cases 10 *per cent* of the disputed amounts have been remitted into Government treasury.

After being pointed out by audit, show cause notices were issued to the dealers for payment of 10 *per cent* of disputed amount.

Admission of appeal cases by the Department without ensuring remittance of 10 *per cent* of the disputed amount into Government treasury is irregular and has resulted in undue benefit aggregating ₹ 3.13 crore to the 22 dealers test checked by Audit.

The Commissioner of State Tax stated (February 2021) that out of 22 cases listed in the para involving 10 *per cent* of disputed amount of ₹ 3.13 crore, an amount of ₹ 1.63 crore have been recovered in eight cases. The appeal cases will not be admitted in case the dealers fail to pay 10 *per cent* of the disputed amount.

It is recommended that the Department may initiate appropriate action to ensure remittance of 10 *per cent* of the disputed amount in the remaining 114 cases to safeguard loss of Government revenue and to strengthen controls to prevent recurrence of such lapses in future.

The matter was referred to the Government in December 2020; however, it did not offer its comments (November 2021).

REGISTRATION DEPARTMENT

2.10 Short levy of Stamp duty and Registration fee

The CRSR office Pernem did not consider the fair market value of land determined by the Collector while executing sale deeds resulting in short levy of stamp duty and registration fee of ₹ 20.63 lakh.

The rates of stamp duty (SD) and registration fee (RF) are prescribed by the Government from time to time under the Indian Stamp Act, 1899 and Registration Act, 1908. The SD and RF are calculated on the Fair Market Value of the property or consideration whichever is higher. As per clause 16 (B) of Section 2 of the Indian Stamp (Goa amendment) Act, 2013, market value is the price such property would have fetched if sold in the open market on the date of execution of such an instrument or the consideration whichever is higher.

As per Section 47 A of the Indian Stamp (Goa amendment) Act, 1968 if the market value of the property has not been truly set forth in the instrument, the registering authority, after registering the instrument, should refer the same to the Collector for determination of the market value of such property and the proper duty payable thereon.

The Government had fixed taluka-wise minimum base value of land vide notification dated 03/01/2013 which is kept in view by the parties for valuation of the land. Since the base value was not revised thereafter, the Civil Registrar and Sub-Registrar (CRSR)[73] should take utmost care to consider the market value prevailing on the date of execution of instruments.

During the audit (July 2019) of CRSR, Pernem, Audit test-checked 57 out of 195 conveyance deeds registered during April 2018 to June 2019. In case of a deed executed in June 2013 for sale of land admeasuring 2,000 sq. mtr. in Morjim Village the case was referred to Additional Collector, North Goa for valuation. The Additional Collector after considering the average value of properties sold in the village fixed (February 2019) the market rate of the said property sold in June 2013 at ₹ 4,648 per sq. mtr. for levy of SD. However, it

[73] The Registering Authority in the State

was observed that in respect of five deeds[74] pertaining to Morjim Village (Out of 35 conveyance deeds registered in the village) executed between June 2018 and June 2019 the market value considered by the CRSR for levy of SD ranged between ₹ 2,571 per sq. mtr. and ₹ 4,000 per sq. mtr. Non-consideration of fair market value at the rate of ₹ 4,648 per sq. mtr. as determined by the Collector for execution of sale deeds in these five cases resulted in loss of stamp duty of ₹ 11.61 lakh and registration fees of ₹ 9.02 lakh as shown in **Appendix 2.5**.

On being pointed out by Audit, the CRSR referred (October 2020) the matter to the Collector with a request to recall the documents of all these five cases under Section 47A of the Indian Stamp (Goa amendment) Act, 1968.

The Registration Department (having been computerised) could have placed a control mechanism where system should alert the registering authority if the present deed shows lower value than the fair market value determined in previous sale deed of the same village/locality. Such a mechanism would prevent leakage of Government revenue due to under valuation of property.

The matter was referred to the Government in September 2020; however, it did not offer its comments (November 2021).

DEPARTMENT OF MINES AND GEOLOGY

2.11 Non-levy of royalty and interest on minor mineral ₹ 21.26 lakh

The Directorate of Mines and Geology (DMG) failed to ensure collection of royalty for extraction and sale of sand. This resulted in extraction and sale of sand by 55 permit holders without payment of royalty. Further, the DMG had no information on quantity of sand extracted by another 144 permit holders.

As per Rule 3 of Goa Daman and Diu Minor Minerals Concession Rules (GDDMMCR), 1985, sand extraction can be done by lease holders only after obtaining permit issued by the Directorate of Mines and Geology (DMG). Further, as per Rule 38 of GDDMMCR, 1985, no minor[75] minerals shall be transported without a transit pass. The rate at which royalty was payable for ordinary sand used for construction purpose was ₹ 41.30 per cubic metre with effect from 10/12/2015, and it was payable in advance before dispatch of the sand. The lease holders were required to obtain transit passes in the form of bound books of 100 passes, for transportation of maximum six cubic metre under each pass. As per condition No. 16 of the permit read with note dated 23/09/2017 of the Department, the permit holders were required to pay advance royalty by obtaining transit pass books worth ₹ 24,780 each from the Directorate. The permit holders were also required to furnish monthly returns about the quantity of sand extracted and transported to the Directorate.

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Registration Number	Name of Seller	Name of Purchaser
PNM-1-100-2019	Rajeev Suresh Samant	N. Preetam Reddy
PNM-1-68-2019	Sameer Bhat	Neelam Jalla
PNM-1-99-2019	Rajeev Suresh Samant	N. Preetam Reddy
PNM-647-2018	Rajendra P. Halarnkar	Konidela Ramcharan Tej and others
PNM-503-2018	Vasudeo Rajendra Deshprabhu and others	Kuldeep Singh Dalaal

75 Sand is a minor mineral

Rule 59 of GDDMMC Rules further stipulates that interest at the rate of 24 *per cent per annum* shall be charged on non-payment of royalty from the permit holder from the 30 day after expiry of due date of payment.

Audit scrutiny (August 2018) of records of the DMG revealed that there are 332 permit holders in existence as on May 2018. Of this 56 permit holders remitted advance royalty by purchase of pass books worth ₹ 13.88 lakh[76] and remaining 276 permit holders had not purchased pass books indicating these permit holders had not extracted any sand.

On verification of the monthly returns submitted by the permit holders, Audit observed that 55 out of 276 permit holders had reported extraction and sale of sand totaling 16,363 cubic metre. These permit holders had not purchased any pass books by payment of advance royalty of ₹ 13.63 lakh[77] indicating that these permit holders extracted and sold sand unauthorisedly. Of the remaining 221 permit holders 77 permit holders reported nil extraction and 144 permit holders did not submit monthly returns.

Thus, non-scrutiny of returns submitted by the permit holders and slackness in enforcement and monitoring mechanism by the DMG has resulted in non-collection of royalty of ₹ 13.63 lakh. Besides interest recoverable under Rule 59 worked out to ₹ 7.63 lakh[78]. In respect of 144 permit holders who did not submit monthly returns the DMG had not confirmed that these permit holders had not extracted and sold any sand.

The DMG stated (August 2018) that the show cause notices have been issued to permit holders to obtain details of sand extractions and regular inspections are being carried out to check illegal transportation of sand and minor mineral. The DMG further stated (July 2019) that the process of recovery of advance royalty has been initiated.

The reply is not tenable as the verification of monthly returns alone would have detected non-payment of advance royalty on extraction and transportation of sand by 55 permit holders. Thus, it is evident from the above fact that regular inspections conducted by the DMG was ineffective. Further, though the DMG issued show cause notices in August 2018 it has not furnished the details of amount recovered so far (September 2020).

The matter was referred to the Government in November 2020, however, it did not offer its comments (November 2021).

DEPARTMENT OF FISHERIES

2.12 Non-levy of GST on supply of services

The Directorate of fisheries had to forego levy of GST of ₹26.80 lakh on renting of immovable property, due to delay in registration under GST.

As per Sub-section (2) of Section 22 of Goods and Service Tax (GST) Act[79], 2017 every person who, on the day immediately preceding the appointed day, is registered or holds a license under an existing law, shall be liable to be registered under this Act with effect from the appointed day (01/07/2017).

