



SUPREME AUDIT INSTITUTION OF INDIA

लोकहितार्थ सत्यनिष्ठा

Dedicated to Truth in Public Interest

# **Report of the Comptroller and Auditor General of India for the period ended March 2022**



**Government of Goa**  
**Report No. 1 of 2025**  
**(Compliance Audit- Civil & Commercial)**



Report of the  
Comptroller and Auditor General of  
India for the period ended March 2022

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## PREFACE

This Report of the Comptroller and Auditor General of India for the year ended 31 March 2022 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 results 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 Corporations 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 2021-22. 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 2021-22 but pertaining to the year 2021-22 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 11 paragraphs, two Long Paragraphs and one Subject Specific Compliance Audit. Chapter I contains the audit findings pertaining to Social, General and Economic Sectors (Non-Public Sector Undertakings). Chapter II contains Compliance audit findings pertaining to Revenue Sector and one Subject Specific Compliance Audit on Department's oversight on GST payments and return filing. 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 24.87 *per cent* from ₹ 14,321.25 crore in 2019-20 to ₹ 17,882.94 crore in 2021-22. The revenue expenditure of the State increased by 22.41 *per cent* from ₹ 11,622.66 crore in 2019-20 to ₹ 14,226.88 crore in 2021-22.

The share of revenue expenditure to total expenditure was 81 *per cent* during 2020-21, which decreased to 80 *per cent* during 2021-22, with a corresponding increase in the share of capital expenditure to 20 *per cent* as compared to 19 *per cent* during 2020-21.

## COMPLIANCE AUDIT

### Tourism Department

#### Implementation of Swadesh Darshan Scheme in Goa

The Swadesh Darshan Scheme (SDS) for integrated development of theme-based tourist circuits in the country was launched in January 2015 by the Ministry of Tourism (MoT), Government of India. In Goa, the Scheme was implemented in two phases-Coastal Circuit-I and Coastal Circuit-II. Goa Tourism Development Corporation (GTDC) was the implementing agency.

'Development of Coastal Circuit-I' (Sinquerim-Baga, Anjuna-Vagator, Morjim-Keri, Aguada Fort and Aguada Jail) was selected for this audit. Eight projects were sanctioned under this circuit.

It was observed that the identification of projects and project preparation were not in line with the focus areas given in the Scheme Guidelines. Deficiencies in planning and execution were observed in all projects. Lack of coordination with the governing local Panchayati Raj Institutions (PRIs) during project preparation resulted in relocation of the Aguada Helipad site as the local residents opposed construction of the helipad subsequently. The Morjim Khind Project was executed on leased land in contravention of Sanction order. Buses for the Aguada Fort project, equipment for sound and light show at Aguada Jail project were procured

before the project site was ready, leading to idling or diversion of the assets.

Operation and Maintenance (O&M) of assets in three out of the eight projects was ineffective and the assets created were missing or in an abandoned/deteriorating state, though GTDC informed that O&M partner was selected for all the projects. Parking areas developed under the Scheme in Anjuna and Morjim were not being used for the intended purpose.

*(Paragraph 1.5)*

## **Department of Rural Development**

### **Implementation of National Social Assistance Programme in the State of Goa**

The National Social Assistance Programme (NSAP), a 100 *per cent* centrally assisted Scheme was launched in 1995 to provide a basic level of financial support to needy persons who have little or no regular means of subsistence, people living below poverty line (BPL) and vulnerable groups in the society. Audit of implementation of this Scheme in Goa for the period from 2017-18 to 2021-22 revealed that due to non-utilisation of available funds as at the end of March 2016 by the State, non-submission of reconciled Utilisation Certificates, further proposals, *etc.*, funds were not sanctioned by the Centre from 2016-17 till 2021-22. As a result, the State lost out on central assistance that could have augmented its resources for social welfare. Out of a total of 13,627 beneficiaries identified during 2017-2022, only 9,051 beneficiaries were paid pension, for a period of two months in 2020-21.

It was further observed that there was no system for verification of status of existing beneficiaries, which led to instances of deprivation of enhanced entitlements to eligible beneficiaries under the Scheme. A State social assistance Scheme for similar target groups, called the Dayanand Social Security Scheme (DSSS) was implemented by the Directorate of Social Welfare (DSW) in the State.

*(Paragraph 1.6)*

## **Public Works Department**

Failure of the Head of the Office to exercise mandatory checks of Cash book transactions weakened the internal control system and resulted in non-detection of misappropriation of ₹ 15.86 lakh done by the cashier in Public Works Division VI, Margao.

*(Paragraph 1.7)*

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### **Department of Urban Development**

The Corporation of the City of Panaji (CCP) did not renew the advertising agreements despite recommendations of the Standing Committee, which led to a loss of ₹ 45 lakh *plus* interest (December 2014 to June 2022) to the CCP.

*(Paragraph 1.8)*

Mapusa Municipal Council (MMC) executed road works in 11 private properties without invoking Section 170 of the Goa Municipality Act, 1968, which resulted in loss of opportunity to recover the expenses (₹ 86.81 lakh) from the owners.

*(Paragraph 1.9)*

### **Department of State Tax**

#### **Subject Specific Compliance Audit on Department's oversight on GST payments and return filing**

This Subject Specific Compliance Audit (SSCA) was taken up considering the significance of the control mechanism envisaged for tax compliance and the oversight mechanism of the State Taxes Department (Department) under GST regime.

This SSCA was predominantly conducted based on data analysis, which highlighted risk areas and red flags pertaining to the period from July 2017 to March 2018. Further, the review of the scrutiny of returns by the Department and verification of taxpayers' records covered the period from July 2017 to March 2018, while the audit of the functions of selected wards covered the period from July 2017 to March 2021. The SSCA covered only the State administered taxpayers.

Audit observed systemic deficiencies like deficient monitoring mechanism for return filing, non-cancellation of registrations of non-filers of GSTR-3B, delay in selection of cases for internal audit, non-completion of internal audit and non-adherence to prescribed procedure for cancellation of registration.