[76] 56 x ₹ 24,780
[77] 55 x ₹ 24,780 (considering one permit holder purchases minimum one book)
[78] ₹ 13,62,900 X 24 *per cent* X 28 months from May 2018 to September 2020 = ₹ 7,63,224
[79] Central Goods and Service Tax Act, 2017 and State Goods and Service Tax Act, 2017

Under Sub-section (1) of Section 9 of the Act Central/State Goods and Service Tax[80] shall be levied on all *intra-State* supplies of goods or services or both at such rates as may be notified by the Government and shall be paid by the taxable person. Sub-section (1) and (2) of Section 50 of GST Act, 2017 stipulates that interest at the rate of 18 *per cent* shall be levied on delayed payment of tax.

The Directorate of Fisheries (DoF) provides service of renting its immovable property to a private party[81] on payment of monthly rental fees of ₹ 21.27 lakh. Prior[82] to implementation of GST the DoF was registered under Central Service Tax and applicable Service tax was credited into Government account for supply of service of renting immovable property.

After implementation of GST *w.e.f.* 01/07/2017, the Directorate of Fisheries (DoF) was liable for registration under GST regime as provided under Sub-section (2) of Section 22 of the GST Act, 2017. However, the DoF failed to register in GST regime *w.e.f.* 01/07/2017 and consequently could not levy GST amounting to ₹ 26.80 lakh on supply of services of renting immovable property[83] to the party during the period from June 2017 to January 2018. Besides interest to the tune of ₹ 13.67 lakh for delay in payment of tax under Section 50 of the GST Act was leviable as under.

(Amount in ₹)

Monthly Rental fees collected	Month of Collection	GST leviable @ 18 *per cent*	Interest to be levied @ 18 *per cent*/ Delay in months
2126645	July 2017	382796	212452[84] (37 months)
2126645	August 2017	382796	206710 (36 months)
2126645	September 2017	382796	200968 (35 months)
2126645	October 2017	382796	195226 (34 months)
2126645	November 2017	382796	189484 (33 months)
2126645	December 2017	382796	183742 (32 months)
2126645	January 2018	382796	178000 (31 months)
Total		**2679572**	**1366582**

The Director, DoF stated (October 2019) that GST for the period (July 2017 to January 2018) was not levied on the rent collected as the circular to register under GST was received only on 25/09/2018 and the Department got registered under GST on 17/10/2018.

The reply of the Director, DoF is not tenable as the said circular dated 25/09/2018 contains instructions regarding deduction of TDS by all DDOs/Heads of departments under section 51 of the GST Act. The Directorate of Fisheries was liable to obtain registration *w.e.f.* July 2017 under section 22 of GST Act, 2017 and collect applicable GST for supply of services of renting immovable property to the party since the Directorate was registered under Central Service Tax in pre-GST regime.

After being pointed out (October 2019) by Audit, the Directorate of Fisheries has recovered (December 2019) ₹ 26.80 lakh from the party, however, interest amount is yet to be recovered.

The matter was referred to the Government in September 2020, however, it did not offer its comments (November 2021).

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80 CGST and SGST

81 Delta Pleasure Cruise Company Pvt. Ltd.

82 Upto 30/06/2017

83 The rate of GST on supply of services for renting immovable property is 18 *per cent*

84 Interest calculated for 37 months (August 2017 to August 2020) = (₹ 3,82,796 x 18 *per cent* x 37)/12 = ₹ 2,12,452 and so on for other cases

CHAPTER – III

Public Sector Undertakings and Government Commercial & Trading Activities

CHAPTER-III

PUBLIC SECTOR UNDERTAKINGS AND GOVERNMENT COMMERCIAL AND TRADING ACTIVITIES

3.1 Functioning of State Public Sector Undertakings

3.1.1 Introduction

There were 16[1] State Public Sector Undertakings (PSUs) as on 31 March 2020 which were related to sectors other than Power Sector[2]. These State PSUs were incorporated during the period 1965 and 2016 and included 14 Government Companies and two Statutory Corporations *i.e.* Goa Industrial Development Corporation and Goa Information Technology Development Corporation. The Government Companies further included one active subsidiary company (*i.e.* Goa Electronics Limited). The State Government provides financial support to the State PSUs in the shape of equity, loans and grants/subsidy from time to time. Of the 16 State PSUs, the State Government invested funds in 15 State PSUs excluding the one subsidiary of Economic Development Corporation Limited (EDCL) (*i.e.* GEL).

3.1.2 Coverage of this Chapter

This Chapter contains the result of compliance audit on the functioning of the State PSUs and Electricity Department. The audit comments on the accounts of the State PSUs are incorporated in the Audit Report on the State Finances for the year 2019-20 separately. For the Report of the Comptroller and Auditor General of India (Public Sector Undertakings) for the year ended 31 March 2020, two compliance audit paragraphs were issued to the Secretaries of the respective departments with request to furnish replies within six weeks. The replies were awaited from the State Government (March 2021). The total financial impact of these compliance audit paragraphs is ₹ 22.57 crore.

3.1.3 Lack of responsiveness of Government to Audit

Inspection reports outstanding

The Accountant General (AG) arranges to conduct periodical inspections of PSUs and auditable units under Electricity Department to test-check their transactions. The AG also verifies the maintenance of important accounting and other records as per prescribed rules and procedures. These are followed up with inspection reports (IRs) which are issued to the heads of the PSUs inspected with copies to the Administrative departments. Half yearly reports of pending IRs are sent to the Secretaries of the concerned departments. This will facilitate monitoring of the action taken on the audit observations included in these IRs.

As of June 2020, 120 IRs (606 paragraphs) were outstanding for want of compliance from the PSUs and Electricity Department. Details of IRs and paragraphs outstanding are detailed in **Table 3.1**.

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1 Excluding Goa Auto Accessories Limited, which has been handed over to the Liquidator for conducting liquidation process as per Insolvency & Bankruptcy Board of India (Liquidation Process) Regulations, 2016, as per NCLT order delivered on 20/08/2019

2 The State Government's Electricity Department executed the functions of power purchase, distribution and maintenance

Table 3.1: Details of IRs and paragraphs outstanding

(Figures in numbers)

Name of PSU/Department	Jun-2018		Jun-2019		Jun-2020	
	IR	Para	IR	Para	IR	Para
EDCL	06	27	07	33	04	21
GSIDCL	03	16	03	16	04	23
GAAL	01	04	01	04	01	04
GSTFDCL	00	00	01	07	00	00
GEL	01	08	01	08	02	13
GFDCL	03	17	03	17	03	06
GSSCOBCFDCL	02	19	02	19	00	00
GHRSSIDCL	01	09	01	09	01	08
GMCL	00	00	00	00	01	02
GSHCL	03	12	03	09	03	09
ITCGL	03	17	03	16	03	16
SIDCGL	02	05	02	05	03	10
GTDCL	02	08	03	14	04	18
GIDC	06	43	07	58	08	83
GITDC	00	00	00	00	01	02
Electricity Department	65	287	68	307	76	353
River Navigation Department	05	21	05	21	06	38
Total	**103**	**493**	**110**	**543**	**120**	**606**

(Source: Compiled from Audit records)

3.1.4 Follow up action on Audit Reports

Replies outstanding

The Report of the Comptroller and Auditor General of India is the product of audit scrutiny. It is therefore, necessary that they elicit appropriate and timely response from the executive. All the Administrative departments of PSUs need to submit the explanatory notes indicating the corrective/remedial action taken or proposed to be taken on paragraphs and performance audits included in the Audit Reports. The Finance Department, Government of Goa issued every year, instructions to all Administrative departments to submit replies/explanatory notes within a period of three months of their presentation to the Legislature, in the prescribed format without waiting for any questionnaires from the COPU.

Table 3.2: Position of explanatory notes not received (as on 31 March 2021)

Year of the Audit Report (PSU)	Date of placement of Audit Report in the State Legislature	Total Performance Audits (PAs) and Paragraphs in the Audit Report		Number of PAs/ Paragraphs for which explanatory notes were not received	
		PAs	Paragraphs	PAs	Paragraphs
2016-17	03/08/2018	0	4	0	0
2017-18	07/02/2020	1	1	0	1
2018-19	29/01/2021	1	1	1	1
Total		**2**	**6**	**1**	**2**

(Source: Compiled based on explanatory notes received from respective Departments)

Explanatory notes on one Follow up audit of 'Estate Management of Goa Industrial Development Corporation' and three compliance audit paragraphs, one each from Sewerage & Infrastructural Development Corporation of Goa Limited, Goa Industrial Development Corporation and Goa Electricity Department is pending.