Compliance deficiencies were classified under two categories: (i) Centralised Audit; and (ii) Detailed Audit. During test check of returns data for the period 2017-18, audit observed deviations (under Centralised Audit) from the provisions of the Act in 55 cases (constituting 52.88 *per cent* of the total 104 cases) involving mismatch/deviation of ₹ 46.30 crore. Relatively higher rates of deviations were noticed in risk parameters such as mismatch of ITC between returns, mismatch in tax liability, non/short payment of interest, non-filing of returns, *etc.* In 39 cases, constituting 37.50 *per cent* of identified 104 cases, where the Department's reply was acceptable to Audit, data entry errors by the taxpayers comprised nine cases.

In 10 cases, constituting 9.62 *per cent* of identified 104 cases, the Department stated that it was examining the underlying deviation of ₹15.92 crore. Further, during test check of records of 15 taxpayers (under Detailed Audit) pertaining to the period 2017-18, audit observed deficiencies like non-payment of interest, mismatch of ITC between GSTR-2A and GSTR-3B returns in 10 out of 15 taxpayers, mismatch of tax liability between returns by 08 out of 15 taxpayers and short discharge of tax liability due to incorrect charging of rate of tax by 02 out of 15 taxpayers.

**(Paragraph 2.2)**

Irregular allowance of Input Tax Credit against entry tax paid after the tax period resulted in short-levy of Value Added Tax (VAT) of ₹ 56.50 lakh.

**(Paragraph 2.3)**

Assessing Authority allowed Input Tax Credit despite non-production of purchase invoices by the dealer, resulting in short-levy of VAT.

**(Paragraph 2.4)**

Assessing Authority short-levied interest of ₹ 31.01 lakh for non-filing of returns and delayed payment of VAT by the dealer.

**(Paragraph 2.5)**

Assessing Authority short-levied interest of ₹ 12.67 lakh for delayed payment of luxury tax in respect of 11 hoteliers of which ₹ 5.62 lakh was recovered from three hoteliers.

**(Paragraph 2.6)**

Luxury Tax payable of ₹ 10.54 lakh was exempted by the Assessing Authority even though the assessee did not fulfill criteria for exemption set under Goa Tax on Luxuries Tax Act, 1988.

**(Paragraph 2.7)**

A liquor manufacturing unit, despite *inter-state* purchase of raw materials for manufacturing of Indian-made foreign liquor (IMFL), beer, wine, *etc.*, was not assessed under Goa Tax on Entry of Goods (GTEG) Act, 2000. The Assessing Authority failed to levy the entry tax of ₹ 8.26 lakh *plus* penalty of ₹ 12.40 lakh.

**(Paragraph 2.8)**

### **Excise Department**

Assessing Authority short-levied excise duty and health surcharge of ₹ 29.75 lakh and ₹ 0.59 lakh respectively due to consideration of lower maximum retail price (MRP) slab for liquor manufacturing units.

**(Paragraph 2.9)**

### **River Navigation Department (RND)**

Failure of the Head of the Office to exercise mandatory checks of Cash book transactions weakened the internal control system and resulted in non-detection of fraudulent entries and misappropriation of ₹ 11 lakh by the cashier.

*(Paragraph 3.2)*





# ***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 2021-22 and in the preceding two years is given in Table 1.1.

**Table 1.1: Comparative position of expenditure**

(₹ in crore)

Disbursements	2019-20	2020-21	2021-22
General services	3942.72	4144.19	4960.86
Social services	2739.16	2919.06	3880.00
Economic services	3136.87	3048.89	3256.05
Grants-in-aid and contributions	1803.91	1980.52	2129.97
<b>Total</b>	<b>11622.66</b>	<b>12092.66</b>	<b>14226.88</b>
<b>Percentage of increase of Revenue Expenditure from year 2019-20</b>	<b>-</b>	<b>4.04</b>	<b>22.41</b>
<b>Capital Expenditure</b>			
Capital outlay	1660.24	1996.67	2680.93
Loans and advances disbursed	13.42	1.61	3.87
Repayment of public debt	1024.93	751.15	971.26
<b>Total</b>	<b>2698.59</b>	<b>2749.43</b>	<b>3656.06</b>
<b>Grand total</b>	<b>14321.25</b>	<b>14842.09</b>	<b>17882.94</b>
<b>Percentage of increase of total expenditure from year 2019-20</b>	<b>-</b>	<b>3.64</b>	<b>24.87</b>

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

The total expenditure of the State increased by 24.87 *per cent* from ₹ 14,321.25 crore in 2019-20 to ₹ 17,882.94 crore in 2021-22. The revenue expenditure of the State increased by 22.41 *per cent* from ₹ 11,622.66 crore in 2019-20 to ₹ 14,226.88 crore in 2021-22.

The share of revenue expenditure to total expenditure was 81 *per cent* during 2020-21, which decreased to 80 *per cent* during 2021-22, with a corresponding increase in the share of capital expenditure to 20 *per cent* as compared to 19 *per cent* during 2020-21.

#### 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 reinforces this 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 14<sup>1</sup> Autonomous Bodies which are audited under the provisions of Section 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 (Amendments), 2020 issued by the CAG.

### **1.3 Planning and conduct of Audit**

There are 65 departments in the State headed by Chief Secretary/Principal Secretaries/Secretaries. They are assisted by Directors/Commissioners and subordinate officers under them. In addition, there are 14 Autonomous Bodies, which are audited by the Principal Accountant General, Goa (PAG).

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 coverage 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 PAG arranges to conduct periodical inspections of Government departments to test-check their transactions. Maintenance of important accounting and other records as per prescribed rules and procedures are also verified during the audit. These are followed up with 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

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<sup>1</sup> Goa Tillari Irrigation Development Corporation (GTIDC) has been merged with Water Resources Department w.e.f. 01/10/2014. As per revised manual of Financial Management & Procurement for Scheme "Samagra Shiksha Abhiyan", certification audit was discontinued from the financial year 2019-20.

Secretaries of the concerned departments. This facilitates monitoring of the action taken on the audit observations included in these IRs.

As of June 2022, 743 IRs (3,212 paragraphs) were outstanding for want of compliance. Year-wise details of IRs and paragraphs outstanding are detailed in **Appendix 1.1**.

#### ***1.4.2 Response of departments to the draft paragraphs***

Three draft paragraphs and two long paragraphs were forwarded (January 2023 - May 2023) to the Secretaries of the concerned departments. The Government's replies to these draft paragraphs were required to be received within four weeks. However, replies have not been received in respect of one long paragraph and three draft paragraphs till date (April 2024), despite issue of reminders.