Discussion of Audit Reports by COPU

The status of discussion of Performance Audits and paragraphs that appeared in Audit Report (PSUs) by the Committee on Public Undertakings (COPU) as on 31 March 2021 is given in the **Table 3.3**.

Table 3.3: PAs and paragraphs appeared in Audit Reports *vis-à-vis* discussed as of 31 March 2021

Year of the Audit Report (PSU)	Number of PAs/Paragraphs			
	Appeared in Audit Report		Discussed by COPU	
	PAs	Paragraphs	PAs	Paragraphs
2016-17	0	4	0	4
2017-18	1	1	0	0
2018-19	1	1	0	0
Total	**2**	**6**	**0**	**4**

(Source: Compiled based on the discussions of COPU on the Audit Reports)

The discussion on Audit Reports (PSUs) up to 2015-16 has been completed.

Compliance to Reports of COPU

Action Taken Notes (ATNs) on five reports of the COPU presented to the State Legislature in February 2011, December 2018, January 2019 and January 2021 are awaited (31 March 2021) as indicated in **Table 3.4**.

Table 3.4: Compliance to COPU Reports

Year of the COPU Report	Total number of COPU Reports	Total number of recommendations in COPU Reports	Number of recommendations where ATNs not received
2009-11	1	4	4
2014-15	1	8	8
2017-18	1	6	6
2018-19	2	12	12
2019-20	1	4	4

(Source: Compiled based on recommendations of COPU)

These Reports of COPU contained recommendations in respect of paragraphs which appeared in the Audit Report of the CAG of India for the year 2003-04, 2009-10, 2010-11, 2011-12, 2012-13 and 2013-14 respectively.

The State Government may ensure replies to Paragraphs/Performance Audits and ATNs on the recommendations of COPU are furnished as per the prescribed time schedule.

DEPARTMENT OF INDUSTRIES

GOA INDUSTRIAL DEVELOPMENT CORPORATION

3.2 Avoidable payment of ₹ 17.32 crore to erstwhile SEZ allottees

As part of the compromise formula for refund of amounts received from seven allottees on cancellation of allotment of land in Special Economic Zone, Goa Industrial Development Corporation worked out a settlement amount of ₹256.57 crore. The amount however included construction licence fee and interest charged for delay in receipt of licence fee from allottees, totaling ₹17.32 crore, which was paid to local bodies on behalf of allottees.

Goa Industrial Development Corporation (GIDC) allotted (April 2006 – April 2007) land admeasuring 38.41 lakh square metre to seven industrial units[3] in Special Economic Zone (SEZ). Following several complaints and public interest litigations filed by non-government organisations, GIDC revoked (June 2008) the allotments. This was challenged (2008-09) by allottees before the Hon'ble High Court of Bombay at Goa. The court observed that the allotment of SEZ land was illegal and quashed (November 2010) the allotment orders issued by GIDC. Aggrieved, the SEZ allottees approached (March 2013) the Hon'ble Supreme Court of India.

Pending disposal of case by the Supreme Court, under the initiative of Government, the allottees approached (February 2018) GIDC and agreed to give up the land, provided GIDC refunded the amount paid[4] by them on allotment along with interest. As a compromise formula, GIDC, with the approval of Government, agreed to refund the amount along with interest at the rate of 8.25 *per cent* which worked out to a total sum of ₹ 256.57 crore[5]. The Supreme Court disposed (July 2018) of the appeals on the basis of Government decision and directed GIDC to make refund within three months.

Pursuant to the Apex Court's order, five[6] out of seven SEZ allottees submitted applications to GIDC for refund of the agreed amount and communicated their willingness to return the allotted land. Accordingly, GIDC paid as on March 2021, ₹ 231.61 crore to five allottees and took possession (April/May 2019) of the land and executed deeds of surrender with the allottees.

Audit observed that GIDC worked out (July 2018) the refundable/settlement amount (₹ 256.57 crore) by considering receipts from seven SEZ allottees towards security deposit, premium, lease rent, interest for late payment of premium/lease rent, construction licence fee, interest on construction licence fee and interest on interest received for late payment of premium/lease rent. The calculation was approved by State Government and submitted to the Apex Court for compromise settlement of appeals preferred by SEZ allottees.

Post Apex Court's direction, GIDC reviewed its calculation and realised that the construction licence fee alongwith delayed payment interest was collected (from allottees) on behalf of local bodies[7] and remitted to Government. Since the amount was not in possession of GIDC this amount with further interest thereon totaling ₹17.32 crore[8] was not refundable by GIDC. The refundable

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3 Meditab Specialities Pvt. Ltd., Peninsula Pharma Research Centre Pvt. Ltd., K. Raheja Corp Pvt. Ltd., Paradigm Logistics & Distribution Pvt. Ltd., Planetview Mercantile Co. Pvt. Ltd., Inox Mercantile Co. Pvt. Ltd. and Maxgrow Finlease Pvt. Ltd.

4 Meditab Specialities Pvt. Ltd. (₹ 10.56 crore), Peninsula Pharma Research Centre Pvt. Ltd. (₹ 6.88 crore), K. Raheja Corp Pvt. Ltd. (₹ 50.55 crore), Paradigm Logistics & Distribution Pvt. Ltd. (₹ 18.15 crore), Planetview Mercantile Co. Pvt. Ltd. (₹ 9.11 crore), Inox Mercantile Co. Pvt. Ltd. (₹ 30.30 crore) and Maxgrow Finlease Pvt. Ltd. (₹ 7.54 crore). Total ₹ 133.09 crore

5 The amount was calculated by GIDC and approved by State Government for out-of-court settlement with the allottees. The amount constituted ₹ 133.09 crore received on allotment of land by GIDC towards principal (premium, interest on premium/ lease rent, lease rent, licence fee and interest on licence fee) and ₹ 123.48 crore towards interest thereon (calculated at 8.25 *per cent per annum*).

6 Meditab Specialities Pvt. Ltd. and Maxgrow Finlease Pvt. Ltd. reserved their rights and claims in appeals pending before the Apex Court.

7 Municipal Council and Village Panchayat

8 (₹ 256.57 crore – ₹ 239.25 crore = ₹ 17.32 crore) = (₹ 6.58 crore + ₹ 6.11 crore + ₹ 4.63 crore)

amount as per revised calculation of GIDC was ₹ 239.25 crore. GIDC made a request to Government for refund of licence fee and interest, which was rejected (March 2019) stating that licence fee had already been distributed to local bodies. Further, Government directed GIDC to bear the liability as the settlement calculation was done by GIDC.

It is pertinent to note that GIDC had initially withheld the payment of licence fee and interest amount to allottees but subsequently released it citing probable contempt of Court's orders. The erroneous inclusion of licence fee and interest on licence fee in the original calculation of pay-out was known to GIDC at a later stage. However, it/Government did not appeal to the Apex Court for submission of the revised calculation and thereby seek modification of the earlier order. Thus, the faulty calculation of settlement amount and further non-rectification through legal route led to avoidable payment of ₹ 17.32 crore by GIDC.

The matter was referred to the Government in November 2020 and reminder issued in February 2022; however, the Government did not offer its comments (February 2022).

FINANCE DEPARTMENT

ECONOMIC DEVELOPMENT CORPORATION LIMITED (EDCL)

3.3 Non-utilisation of allotted plot for over three decades and non-recovery of transfer fee of ₹ 5.04 crore

EDCL allotted a plot in 1986 to Hindustan Hotels Ltd., on lease for construction of a hotel building. The Plot was subsequently transferred twice but none of the transferees made any investment for completion of the project and the plot remained unused even after three decades. EDCL also short-collected transfer fee to the tune of ₹5.04 crore on the second transfer.

EDCL a company[9] established by State Government to promote and assist in economic development and rapid and orderly industrialisation, developed land admeasuring 1.78 lakh square metre at Patto Plaza, Panaji and allotted plots therefrom to various persons and agencies in auction. Accordingly, it allotted (December 1986) a plot admeasuring 1,992.50 square metre to Hindustan Hotels Ltd. (HHL) on perpetual lease[10] for a premium of ₹ 40.05 lakh for construction of a multi-storeyed building comprising hotel and commercial complex.

HHL constructed (between 1988 and 1995) a structure of ground plus seven floors with basement but did not complete it. In June 1995, EDCL approved the transfer of plot and incomplete building to Peerless General Finance & Investment Company Ltd. (PGFICL) on HHL's request and executed (June 1995) a tripartite deed of lease with HHL and PGFICL. PGFICL too did not complete the construction of building despite being granted (January 2004/ September 2004/May 2005) extension of time till May 2008 by EDCL. Its request (March 2008) for transfer of leasehold rights over the plot to Aman Buildtech Pvt. Ltd. (ABPL) was not considered by EDCL due to

[9] The Memorandum of Association of EDCL enables it *inter-alia* to purchase or resell land or other property, to construct, sell and deal in freehold and leasehold ground rents, and to sell or lease immovable/movable property

[10] EDCL allots land on perpetual lease on terms and conditions mentioned in the lease deed

non-compliance of terms and conditions[11] of the lease and non-furnishing of details of shareholding pattern of ABPL. Notwithstanding the rejection of transfer request, PGFICL sold (March 2008) the leasehold rights and handed over (June 2010) physical vacant possession of the plot and building to ABPL.

Much later, the Board of Directors of EDCL decided (September 2017) to reconsider the transfer request by charging a transfer fee of ₹ 11.75 crore[12] based on current market valuation of the plot, and sent (December 2017) an offer letter to PGFICL for payment of requisite transfer fee. On behalf of PGFICL, ABPL countered the offer with details stating that it had knowledge (through regular visits to EDCL office) that the transfer fee considered by EDCL on its earlier proposal (March 2008) was ₹ two crore and accordingly, they are willing to pay ₹ two crore along with interest, which was accepted by EDCL. As of February 2021, ABPL paid ₹ five crore towards transfer fee and interest to EDCL and dues of ₹ 6.03 crore[13] were pending recovery.

Audit observed that:

- As per the lease deed executed (March 1988), HHL was required to complete the building within five years (by March 1993), failing which EDCL would cancel the lease and re-enter upon the demised plot. Records indicated that after getting allotment of plot, HHL transferred (June 1995) the site along with incomplete building to PGFICL for a consideration of ₹ 11 crore. However, PGFICL, after having possessed the plot for a period of 13 years without making any investment/additions thereupon, sold the site to ABPL for a consideration of ₹ 20 crore. Despite knowledge of unauthorised sale of plot and disapproval of transfer to ABPL, EDCL did not cancel lease and repossess the site for a further period of 11 years. Thus, the plot initially allotted at a premium of ₹ 40.05 lakh in December 1986 for development was used mainly for trading and did not contribute to any economic development envisaged by EDCL.
- As per the policy for transfer of leasehold rights, EDCL may permit transfer or sale of leasehold rights over a plot subject to payment of 50 *per cent* of the difference between the premium paid and the market value of the demised plot at the time of transfer. EDCL permitted (1995) transfer from HHL to PGFICL without charging any transfer fee as the building work was substantially completed by HHL. After rejection of PGFICL's transfer request in 2008, EDCL reconsidered the transfer request in December 2017 for a transfer fee of ₹ 11.75 crore, levied in accordance with the prevailing market valuation. However, EDCL finally settled for a fee of ₹ two crore and interest thereon (at the rate of 10 *per cent per annum* compounded quarterly with effect from March 2008) which works out to ₹ 6.71 crore as on October 2018. By settling for a lesser amount of transfer fee than the amount worked out as per market valuation chargeable as per the policy of transfer the EDCL deprived itself of legitimate income of ₹ 5.04 crore[14] (excluding interest/penal interest recoverable for delayed payment).

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[11] PGFICL was required to complete the construction of building and commence business but did not do that. It was required to pay the dues towards transfer fee, ground rent and extension fee within the prescribed period to EDCL but did not pay.

[12] 50 *per cent* of the difference between market value of plot (₹ 23.91 crore) and lease premium received from HHL (₹ 0.40 crore)

[13] Transfer fee (with interest) of ₹ 2.41 crore, extension fee of ₹ 3.62 crore

[14] ₹ 11.75 crore – ₹ 6.71 crore

EDCL stated (October 2020) that it was not a party to its actual transfer of plot from PGFICL to ABPL and the leasehold rights remained with PGFICL. It stated that there was no laxity on its part and that a notice was issued in November 2019 to PGFICL for cancellation of lease and directed to deliver possession of plot and structure standing thereon within three months. After completion of three months, the matter has been referred (July 2020) to Estate Officer for eviction of unauthorised occupants.

The reply is not tenable as the EDCL did not take any concrete action to repossess the plot from unauthorised occupation till 2019 despite its knowledge of transfer of physical possession of the plot by PGFICL to ABPL in 2008. Its attempt to issue the notice of termination was mainly on the ground of non-payment of transfer fee without considering the idling period of plot for more than 30 years. Thus the laxity of EDCL in terminating the lease and repossessing the unutilised plot allowed illegal transfer of the plot besides failure of stated objective of providing economic and industrial development at the site for over three decades. The possibility of eviction of unlawful occupants of the plot was bleak as EDCL accepted part payments towards transfer fee (₹ five crore) from ABPL for the unapproved land transfer.

The matter was referred to the Government in December 2020, however, it did not offer its comments (November 2021).

Panaji **(ANITHA BALAKRISHNA)**
The 21 March 2022 **Accountant General**

Countersigned

New Delhi **(GIRISH CHANDRA MURMU)**
The 24 March 2022 **Comptroller and Auditor General of India**

APPENDICES

APPENDIX 1.1

(Referred to in paragraph 1.4.1)

Statement showing year-wise position of inspection reports and paragraphs pending settlement

Sl. No.	Name of the Department	Upto 2014-15		2015-16		2016-17		2017-18		2018-19		2019-20		Total	
		IR	Para	IR	Para	IR	Para	IR	Para	IR	Para	IR	Para	IR	Para
1	Agriculture	-	-	-	-	-	-	-	-	15	94	1	4	16	98
2	Animal Husbandry and Veterinary Services	1	1	-	-	-	-	1	5	3	23	-	-	5	29
3	Archives, Archaeology and Museum	1	4	-	-	-	-	2	7	1	3	-	-	4	14
4	Art and Culture	6	17	-	-	-	-	1	7	1	8	1	7	9	39
5	Bank	-	-	1	1	-	-	1	2	5	13	4	7	11	23
6	Commercial Taxes	2	3	1	1	-	-	-	-	-	-	-	-	3	4
7	Co-operation	2	6	1	1	1	6	3	22	-	-	2	16	9	51
8	Civil Supplies and Consumer Affairs	-	-	-	-	-	-	-	-	-	-	1	8	1	8
9	Civil Aviation	-	-	-	-	-	-	-	-	-	-	1	3	1	3
10	Craftsman Training	2	2	-	-	-	-	-	-	3	13	-	-	5	15
11	Education	14	31	2	5	4	14	7	25	7	52	5	37	39	164
12	Electoral Office	1	1	-	-	2	3	-	-	-	-	-	-	3	4
13	Entertainment Society of Goa	4	20	1	4	1	2	1	5	1	5	-	-	8	36
14	Excise	1	2	-	-	1	3	-	-	-	-	-	-	2	5
15	Finance	3	7	3	4	2	16	1	8	1	6	-	-	10	41
16	Factories and Boilers	-	-	-	-	-	-	-	-	-	-	1	3	1	3
17	Fisheries	2	3	-	-	-	-	-	-	-	-	1	6	3	9
18	Forests	8	21	-	-	-	-	1	12	1	6	6	38	16	77
19	General Administration	1	1	-	-	1	4	1	7	-	-	-	-	3	12
20	Resident Commissioner	1	2	-	-	-	-	-	-	-	-	-	-	1	2
21	Goa Public Service Commission	-	-	-	-	1	1	-	-	-	-	-	-	1	1
22	Housing	1	2	-	-	-	-	-	-	1	3	-	-	2	5
23	Health	20	35	7	24	4	15	13	43	5	27	4	19	53	163
24	Higher Education	2	2	-	-	1	1	-	-	-	-	1	4	4	7
25	Home	2	2	2	4	3	4	6	18	4	14	2	10	19	52
26	Information and Technology	2	6	-	-	-	-	1	7	1	8	-	-	4	21
27	Information and Publicity	3	13	1	2	1	4	-	-	1	8	1	3	7	30
28	Industries, Trade and Commerce	5	12	1	8	-	-	-	-	2	10	-	-	8	30
29	Inland Water Transport	4	12	1	8	1	2	-	-	-	-	1	17	7	39
30	Irrigation	16	35	4	9	-	-	4	32	-	-	8	53	32	129
31	Labour	3	4	-	-	1	1	1	3	-	-	1	5	6	13