#### ***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. Accordingly, the Administrative departments were required to furnish Explanatory Memoranda (EM) to the PAG 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 the Audit Report.

Ten departments as detailed in **Appendix 1.2** had not submitted EMs for 15 paragraphs pertaining to Audit Reports for the years 2016-17 to 2020-21 (April 2024).

### **Tourism Department**

#### **1.5 Implementation of Swadesh Darshan Scheme in Goa**

**The Swadesh Darshan Scheme (SDS) for integrated development of theme-based tourist circuits in the country was launched in January 2015 by the Ministry of Tourism (MoT), GoI. In Goa, the Scheme was implemented in two phases-Coastal Circuit-I and Coastal Circuit-II. Goa Tourism Development Corporation (GTDC) was the implementing agency.**

**'Development of Coastal Circuit-I' (Sinquerim-Baga, Anjuna-Vagator, Morjim-Keri, Aguada Fort and Aguada Jail) was selected for this audit. Eight projects were sanctioned under this circuit.**

**It was observed in audit that the identification of projects and project preparation were not in line with the focus areas given in the Scheme Guidelines.**

**Deficiencies in planning and execution were observed in all projects. Lack of coordination with the governing local Panchayati Raj**

**Institutions (PRIs) during project preparation resulted in relocation of the Aguada Helipad site as the local residents opposed construction of the helipad subsequently. The Morjim Khind Project was executed on leased land in contravention of Scheme Guidelines. Buses for the Aguada Fort project, equipment for sound and light show at Aguada Jail project were procured before the project site was ready, leading to idling or diversion of the assets.**

**There was ineffective Operation and Maintenance (O&M) in three out of eight projects and the assets created were missing or in an abandoned/deteriorating state, though GTDC informed that O&M partner was selected for all the projects. Parking areas developed under the scheme in Anjuna and Morjim were not being used for the intended purpose. Thus, the goal of creation of a better tourist infrastructure remains to be achieved as envisaged under the SDS.**

### 1.5.1 Introduction

The Swadesh Darshan Scheme (SDS)-Integrated Development of Theme Based Tourist Circuits is a 100 *per cent* Central Sector flagship Scheme of the Ministry of Tourism (MoT) launched in January 2015 for the development of tourism infrastructure in the country. MoT identified 15 different circuits<sup>2</sup> across the country for development. In Goa, the Scheme was divided into two phases, Coastal Circuit-I and Coastal Circuit-II and implemented by the Goa Tourism Development Corporation (GTDC). MoT conveyed (June 2016) administrative and financial sanction (₹ 99.99 crore) for nine<sup>3</sup> projects under ‘Development of Coastal Circuit-I (Sinquerim-Baga, Anjuna-Vagator, Morjim-Keri, Aguada Fort and Aguada Jail) and 18 projects (₹ 99.35 crore) under ‘Development of Coastal Circuit-II (Rua De Ourem Creek-Dona Paula-Colva-Benaulim) with total central financial assistance of ₹ 199.34 crore.

### 1.5.2 Audit Objectives

The Audit was conducted to ascertain whether;

- i) The projects were planned as per the Scheme Guidelines and objectives;
- ii) The identified projects were executed in an efficient and effective manner to achieve integrated development of quality world class infrastructure; and

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<sup>2</sup> Himalayan Circuit, Northeast Circuit, Krishna Circuit, Buddhist Circuit, Coastal Circuit, and 10 others.

<sup>3</sup> Nine projects were sanctioned but one project ‘Providing handicap friendly access and illumination across the creek at Junaswada Beach, Mandrem Beach in Pernem’ was later (20/05/2020) dropped by the Ministry due to delay in receipt of NOC from Goa Coastal Zone Management Authority (GCZMA).

- iii) The executed projects had robust operation and maintenance plan and the assets created were utilised properly.

### 1.5.3 Audit Scope & Methodology

Audit was conducted during October 2021 to May 2022 for the period from 2015-16 to 2021-22. The Coastal Circuit-I (Sinquerim-Baga, Anjuna-Vagator, Morjim-Keri, Aguada Fort and Aguada Jail) with a central financial assistance of ₹ 97.65<sup>4</sup> crore for eight projects (Appendix 1.3) was selected for the Audit.

### Audit findings

#### 1.5.4 Identification and planning of projects

The audit was conducted to check whether the projects were planned as per the Scheme Guidelines and objectives. Audit observed instances of Detailed Project Reports (DPRs) not being compliant with Scheme guidelines, defective planning, execution of projects in private/trust land, non-obtaining of NOC, *etc.* Details are discussed in the following paragraphs.

##### 1.5.4.1 Non-adherence to Scheme Guidelines while identifying projects

As per condition 4.4 of the Scheme Guidelines (January 2015), DPRs of the projects were to be prepared considering the carrying capacity of the destination, showcasing of handicrafts, souvenirs, performing arts of the area, local product development plan, *etc.* A procurement plan for equipment and components which needed to be installed after completion of appropriate civil work *etc.*, was to be prepared. A workshop of various stakeholders was to be held to discuss various aspects like sustainability/environmental impact of the projects and its recommendations were to be included in the DPR. Scheme guidelines also prescribed some focus areas to be considered while preparation of DPR.

GTDC engaged (November 2015) a lead consultant<sup>5</sup> to prepare the DPR for Coastal Circuit-I and the final DPR was submitted to MoT on 31 March 2016 and MoT accorded approval in June 2016. The DPR included projects that would improve access to beaches, improved infrastructure such as public conveniences, CCTV, drinking water provision, good signages and overall improvement of the sites. Five of the eight projects primarily focused only on amenities like public toilets, parking, Tourist Information Centre (TIC), *etc.*, and did not specifically consider projects providing diverse tourism experiences, conserving and

<sup>4</sup> Cost of work ₹ 93 crore + other charges (contingencies and architectural fee) ₹ 4.65 crore

<sup>5</sup> M/s Darashaw & Company

promoting local arts, culture, handicrafts, cuisine, *etc.*, as envisaged. Further, certain key focus areas mentioned in the Scheme Guidelines were not considered in the DPR as detailed in **Table 1.2**.

**Table 1.2: Compliance to Scheme Guidelines for project identification in DPR**

Sl. No.	Focus area as per Scheme Guidelines	Compliance status as observed by Audit
1	Use of clean renewable energy, eco-friendly material, recycling, reuse	Not considered in any of the eight projects.
2	Showcasing of handicrafts, souvenir, local product development plan, performing art of the area	Applicable in the case of public infrastructure projects and in Development of Aguada Jail project as envisaged in DPRs, but not implemented.
3	Components for maintaining cleanliness at the destination like solid waste management plan	Applicable in the case of all the eight projects, however, audit observed that only STPs were constructed in two projects (Provision of public infrastructure projects and Development of Aguada Jail).
4	Procurement plan for equipment and component which need to be installed after completion of appropriate civil work	As per the DPR, equipment was required for the Aguada Fort and Aguada Jail projects. However, procurement plan was not prepared for these projects.
5	Robust O&M plan for public facilities	Basic principles of O&M such as financing of O&M, training for O&M, <i>etc.</i> , mentioned in the DPR without any plan for the projects.

Thus, various amenities were created in sites along North Goa's coastline, without specifically creating a tourist circuit with well-defined entry and exit points and displaying of information about various locations in the circuit to motivate tourists to visit all the places on the circuit as envisaged in the scheme guidelines.

Also, other stakeholders such as local bodies or departments were not consulted on issues like sustainability/environmental impact before the preparation of DPRs as was envisaged. This resulted in delayed clearances and opposition from locals as discussed in succeeding paragraphs.

#### **1.5.4.2 Planning for execution of projects**

As per the condition (Sl.No.3) in the MoT's sanction order dated 01 June 2016, 'the Government of Goa shall make land available free of cost for the project- Development of Coastal Circuit-I (Sinquerim-Baga, Anjuna-Vagator, Morjim-Keri, Aguada Fort and Aguada Jail) and no portion of the sanctioned project should be executed/implemented on land/property owned by a private individual or trust'.



### ***Availability of land not ensured as per the Sanction order***

- An old helipad at Aguada Fort was proposed (31 March 2016) for upgradation and improvement<sup>6</sup> at a cost of ₹ 3.44 crore in the DPR. However, due to opposition from locals, the helipad site was shifted (16 April 2019) to a land parcel at Old Goa available with GTDC.
- The development under Morjim Khind project included creation of parking facilities, yogshala and meditation center and cafeteria, *etc.* This project was developed on a land taken on lease (09 July 2019) from a temple trust in contravention of the conditions specified in the Sanction order.

### **1.5.5 Execution of projects**

The objective of the audit regarding execution of projects was to see if the identified projects were executed in an efficient and effective manner to achieve integrated development of quality world class infrastructure. The Ministry of Tourism vide Sanction order dated 01 June 2016 had instructed that the State Government/GTDC shall follow PWD Schedule of Rates and also follow all codal formalities while executing the projects. Also, the State Government should take all necessary clearances required as per prevailing rules and regulations including those relating to environment, forest and pollution control before undertaking the projects.

Audit noticed various inefficiencies and shortcomings in the execution of projects as discussed in succeeding paragraphs.

#### **1.5.5.1 Unfruitful expenditure of ₹ 3.94 crore due to shifting and non-utilisation of sound and light show equipment**

As per Section 15.1 of CPWD Works Manual 2014, before approval of Notice Inviting Tender, availability of clear site is desirable. Also, as per the Scheme Guidelines (January 2015), DPR should be prepared as per the tool kit of MoT and necessary procurement plan had to be prepared for equipment, *etc.*, which needed to be installed after completion of the civil work.

Audit observed that the sanction<sup>7</sup> (June 2016) for the project for Development of Aguada Jail as a Tourist Destination consisted of two main components: Civil construction works and equipment for the sound and light show.

GTDC floated tender (04 October 2016) for the procurement of sound and light show equipment and awarded the work in June 2017. The

<sup>6</sup> The project components included resurfacing, fencing, public amenities, café shops, reception, parking.

<sup>7</sup> Sanction conveyed by the Ministry of Tourism, Government of India, with reference to the proposal (March 2016) of GTDC.

equipment were supplied on 29 July 2018, however, tender for the civil works under this project was awarded subsequently, on 08 March 2019, with the civil works having been completed in March 2021.

As the Aguada Jail site was not ready when the sound and light show equipment were received, GTDC agreed and approved (21 September 2018) to shift the equipment from Aguada Jail to Baga Beach to utilise the equipment, till the Aguada project is completed. These equipment costing ₹ 3.94 crore were transferred to a private agency<sup>8</sup> without a formal agreement. However, the equipment were not shifted back from Baga to Aguada Jail and instead, it was proposed in the GTDC Board meeting of October 2020 that a new sound and light show equipment be installed at Aguada Jail while retaining the shifted sound and light show equipment at Baga. Accordingly, GTDC floated a fresh tender and similar sound and light show equipment amounting to ₹ 3.25 crore were purchased (February 2021) from the same agency for Aguada Jail, even before the civil works were completed (March 2021).

Regarding tendering in October 2016 before the site was ready, GTDC replied (29 December 2021) that, to achieve the targets, preparation of detailed estimates, technical sanctions, tendering process, *etc.*, were carried out simultaneously for both the works (the construction works and procurement of the equipment for the sound and light show). While the tender of sound and light show was concluded, the civil works at Aguada Jail could not be finalised in time due to non-receipt of NOCs and ban on issue of work orders (25 July 2018) by the State Finance Department.

The reply of GTDC was not acceptable as NOCs for the availability of site were not ensured by GTDC before initiating the tender and awarding the work. Further, the work order for the sound and light show could have been issued just prior to the completion of civil works at the Aguada Jail site. This apart, the details of the ban on the issue of work orders by the Finance Department were not furnished to Audit.

GTDC also replied that the equipment was shifted to Baga parking site in order to protect the same from rusting, damage and pilferage, and that though the work of sound and light show was completed and tested at Baga, it could not be put to use as there were no tourist footfalls due to Covid-19 pandemic.

The reply *ibid* was also not acceptable, as GTDC had decided in September 2018 to shift the equipment from Aguada<sup>9</sup> to Baga beach while the Covid-19 pandemic commenced much later. Further, during

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<sup>8</sup> GTDC leased Baga parking to an agency Short Fuse Studio (OPC) for parking and 3D show.