32	Law	1	2	6	10	3	5	2	4	4	10	1	5	17	36
33	Legislature	2	2	-	-	1	5	-	-	1	1	-	-	4	8
34	Legal Metrology	-	-	-	-	-	-	-	-	-	-	1	11	1	11
35	Official Language	-	-	1	1	-	-	1	1	-	-	1	2	3	4
36	Panchayati Raj	20	46	2	3	7	28	7	31	11	58	6	39	53	205
37	Planning and Statistics	-	-	-	-	-	-	1	2	-	-	-	-	1	2
38	Printing and Stationary	-	-	-	-	-	-	1	5	-	-	-	-	1	5
39	Public Works	33	65	9	28	14	51	11	77	8	56	10	73	85	350
40	Revenue	11	25	1	5	5	30	2	14	1	3	-	-	20	77
41	Science, Technology and Environment	-	-	-	-	1	9	-	-	1	13	-	-	2	22
42	Social Welfare	3	9	-	-	-	-	2	7	5	16	-	-	10	32
43	Sports and Youth Affairs	6	18	3	8	2	13	1	4	3	17	-	-	15	60
44	Stamps and Registration	-	-	-	-	-	-	1	11	-	-	-	-	1	11
45	Technical Education	4	6	2	2	-	-	-	-	3	16	2	5	11	29
46	Transport	2	3	1	1	1	2	1	1	-	-	-	-	5	7
47	Town and Country Planning	1	1	2	5	1	3	-	-	4	12	-	-	8	21
48	Tourism	1	1	1	3	2	8	1	4	1	2	-	-	6	18
49	Urban Development	56	228	10	52	14	95	10	77	10	110	5	38	105	600
50	Women and Child Development	2	3	-	-	-	-	-	-	-	-	1	7	3	10
Total		**249**	**653**	**63**	**189**	**75**	**325**	**85**	**441**	**104**	**607**	**68**	**420**	**644**	**2635**

APPENDIX 1.2

(Referred to in paragraph 1.4.3)

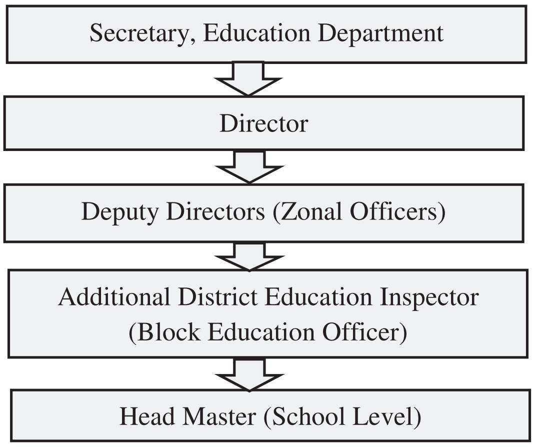
Statement showing number of paragraphs/reviews in respect of which Government explanatory memoranda had not been received

Sl. No.	Name of Department	2015-16	2016-17	2017-18	2018-19	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Social Welfare	-	1	-	-	1
2	Urban Development	1	-	-	-	1
3	Water Resources Department	-	-	1	-	1
4	Public Works Department	-	-	-	1	1
5	Public Health Department	-	-	-	3	3
Total		**1**	**1**	**1**	**4**	**7**

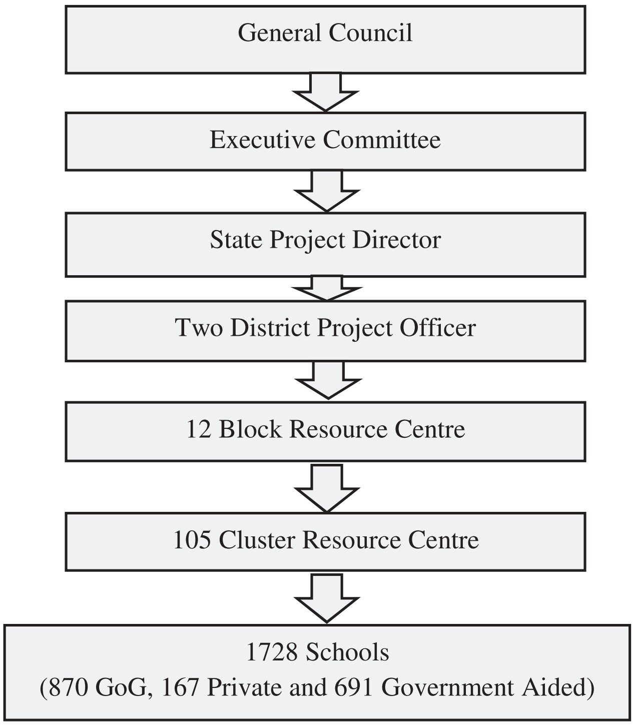
APPENDIX 1.3

(*Referred to in paragraph 1.5.2*)

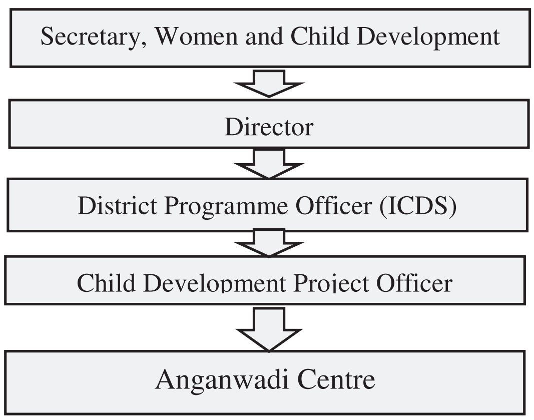
The Organogram of School Education



The Organogram of Goa Samagra Siksha



The Organogram of Pre-School Education



APPENDIX 1.4

(Referred to in paragraph 1.5.7.7)

Details of payment of Transport Allowance to CWSN

Year	CWSN identified	CWSN enrolled in schools and NRSTC[1]	Number of students for whom TA was provided
2015-16	1676	1676	164
2016-17	2489	2489	87
2017-18	858	858	95
2018-19	1484	1484	75
2019-20	1484	1484	75
Total	**7991**	**7991**	**496**

(Source: Information furnished by GSS)

[1] Non-Residential Special Training Centre

APPENDIX 1.5

(Referred to in paragraph 1.5.8.5)

Details of taluka wise single teacher school and enrolment in these schools

Name of Taluka	Number of Schools with single teacher	Range of Enrolment in each School	Total Enrolment in these schools
Pernem	15	7 to 26	175
Bardez	19	4 to 35	230
Bicholim	35	2 to 26	504
Sattari	63	5 to 39	954
Tiswadi	10	7 to 30	160
Ponda	66	4 to 42	1110
Sanguem	37	4 to 26	519
Dharbandora	41	3 to 56	610
Quepem	37	3 to 47	660
Canacona	54	4 to 44	747
Salcete	21	8 to 51	487
Mormugao	5	9 to 29	86
Total	**403**		**6242**

(Source: Information furnished by DoE)

APPENDIX 1.6

(Referred to in paragraph 1.5.8.5)

List of Schools having teachers more than the required strength

Sl. No.	Name of School	Enrolment during 2019-20	Number of teachers available	Number of teachers to be available as per RTE Norms	Number of Excess teachers
1	G.P.S. Murmuse Tuem	32	4	2	2
2	G.P.S. Bhutwadi	20	3	2	1
3	G.P.S. Duler Mapusa	76	6	3	3
4	G.P.S. Karmarkhajan, Mapusa	30	3	2	1
5	G.P.S. Karaswada, Mapusa	149	6	5	1
6	G.P.S. Confraria, Candolim	58	3	2	1
7	G.P.S. Namoxim, Guirim	82	4	3	1
8	G.P.S. Verla	43	4	2	2
9	G.P.S. Bicholim	162	7	5	2
10	G.P.S. Falwadi, Kudnem	26	3	2	1
11	G.P.S. Ussap	37	3	2	1
12	G.P.S. Maulinguem	105	5	4	1
13	G.P.S. Bagwada, Mulgao	30	3	2	1
14	G.P.S. Vithalapur	244	10	7	3
15	G.P.S. Velus	19	5	2	3
16	G.P.S. Padeli	23	3	2	1
17	G.P.S. Gaonkarwada, Honda	61	6	3	3
18	G.P.S. Saleli	31	3	2	1
19	G.P.S. Narayan Nagar, Honda	83	4	3	1
20	G.P.S. Dhangarwada, Querim	38	3	2	1
21	G.P.S. Velguem	48	4	2	2
22	G.P.S. Uste	12	3	2	1
23	G.P.S. Morlem Colony, Sattari	49	3	2	1
24	G.P.S. Poreim	39	4	2	2
25	G.P.S. Deulwada, Morlem	26	5	2	3
26	G.P.S. Bhuipal	29	3	2	1
27	G.P.S. Honda	59	4	2	2
28	G.P.S. Chincholem	70	4	3	1
29	G.P.S. Panaji Center	64	4	3	1
30	G.P.S. Band, St. Cruz	21	3	2	1
31	G.P.S. Merces	72	4	3	1
32	G.P.S. St. Paulo, Taleigao	42	3	2	1
33	G.P.S. Kirlawada, Chimbel	83	6	3	3
34	G.P.S. Dhulapi, Corlim	70	5	3	2
35	G.P.S. Ponda Center	77	4	3	1
36	G.P.S. Savoi	14	4	2	2
37	G.P.S. Chan, Shiroda	43	3	2	1
38	G.P.S. Kotharli	44	3	2	1
39	Lt. Wing Comdr. Vishwanath Sanvordekar, G.P.S. Savordem	48	4	2	2
40	G.P.S. Katta, Fatorpa	48	3	2	1
41	G.P.S. A.V. Lourenco	36	3	2	1
42	G.P.S. Fatorda	52	3	2	1
43	G.P.S. Housing Board, Gogol	60	4	2	2
44	G.P.S. Kharenad II	71	4	3	1
45	G.P.S. Dicarpale	72	4	3	1
46	G.P.S. Housing Board, Davorlim	77	4	3	1
47	G.P.S. Dabolim	27	3	2	1
48	G.P.S. Vadenagar, Vasco	35	4	2	2
Total			**193**	**122**	**71**

APPENDIX 1.7

(Referred to in paragraph 1.6.8)

Water release during Rabi Season

Month of Water release	2014-15				2015-16				2016-17			
	Water discharge for Agri. in MLD	Water requirement in MLD	Shortfall/ Excess	No. of times excess water release	Water discharge for Agri. in MLD	Water requirement in MLD	Shortfall/ Excess	No. of times excess water release	Water discharge for Agri. in MLD	Water requirement in MLD	Shortfall/ Excess	No. of times excess water release
April	672.0	55.3	616.7	11.2	524.2	26.3	497.9	18.9	600.2	22.0	578.3	26.3
May	290.9	8.1	282.8	35.0	278.8	7.9	270.9	34.2	433.5	7.8	425.6	54.3
Nov.	17.0	8.2	8.9	1.1	0.0	8.2	(-)8.2	(-)1.0	0.0	8.0	(-)8.0	(-)1.0
Dec.	111.2	12.2	99.0	8.1	253.8	8.0	245.8	30.8	196.8	8.3	188.4	22.6
Jan.	345.4	25.3	320.1	12.7	525.1	22.3	502.8	22.5	513.0	37.4	475.6	12.7
Feb.	552.7	49.2	503.5	10.2	537.2	30.4	506.8	16.7	523.3	38.4	484.9	12.6
March	656.4	49.2	607.2	12.4	734.2	44.9	689.2	15.3	677.1	45.6	631.5	13.9

Month of Water release	2017-18				2018-19				2019-20			
	Water discharge for Agri. in MLD	Water requirement in MLD	Shortfall/ Excess	No. of times excess water release	Water discharge for Agri. in MLD	Water requirement in MLD	Shortfall/ Excess	No. of times excess water release	Water discharge for Agri. in MLD	Water requirement in MLD	Shortfall/ Excess	No. of times excess water release
April	712.6	32.0	680.5	21.2	671.1	34.0	637.1	18.7	774.8	34.3	740.5	21.6
May	400.7	8.0	392.7	49.3	364.4	8.5	355.9	42.0	410.2	9.1	401.1	44.1
Nov.	0.0	8.4	(-)8.4	(-)1.0	0.0	8.3	(-)8.3	(-)1.0	8.4	8.7	(-)0.3	0.0
Dec.	231.3	8.5	222.8	26.1	201.9	8.1	193.8	23.9	237.4	10.8	226.5	20.9
Jan.	646.0	29.8	616.3	20.7	413.6	40.5	373.1	9.2	702.2	38.6	663.6	17.2
Feb.	628.8	37.8	590.9	15.6	699.6	42.5	657.1	15.5	742.8	40.1	702.7	17.5
March	654.7	45.3	609.4	13.5	770.5	43.1	727.4	16.9	836.1	41.4	794.7	19.2

(Source: Water discharge data received from WRD; Water requirement data provided by Directorate of Agriculture)

APPENDIX 1.8

(Referred to in paragraph 1.6.9.1)

MOM cost of unused water

Year	Total MOM[2] Cost (₹ in lakh)	Annual volume of irrigation supply (m^3)	Cost of distribution of water (₹/m^3)	Cost of surplus water released (₹ in lakh)	*Per cent* of total MOM cost
(1)	(2)	(3)	(4)	(5)	(6) = (5)/(2) x 100
2014-15	2200.96	80125400	2.75	1843.85	83.77
2015-16	2374.15	84049520	2.82	2083.36	87.75
2016-17	2555.45	86797040	2.94	2266.62	88.70
2017-18	3691.15	96792840	3.81	3313.08	89.76
2018-19	3109.13	92160640	3.37	2778.47	89.36
2019-20	3008.02	112415120	2.68	2770.69	92.11

(Source: Water Resource Department, Goa)

[2] Total management, operation and maintenance (MOM) cost of providing the irrigation services per unit of volume of irrigation supply (₹/m^3) = Total MOM cost (₹)/ Total annual volume of irrigation supply (m^3)

APPENDIX 1.9

(Referred to in paragraph 1.6.11.1)

Annual Crop Cultivation Area for the period 2014-15 to 2019-20

(Area in ha.)

Name of the crop	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Coconut	230.15	229.73	229.73	230.03	229.83	235.83
Oilpalm	45.33	44.83	43.10	44.00	43.70	42.10
Mango/Cashew/Chickoo	43.20	50.00	43.80	40.20	41.30	40.50
Pineapple/Banana	22.75	27.70	13.20	15.60	17.40	16.70
Paddy-Kharif	225.30	275.70	269.40	258.50	260.40	173.00
Rabi	1155.60	856.90	814.90	816.90	787.00	716.00
Sugarcane	80.43	79.86	79.86	79.66	79.66	79.60
Vegetables-Kharif	28.80	36.50	34.80	39.02	49.30	57.55
Rabi	49.81	43.44	46.32	56.00	71.20	71.30
Oil seed	0.00	0.00	0.00	0.00	0.00	0.00
Pulses-Kharif	0.00	0.00	0.00	0.00	0.00	0.00
Rabi	3.70	2.20	1.50	2.00	2.50	2.40
Others	4.00	1.70	0.90	0.00	0.00	0.00
Total area cultivated (ha.)	**1889.07**	**1648.56**	**1577.51**	**1581.91**	**1582.29**	**1434.98**

APPENDIX 1.10

(Referred to in paragraph 1.6.13.1)

Distribution Loss

(Quantity in MLD)

Year	Water intake by the plants	Water reaching the domestic & industrial consumers[3]	Difference (UFW)	Percentage wastage
(1)	(2)	(3)	(4)= (2)-(3)	(5)= {(4)/(2)}x100
2014-15	256.61	161.45	95.16	37.08
2015-16	272.07	168.81	103.26	37.96
2016-17	296.04	179.11	116.93	39.50
2017-18	305.19	192.86	112.33	36.81
2018-19	316.07	187.31	128.76	40.74
2019-20	325.67	210.77	114.90	35.28

(Source: Public Works Department, Goa)

[3] [Sum of supplies (m^3) ÷ (365 x 1000)] = Supplies in MLD

APPENDIX 1.11

(Referred to in paragraph 1.6.14.2)

Revenue Collection of WRD from water supply to PWD

(₹in Lakh)

Year	Water Supply (Domestic)			Water Supply (Industrial)		
	Arrears at the beginning of the year	Demand for the year	Collection	Arrears at the beginning of the year	Demand for the year	Collection
2014-15	10771	11546	0	0	426	426
2015-16	22317	12674	0	0	419	419
2016-17	34992	17551	0	0	583	438
2017-18	52543	19089	0	146	720	588
2018-19	71632	20338	0	278	800	659
2019-20	91970	14292	236	419	705	593
Arrear at the end of 2019-20	**106026**			**531**		