<sup>9</sup> As per DPR, equipment were to be installed at Aguada.

site inspection of Baga parking site (23 February 2024), it was seen that the show had not yet commenced at Baga, though the equipment was installed. This indicated that despite shifting the equipment to Baga, efforts were not made to put them to use even as of February 2024, nearly two years after the pandemic. Pictures from the joint site inspection at Baga parking (23 February 2024) are depicted below.



Thus, procuring sound and light show equipment for Aguada Jail before the completion of civil works resulted in unfruitful expenditure of ₹ 3.94 crore on their procurement and shifting, without ensuring their utilisation, besides bringing about lapse of their warranty, due to their not being put to use.

#### 1.5.5.2 Non-adherence to approved DPR in the work of “Provision of public infrastructure”

As per paragraph 4.6 of the Scheme Guidelines (January 2015), if there was any escalation/variation from the approved DPR, State Government must inform MoT and seek its approval before commencing work on the component.

The work of construction of 10 public toilet blocks<sup>10</sup> at 10 locations<sup>11</sup> in North Goa was one of the sub-components of the work of “Provision of Public Infrastructure”. The work<sup>12</sup> was awarded for ₹ 14.58 crore on 09 December 2016 with stipulation to complete the work in 300 days (excluding monsoon period) from the date of issue of work order.

During audit, it was noticed that though the work order was issued for 10 permanent toilet blocks for ₹ 14.58 crore, toilet blocks were

<sup>10</sup> Toilet block at one location includes lady’s toilet, gents’ toilet and Divyang toilet, urinals, shower rooms, changing rooms, locker rooms and drinking water facilities, etc.

<sup>11</sup> Morjim, Vagator, Baga parking, Baga Titos, Anjuna, Calangute, Junashwada, Mandrem, Arambol and Keri

<sup>12</sup> Technical sanction of ₹ 14.87 crore (16/09/2016) and the Estimated cost of ₹ 13.91 crore

constructed only at five<sup>13</sup> locations, which included two new locations (Ashwem and Candolim), in deviation from the planned locations. These five toilets blocks were constructed at a cost of ₹ 14.21 crore with an approximate cost of ₹ 2.85 crore for each toilet block against the estimated cost of ₹ 1.39 crore per toilet block. This was in contravention of the DPR and the cost of each toilet block constructed was double the estimated amount. Also, no approval was sought by GTDC from MoT, regarding the cost escalation and deviation from DPR, though required as per the Scheme Guidelines.

Some images of permanent toilets blocks have been depicted below.

	
<p><i>Toilet blocks at Candolim (outside)</i> (02 Aug 2024)</p>	<p><i>Toilet blocks at Candolim (inside)</i> (02 Aug 2024)</p>
	
<p><i>Toilet blocks at Anjuna (outside)</i> (02 Aug 2024)</p>	<p><i>Toilet blocks at Anjuna (inside)</i> (02 Aug 2024)</p>

On the above being pointed out, GTDC stated (14 March 2022) that to create the said infrastructure to world class permanent toilet blocks and for durability, new items were introduced. Similarly, additional items like STP, Locker rooms, Water ATM, etc., were provided with the approval (21 September 2018) of the GTDC's Board. Further, as the toilet blocks are located on sandy strata, it required a raft foundation, all of which led to a rise in the cost of toilet block units. Further, GTDC stated that total 10 toilet bocks (each toilet complex has two blocks *i.e.*, a male and a female blocks) at five locations have been constructed.

<sup>13</sup> Baga parking, Baga Titos, Anjuna, Ashwem, Candolim

The reply was not convincing as 10 toilet blocks at 10 different locations had to be constructed, while these toilets blocks were constructed at only five sites at a cost of ₹ 14.21 crore, against the work order cost of ₹ 14.58 crore meant for the construction of 10 toilet blocks. Further, escalation of the cost for each toilet block from ₹ 1.39 crore to ₹ 2.85 crore, which included cost of raft foundation due to sandy strata, also indicated that DPR was prepared without due diligence.

#### **1.5.5.3 Assets not used for intended purposes**

As per the DPR, four buses were to be used for circuiting around Fort Aguada, Aguada Jail and the TIC and would provide tourists with a complete experience of heritage, history and architecture. An amount of ₹ one crore was earmarked for the purchase of these buses. The Ministry advised (18 March 2016) to reduce the number of buses to two from four and in its place to increase the number of public conveniences. However, GTDC purchased four buses costing ₹ 96.56 lakh (excluding insurance and registration charges) in October 2016 and December 2016 even though Aguada Jail site where the buses were to be used was not ready until March 2021.

Scrutiny of the logbooks of the four buses revealed that all the buses were used for plying staff and for private bookings which was against the objective of the purchase. The revenue generated by these buses in five years (December 2016 to December 2021) period was ₹ 11.72 lakh while the expenditure on their maintenance was ₹ 7.88 lakh. Thus, the expenditure of ₹ 96.56 lakh incurred on the purchase of buses in advance proved injudicious as the intended objective was not achieved and the revenue earned through their use on other than the intended purpose was negligible.

GTDC replied (31 March 2022) that as the project of Aguada Jail got delayed due to non-receipt of necessary clearances, it was decided to put the buses to alternate uses to avoid structural damage and deterioration and for revenue generation as well.

The reply was not tenable as the Department, contrary to the advice of the MoT, procured four buses. Further, there was a failure to conduct a comprehensive evaluation of tourist footfall and the anticipated completion date of the Aguada Fort's renovation work, which resulted in the buses being procured much ahead of the requirement.

#### **1.5.5.4 Wasteful expenditure of ₹ 1.65 crore on construction of Tourist Information Centre and public amenities at Terekhol**

This project was one of the sub-components of the work “Provision of public infrastructure” sanctioned (June 2016) under SDS (Coastal Circuit-I). The work of Construction of TIC including souvenir shops



and toilet blocks at five locations<sup>14</sup>, installation of solar panels and providing signages at various places in North Goa was awarded for an amount of ₹ 7.45 crore in December 2016.

The main aim of constructing TIC was to facilitate tourists to get information about their travel requirements in and around Goa. The DPR *inter-alia* mentioned that the sites were selected based on the tourist footfall as well as probability of tourists visiting and availing the service provided at the TIC.

Audit observed that out of five approved locations in the DPR, two TICs planned at Anjuna and Ashwem, were constructed at different locations, at Terekhol Fort and Candolim. The Terekhol Fort, located at the northern tip of Goa where prefabricated toilet blocks and TIC were installed and leased<sup>15</sup> (18 November 2014) to M/s Sanya Resorts & Hospitality Pvt. Ltd. (the licensee) for a period of 33 years and was being used as a hotel.

As per the lease agreement<sup>16</sup>, the licensee was responsible for operation and maintenance of the Terekhol Fort and has to provide<sup>17</sup> good hygienic toilet facilities in the premises for use of tourists and locals who visit the fort. GTDC was responsible<sup>18</sup> for providing non-monetary assistance and help with obtaining statutory permissions from Government authorities. However, GTDC incurred an expenditure of ₹ 1.65 crore<sup>19</sup> on this location under SDS for installation of prefabricated toilet blocks and TIC which was actually the responsibility of the licensee M/s Sanya Resorts & Hospitality Pvt. Ltd., as per their lease agreement (18 November 2014).

As additional infrastructure at the fort was to be provided by the licensee, the expenditure incurred towards creation of public amenities at the fort site by the GTDC was, thus, avoidable.

Further, audit observed that the TIC was constructed behind the fort and was not visible while entering the fort/hotel premises. No signages either for the TIC or public amenities were in place, to indicate the presence of the facility there. Further, the facility remained closed and was not in use

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<sup>14</sup> Calangute, Anjuna, Baga, Morjim and Ashwem

<sup>15</sup> Lease was only in Terekhol fort, while other locations were maintained by GTDC.

<sup>16</sup> (Clause 72. a)

<sup>17</sup> (Clause 73.a.iv)

<sup>18</sup> (Clause 24 and 74.c)

<sup>19</sup> Three Prefabricated TIC @ ₹ 25,96,000= ₹ 77,88,000, Six Split Air conditioner @ ₹ 75,465= ₹ 4,52,790, 36 W, Hanging LED lights 30 Nos. @ ₹ 36,570= ₹ 10,97,100, Solar panel two Nos. @ ₹ 13,32,850= ₹ 26,65,700, One Ladies toilet (mobile) = ₹ 21,18,500, One Gents Toilet (mobile) = ₹ 21,18,500 and one Divyangjan toilets (mobile)= ₹ 2,60,000 Totaling to ₹ 1,65,00,590.

since inception, rendering the expenditure of ₹ 1.65 crore incurred on installation of toilet blocks and TIC, infructuous also.

Images of TIC and toilet blocks are given below.



GTDC stated (30 March 2022) that a wellness center and golf course were proposed in the area which would attract a large number of high-end foreign tourists.

The reply was not tenable, as the wellness center and golf course are still in the planning stage (31 March 2022). The fact that the toilet blocks and TIC were not put to use/non-operational (27 February 2024) since their creation/inception, indicated that the expenditure incurred did not serve the intended purpose.

Thus, on several counts, identification of projects and project preparation were not in line with the focus areas outlined in the Scheme Guidelines and deficiencies in planning were observed in several projects. Lack of coordination with the local bodies during project preparation resulted in the relocation of the Aguada Helipad site due to local opposition. The Morjim Khind Project was executed on leased land in contravention to the conditions specified in the Sanction order. Deficient project planning and inability of GTDC in ensuring availability of hindrance free land/NOCs resulted in considerable delays in the execution of projects. Absence of a well-structured procurement plan led to equipment and infrastructure remaining either idle or underutilised. Moreover, deviations from the original plan resulted in escalation of project costs for the toilet blocks.

***Recommendation 1: The Department may ensure that works are taken up only after adequate planning, including feasibility studies where necessary, to prevent execution delays. Proper co-ordination may be ensured at the planning stage itself, where other departments/agencies are involved.***

**Recommendation 2: The Department may fix responsibility and take suitable action against the official(s) concerned for inadequate planning that led to the buses being procured much ahead of the requirement and not being used for their intended purpose.**

**Recommendation 3: The Department may also ensure that all works are carried out as per the sanction and deviation(s) are not resorted to without soliciting prior approval from the competent authority.**

### 1.5.6 Operation and Maintenance of projects created under the Scheme

Operation and Maintenance (O&M) activities are crucial for proper upkeep and optimum functioning of the assets and to derive intended benefits for a desired period. The audit sought to see whether the executed projects had robust O&M plans and the assets created were utilised properly. It was observed during site visits that there were ineffective plans found in place in a few projects and most of the assets created under the Scheme were lying in an abandoned/deteriorating state, as discussed below.

#### 1.5.6.1 Poor Operation and Maintenance

As per the Scheme Guidelines (January 2015) Paragraph 4.1, the public facilities created under the project shall have a robust O&M plan on pre-agreed service standards. However, there was ineffective O&M in three out of eight projects as described in **Table 1.3**.

**Table 1.3: Status of O&M plan**

Sl. No.	Name of the Project Component	Project Cost (₹ in crore)	Audit findings during joint site visit	GTDC Reply
1	Development of Morjim Khind	5.89	13 Dec 2021 Site including food court non-operational, sculpture damaged, water fountain partially functional, unusable boating facility.	O&M activity was hindered due to the Covid-19 pandemic and the cyclone that hit Goa in May 2021. Premises handed over to O&M partner on 09 Dec 2020.
2	Development of Anjuna Beach	16.40	29 Nov 2021 and 05 Jan 2022 Parking lying abandoned, light fixtures broken, assets missing, CCTV not functional.	The infrastructure could not be maintained due to Covid-19 pandemic and because of cyclone that hit Goa and that O&M agreement has been executed on 03 Jan 2022.