(Source: Water Resources Department, Goa)

APPENDIX 1.12

(Referred to in paragraph 1.6.15 & 1.6.15.1)

Rehabilitation package approved by the State Government

- i) 400 sq. meter housing plot.
- ii) 10,000 sq. meter (1 ha.) Agricultural land with irrigation facilities.
- iii) Loan of ₹ 13,000 with simple interest of 6.25 *per cent* repayable in 17 yearly instalments. The loan was extended to 552 rehabilitated families for construction of house in the 400 sq. meter housing plot provided to them, the repayment of which was waived off (2002) that had cost the State Government ₹ 1.13 crore.
- iv) Free license for house construction.
- v) Supply of free water for drinking as well as for house construction.
- vi) 16 coconut trees at the rate of ₹ 20 per tree for making rafters.
- vii) Timber (1.60 cu.m.) and 75 bags of cement at subsidised rate.
- viii) Providing power line up to the housing plot.
- ix) Besides, amenities like drinking water wells, schools, playground, marketing complex, health centre, community hall, temples, churches, graveyard, internal roads, approach roads, Panchayat buildings, cattle pond, Lift irrigation schemes and Industrial Training Centre were also created.

APPENDIX 2.1

(*Referred to in paragraph 2.1.3*)

Details of Non-tax revenue receipt of the State

(₹ in crore)

Sl. No.	Heads of revenue		2015-16	2016-17	2017-18	2018-19	2019-20	Percentage increase (+) or decrease (-) in 2019-20 over 2018-19
1	Power	BE	1497.17	1687.75	1819.15	1907.65	2244.16	
		RE	1497.17	1687.75	1819.15	1907.65	2244.16	
		Actual	1708.91	1765.80	2119.09	1919.80	1960.52	2.12
2	Non-Ferrous Mining and Metallurgical Industries[4]	BE	742.57	439.28	377.60	327.59	60.64	
		RE	205.11	259.34	377.60	327.59	60.64	
		Actual	216.53	347.63	332.79	34.39	08.78	(-)74.46
3	Other Non-tax receipts[5]	BE	91.61	91.72	95.28	82.89	182.42	
		RE	76.85	85.71	93.15	82.89	182.42	
		Actual	51.71	56.76	57.23	71.02	69.55	(-)2.07
4	Water Supply and Sanitation	BE	145.75	162.62	126.05	136.96	154.73	
		RE	145.75	114.59	126.05	136.96	154.73	
		Actual	115.40	119.69	129.80	145.96	147.66	1.16
5	Other Administrative Services	BE	163.27	176.47	178.67	161.38	310.25	
		RE	133.10	183.70	179.83	161.38	310.25	
		Actual	108.98	152.52	139.66	450.94	260.25	(-)42.28
6	Miscellaneous General Services	BE	45.76	49.41	45.73	46.01	43.00	
		RE	45.76	43.69	45.73	46.01	43.00	
		Actual	40.35	42.62	31.83	14.54	26.67	83.42
7	Education, Sports, Art and Culture	BE	18.40	19.43	29.17	34.73	41.70	
		RE	19.50	25.53	30.74	34.73	41.70	
		Actual	29.96	26.17	26.49	24.95	25.27	1.28
8	Medium Irrigation	BE	38.16	11.81	19.79	16.38	3.43	
		RE	39.30	11.81	19.79	16.38	3.43	
		Actual	29.05	23.01	44.77	6.51	27.66	324.88
9	Interest Receipts	BE	27.53	23.48	17.38	29.56	33.39	
		RE	27.53	17.01	27.84	29.56	33.39	
		Actual	17.74	20.51	27.24	24.20	62.82	159.71
10	Medical and Public Health	BE	24.87	26.98	36.43	31.26	34.09	
		RE	27.11	27.09	36.58	31.26	34.09	
		Actual	14.32	21.86	38.37	31.70	27.31	(-)13.84
11	Urban Development	BE	76.50	56.65	64.00	61.00	90.00	
		RE	53.50	63.74	61.00	61.00	90.00	
		Actual	55.64	80.46	43.32	85.21	48.63	(-)42.92
12	Roads and Bridges	BE	46.05	55.31	28.21	21.94	31.23	
		RE	46.05	42.00	28.21	21.94	31.23	
		Actual	36.04	44.04	34.97	52.44	24.18	(-)53.89
13	Minor Irrigation	BE	12.38	10.58	10.17	11.98	21.87	
		RE	12.38	10.58	10.17	11.98	21.87	
		Actual	7.30	10.93	7.71	12.00	48.24	302.00
Total		**BE**	**2930.02**	**2811.49**	**2847.63**	**2869.33**	**3250.91**	
		RE	**2329.11**	**2572.54**	**2855.84**	**2869.33**	**3250.91**	
		Actual	**2431.93**	**2712.00**	**3033.27**	**2873.66**	**2737.54**	(-)**4.74**

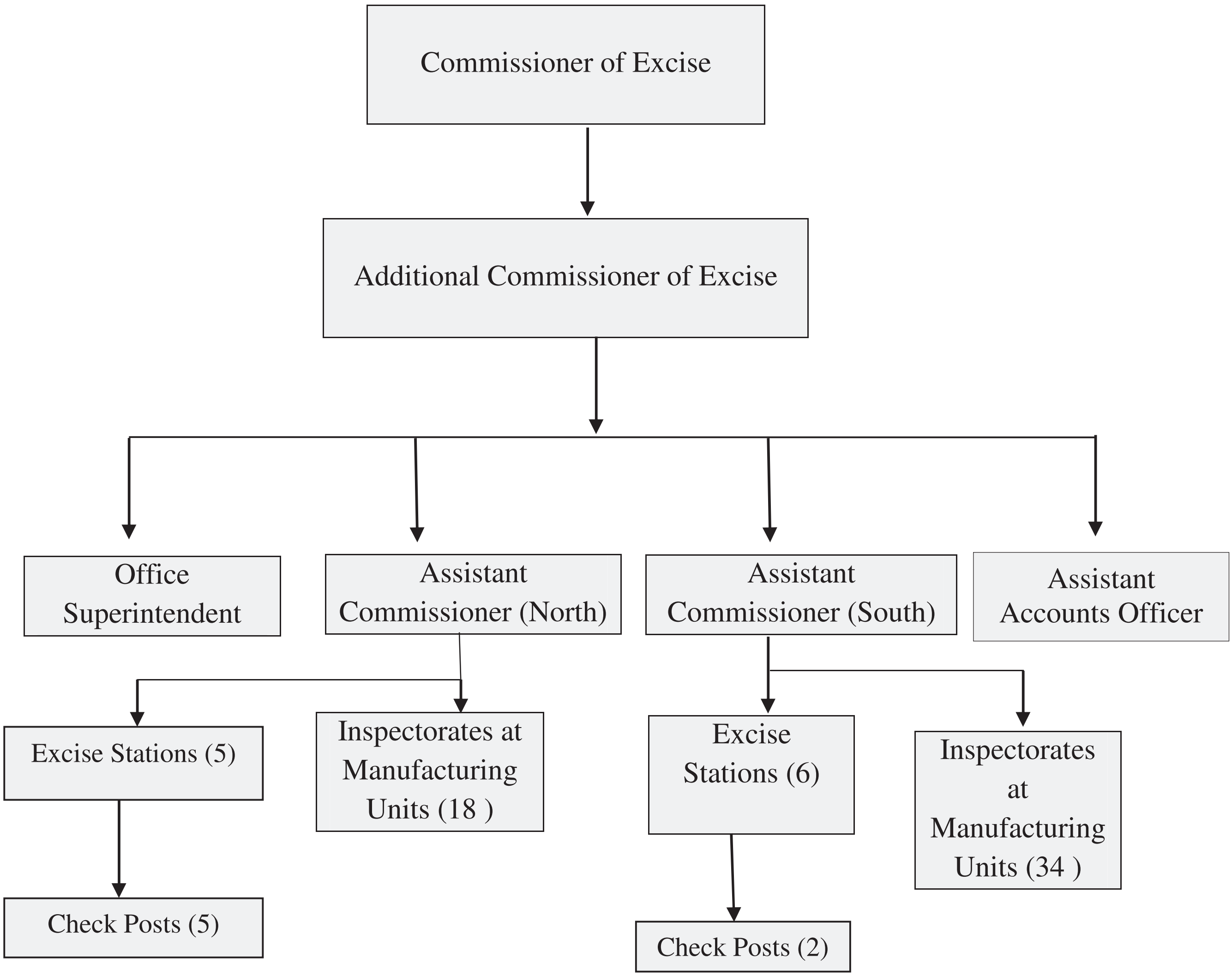
[4] Includes major minerals such as iron ore, manganese and bauxite; minor minerals such as basalt (Granite), laterite stones, ordinary sand, river pebbles, murrum and laterite boulders