Sl. No.	Name of the Project Component	Project Cost (₹ in crore)	Audit findings during joint site visit	GTDC Reply
<b>3</b>	<b>Provision of Public Infrastructure<sup>20</sup></b>			
<b>A</b>	Mobile toilet	0.45	20 Dec 2021 Completely damaged at Keri beach.	Damage due to cyclone, tender called for repair and put to use again.
<b>B</b>	CCTV, Water ATM, Lockers, STP	1.71	29 Nov 2021 and 22 Dec 2021 Non-operational at all five <sup>21</sup> locations.	Due to Covid-19 pandemic all the facilities were shut including Water ATM, CCTV, Locker and STP.
<b>C</b>	Souvenir Shop, Coffee shop, RO plant		Not available in any TIC	

Replies of GTDC in this regard, were not acceptable in view of the following:

1. The Morjim Khind site was handed over to O&M partner (09 December 2020), but the site was found closed during joint site visit on (13 December 2021) and the assets were found to be damaged and in an unusable condition. Further, during joint site inspection on 27 February 2024 it was seen that food court was being renovated and five wooden cottages, not being part of the original plan, were being constructed next to the food court, on the parking area which was repurposed to accommodate the cottages.
2. Two joint site visits at Anjuna Parking were conducted by audit on 29 November 2021 and 26 May 2022 respectively to verify the actual number of steel benches and dustbins physically<sup>22</sup> available at the site. These visits revealed that out of the assets installed, 127 steel benches and 62 dustbins were neither available on site nor found in the vicinity. Despite O&M agreement, the site was non-functional. During the site visit further on 23 February 2024, it was observed that the parking area has been converted into a go-cart racing track, gaming zone, etc.
3. Mobile toilets at Keri beach were completely damaged. While the cyclone damage occurred in May 2021, no repairs were done as seen during the site visit in December 2021. Further, during the site visit on 27 February 2024, it was observed that the damaged structure had










<sup>20</sup> Toilets, TICs, Signages, CCTV, Water ATM, Locker, STP




<sup>21</sup> Baga Titos, Baga parking, Candolim, Anjuna, Water ATM not planned in Ashwem

<sup>22</sup> As per Measurement Book, large number of steel benches (150) and dustbins (80) were installed. But 127 steel benches and 62 dustbins were found missing during both site inspections.

been removed from the site and there was no toilet facility available in the area.

4. During the site visit on 23 February 2024, it was observed that STPs were functional at Baga and Anjuna parking sites and CCTVs were partially functional at Candolim, Baga Titos and Anjuna, while other items remained non-functional at all the locations. Some images from the joint site visits of Morjim Khind, Anjuna parking, Keri beach, Baga and Candolim beach projects are given below.

		
<i>Damaged sculpture at Morjim Khind (27 Feb 2024)</i>	<i>Broken boating ramp at Morjim Khind (27 Feb 2024)</i>	<i>Cottages constructed on parking area at Morjim Khind (27 Feb 2024)</i>
		
<i>Abandoned Anjuna parking (29 Nov 2021)</i>	<i>Go-cart track installed at Anjuna parking (23 Feb 2024)</i>	<i>Damaged toilet block at Keri beach (20 Dec 2021)</i>
		
<i>Toilet block removed from Keri beach (27 Feb 2024)</i>	<i>Non-functional Water ATM Candolim beach (23 Feb 2024)</i>	<i>Non-functional CCTV, Baga beach (23 Feb 2024)</i>

		
<p><i>Open and hazardous electrical panel, Candolim STP (23 Feb 2024)</i></p>	<p><i>Non-functional STP, Candolim beach (23 Feb 2024)</i></p>	<p><i>Non-functional Lockers, Baga Titos (27 Feb 2024)</i></p>

Thus, there was ineffective/poor maintenance of assets which resulted in their disuse rendering the assets infructuous. This defeated the intended purpose of creation of world-class infrastructure and increasing tourist potential under SDS.

#### 1.5.6.2 Non-operational Tourist Information Centres and damaged signages

As discussed in Paragraph 1.5.5.4, work of Construction of Tourist Information Centre (TIC) including souvenir shop, toilet block at five<sup>23</sup> locations including installation of solar panels and providing and fixing signages at various places in North Goa was awarded (15 December 2016) to M/s Ashoka Developers for an amount of ₹ 7.45 crore. During the joint site visit<sup>24</sup>, missing/deteriorating/non-working assets were seen as discussed below.

##### Tourist Information Centre (TIC)

- Only Tourist help desk was functional at four TICs, whereas, other services like souvenir shop and cafeteria were not available. TIC at Terekhol fort was non-functional (Paragraph 1.5.5.4) and was being used for other than the intended purpose (storage).
- No toilet facility was available at Calangute TIC while TICs at Candolim and Calangute were occupied by the tourist police.
- RO plant equipment were found missing from Calangute and Baga parking TICs.

<sup>23</sup> Candolim, Terekhol, Calangute, Morjim and Baga parking



<sup>24</sup> On 20 December 2021, 23 February 2024 and 27 February 2024



		
<i>Deserted Terekhol TIC (27 Feb 2024)</i>	<i>TIC used for personal/storage purpose (27 Feb 2024)</i>	<i>Only help desk functional, Candolim TIC (23 Feb 2024)</i>
		
<i>Missing RO equipment Baga parking (23 Feb 2024)</i>	<i>Missing RO equipment Calangute (20 Dec 2021)</i>	<i>Incomplete Toilet block at Calangute TIC (23 Feb 2024)</i>

### Signages

- One of the signages on the way to Terekhol fort was found uprooted and kept aside. Location signages were installed at all the 12 GTDC residencies (hotels). However, these properties already had visible signage and installation of duplicate signages nearby was thus, avoidable.

	
<i>Uprooted Signages (27 Feb 2024)</i>	<i>Duplicity of signages in same location (05 January 2022)</i>

On being pointed out, the GTDC stated (30 March 2022) that O&M for the TICs was awarded on 19 May 2021 but their operation was hit due to cyclone, and was not operational at the time of audit visit but the same was fully operational now. GTDC further stated that the RO plants being not in use, their structure and equipment were partially damaged and needed repairs. Given the personnel shortage, there was irregular maintenance which led to vandalism at the site and also resulted in the site appearing abandoned.

Reply of GTDC regarding TICs being non-operational due to cyclone (May 2021) was not acceptable, as TICs at Candolim, Calangute, Baga and Morjim were partially operational with only tourist help desk. The Terekhol TIC was still in an abandoned state as was observed during the site visit by audit (27 February 2024).

Thus, poor maintenance of assets resulted in their disuse, rendering the creation of assets unfruitful. The TICs were either non-operational/partially operational and the signages were found damaged for want of regular maintenance. Hence, the intended purpose of creation of a better tourist infrastructure remains to be achieved as envisaged under the SDS.