[5] Police, Printing and Stationary, Labour and Employment, Inland Water Transport, Tourism, Forest and Wild Life, Public Works, Port and Light House, Social Security, Co-operation *etc.*

APPENDIX 2.2

(Referred to in paragraph 2.2.3)

Organogram of Excise Department



APPENDIX 2.3

(*Referred to in paragraph 2.2.9.1*)

Details of short levy of license fee from category hotels

Name of the Taluka Excise Stations	License No.	Category/Status of hotel as per Tourism Department, GoG/Ministry of Tourism, GoI	Period of misclassification	License fee leviable (in ₹)	License fee levied (in ₹)	Short levy (in ₹)	Interest under Rule 122 of GDDED Rules, 1964 (in ₹)
Tiswadi	FL/25 & FCL/1012	B	2009-10 to 2019-20	1025000	243020	754980	784969
	FL/56 & FCL/1063	B with 3 star status	2012-13 to 2019-20	890000	120620	769380	515670
	FL/98 & FCL/1112	B	2016-17 to 2019-20	425000	112000	314000	91320
	FL/104& FCL/1125	B	2017-18 to 2019-20	350000	27360	322640	75192
	FCL/592	C	2014-15 to 2019-20	165000	46000	119000	82960
	FCL/950	C	2014-15 to 2019-20	165000	146000	19000	10160
	FCL/1016	C	2014-15 to 2019-20	165000	101000	64000	61760
Bardez	FCL/2257	A with 5 star status	2019-20	375000	175000	200000	12000
	FL/613 & FCL/2300	B	2017-18 to 2019-20	400000	88000	312000	82800
	FL 547/ & FCL/2233	B	2016-17 to 2019-20	500000	124000	376000	138720
	FCL/1724	B with 4 star status	2017-18 to 2019-20	270000	200000	70000	37800
	FL/477 & FCL/2165	C	2015-16 to 2019-20	210000	100000	110000	63040
	FL/96 & FCL/117	C	2014-15 to 2020-21	300000	124500	175500	106200
	FL/265 & FCL/1924	C (with Swimming Pool)	2014-15 to 2019-20	445000	83300	361700	280504
	FL/402 & FCL/2082	C	2014-15 to 2020-21	300000	49300	250700	162904
	FL/69 & FCL/989	C	2014-15 to 2019-20	240000	105500	134500	100040
Salcete	FL/166 & FCL/2303	B	2019-20	150000	21000	129000	10320
	FCL/1423	B	2014-15 to 2018-19	265000	61000	204000	167520
	FL/88 & FCL/1144	B	2014-15 to 2019-20	680000	163500	516500	318650
Mormugao	FL/46 & FCL/750	B	2014-15 to 2017-18	380000	61500	318500	293090
					Total	**5521400**	**3395619**

APPENDIX 2.4

(*Referred to in paragraph 2.9*)

Details of appeal cases without recovering the mandatory remittance of 10 *per cent* of the disputed amount

Sl. No	Appeal Ref No	Date of filing of Appeal	Date of Acceptance of Appeal	Name of the Dealer	Amount disputed	Disputed amount to be remitted by the dealer	Category of Tax
1	ADC/Appeal No. 90 of 2018/19	21/06/2018	22/06/2018	M/s Goa Sponge & Power Ltd.	57718152	5771815	VAT
2	ADC/Appeal No. 85 of 2018/19	22/06/2018	22/06/2018	M/s Goa Sponge & Power Ltd.	39964192	3996419	VAT
3	Addl CCT/Appeal No. 50 of 2018/19	21/05/2018	21/05/2018	Vedanta Limited	31483846	3148385	CST
4	ADC/Appeal No. 26 of 2019/20	03/04/2019	04/04/2019	Vedanta/Sesa Resources Limited	23246252	2324625	CST
5	ADC/Appeal No. 40 of 2018/19	30/04/2018	07/05/2018	GE India Industrial Pvt. Ltd.	17942791	1794279	CST
6	Appeal No. 121 of 2018/19	13/03/2019	13/03/2019	Vedanta Limited	17309891	1730989	CST
7	Appeal No. 113 of 2018/19	15/11/2018	15/11/2018	Venus Ethoxyethers Pvt. Ltd.	13458536	1345854	CST
8	ADC/Appeal No. 07 of 2019/20	17/05/2019	17/05/2019	Outdoor Goa	12810009	1281001	VAT
9	ADC/Appeal No. 68 of 2018/19	05/06/2018	05/06/2018	Outdoors Goa	11115235	1111524	VAT
10	ADC/Appeal No. 134 of 2018/19	07/03/2019	07/03/2019	M/s Outdoor Goa	10806990	1080699	VAT
11	ADC/Appeal No. 88 of 2018/19	21/06/2018	22/06/2018	M/s Goa Sponge & Power Ltd.	9274914	927491	CST
12	ADC/Appeal No. 36 of 2018/19	25/04/2018	25/04/2018	NKG Infrastructure	8829455	882946	VAT
13	ADC/Appeal No. 86 of 2018/19	22/06/2018	22/06/2018	M/s Goa Sponge & Power Ltd.	8165230	816523	CST
14	ADC/Appeal No. 74 of 2018/19	05/06/2018	05/06/2018	Outdoors Goa	7396648	739665	URD
15	ADC/Appeal No. 89 of 2018/19	21/06/2018	22/06/2018	M/s Goa Sponge & Power Ltd.	7105428	710543	CST
16	ADC/Appeal No. 15 of 2019/20	30/05/2019	30/05/2019	Digital Designer	6162669	616267	VAT
17	ADC/Appeal No. 133 of 2018/19	07/03/2019	07/03/2019	M/s Digital Designer	6038320	603832	VAT
18	ADC/Appeal No. 20 of 2019/20	18/06/2019	21/06/2019	Vedanta/Sesa Resources Limited	5420394	542039	VAT
19	ADC/Appeal No. 70 of 2018/19	05/06/2018	05/06/2018	Cumala Dashch	5354388	535439	VAT
20	ADC/Appeal No. 09 of 2019/20	17/05/2019	17/05/2019	Cumala Dashch	5025178	502518	VAT
21	ADC/Appeal No. 69 of 2018/19	05/06/2018	05/06/2018	Outdoors Goa	4516488	451649	VAT
22	ADC/Appeal No. 43 of 2019/20	02/12/2019	04/12/2019	Esteem Industries Pvt. Ltd.	4339604	433960	CST
					Total	**31348461**	

APPENDIX 2.5

(*Referred to in paragraph 2.10*)

Details of Short levy of Stamp Duty and Registration fee

Sl. No	Reg. No.	Month/ Year of Registra -tion	Area involved in m^2	Taluka/ Village	Survey No.	Consideration Value determined	Registration fee levied	Stamp duty levied	Fair market value per m^2	Consideration as per fair market value	Stamp Duty leviable	Reg. Fee leviable	Short collection of Stamp duty	Short collection of Registration fee
	A	B	C	D	E	F	G	H	I	J = I*C	K	L	M = K / H	N = L / G
1	PNM-1-100-2019	Jun-2019	5734	Pernem, Morjim Village	238/12	22400000	784000	1008500	4648	26651632	1199323	932807	190823	148807
2	PNM-1-68-2019	May-2019	7000		245/6	18000000	630000	810000	4648	32536000	1464120	1138760	654120	508760
3	PNM-1-99-2019	Jun-2019	1945		245/2	7600000	228000	304500	4648	9040360	361614	271211	57114	43211
4	PNM-503-2018	Jun-2018	4337		245/4	17348000	607180	780660	4648	20158376	907127	705543	126467	98363
5	PNM-647-2018	Oct-2018	3430		182/10	13000000	455000	585000	4648	15942640	717419	557992	132419	102992
												Total	**1160944**	**902133**