***Recommendation 4: The Department may ensure that O&M of assets is effective to prevent assets from being under/non-utilised.***

## **Department of Rural Development**

### **1.6 Implementation of National Social Assistance Programme in Goa**

**The National Social Assistance Programme (NSAP), a 100 per cent centrally assisted Scheme was launched in 1995 to provide a basic level of financial support to needy persons who have little or no regular means of subsistence, people living below poverty line (BPL) and vulnerable groups in the society. Audit of implementation of this Scheme in Goa by the Department of Rural Development through District Rural Development Agency (DRDA) for the period from 2017-18 to 2021-22 revealed that due to non-utilisation of available funds as at the end of March 2016 by the State, non-submission of reconciled Utilisation Certificates, further proposals, etc., funds were not sanctioned by the Centre from 2016-17 till 2021-22. As a result, the State lost out on central assistance that could have augmented its resources for social welfare. Out of a total of 13,627 beneficiaries identified during 2017-2022, only 9,051 beneficiaries were paid pension, for a period of two months only in 2020-21.**

**It was further observed that there was no system for verification of status of existing beneficiaries, which led to instances of deprivation of**

**enhanced entitlements to eligible beneficiaries under the Scheme. A State social assistance Scheme for similar target groups, called the Dayanand Social Security Scheme (DSSS) was implemented by the Directorate of Social Welfare (DSW) since January 2002 in the State.**

### 1.6.1 Introduction

The National Social Assistance Programme (NSAP) Scheme<sup>25</sup> came into effect in 1995 as a 100 *per cent* centrally assisted Scheme extended to the states and administered by the Ministry of Rural Development (MoRD). It aims to provide a basic level of financial support to needy persons who have little or no regular means of subsistence, people living below poverty line (BPL) and vulnerable groups in the society. Implementation of four<sup>26</sup> out of five NSAP Sub-schemes, *viz.*, Indira Gandhi National Old Age Pension Scheme (IGNOAPS), Indira Gandhi National Widow Pension Scheme (IGNWPS), Indira Gandhi National Disability Pension Scheme (IGNDPS) and National Family Benefit Scheme (NFBS), was examined by Audit in the State. The eligibility criteria and assistance provided under these schemes are detailed in **Table 1.4**.

**Table 1.4: NSAP Sub-schemes, eligibility criteria and Central Assistance**

Sub-schemes	Eligibility criteria	Central assistance
<b>IGNOAPS</b>	A person belonging to BPL category who has attained age of 60 years	₹ 200 per month (60-79 years) ₹ 500 per month (80 years and above)
<b>IGNWPS</b>	A widow belonging to BPL category who has attained age of 40 years	₹ 300 per month (40-79 years) ₹ 500 per month (80 years and above)
<b>IGNDPS</b>	A disabled person with disability level of 80 <i>per cent</i> and above belonging to BPL category and above the age of 18 years	₹ 300 per month (18-79 years) ₹ 500 per month (80 years and above)
<b>NFBS</b>	In case of the death of the primary breadwinner between 18-59 years of age in a family belonging to BPL category	₹ 20,000 as a one-time assistance

(Source: NSAP guidelines, 2014)

The Department of Rural Development implements the Scheme through the District Rural Development Agency (DRDA) through DBT<sup>27</sup> mode.

<sup>25</sup> At present NSAP includes five Sub-schemes, of which, three are pension schemes:- (i) Indira Gandhi National Old Age Pension Scheme (IGNOAPS), (ii) Indira Gandhi National Widow Pension Scheme (IGNWPS), and (iii) Indira Gandhi National Disability Pension Scheme (IGNDPS).

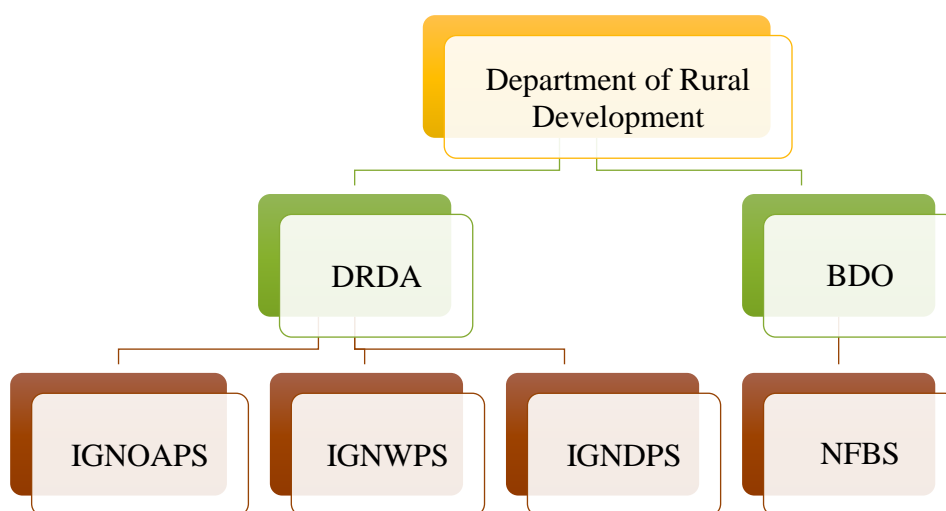
The other two Sub-schemes are not pension schemes, *viz.* (iv) National Family Benefit Scheme (NFBS) - a one-time assistance to the bereaved family in the event of death of the breadwinner, and (v) Annapurna scheme - food security to the eligible old age persons who have remained uncovered under IGNOAPS.

<sup>26</sup> Excluding Annapurna Scheme related to food security where 10 kg of grain is given per month to eligible old aged persons who remained uncovered under the IGNOAPS.

<sup>27</sup> Direct Benefit Transfer

In case of NFBS Sub-scheme, the Block Development Offices (BDOs) were implementing the Scheme, as shown in **Chart 1.1**.

**Chart 1.1: Implementing Agencies of the NSAP Sub-schemes**



The audit of NSAP Scheme was carried out to assess the efficiency and effectiveness of its implementation in the State. Audit covered the period from 2017-18 to 2021-22 and scrutinised records maintained at DRDA and BDOs. Audit selected eight<sup>28</sup> Village Panchayats (VPs) out of the total four selected Blocks/Talukas from the two<sup>29</sup> districts based on random sampling, wherein 230<sup>30</sup> beneficiaries were sampled for survey.

## Audit findings

### 1.6.2 Non-adherence of Scheme guidelines leading to non-receipt of central funds

As per Paragraph 4.2.1 of NSAP Guidelines, 2014, the funds for NSAP schemes are released to the State in two instalments, of which the second instalment is released upon submission of specified documents such as Utilisation Certificates (UCs), non-diversion certificate, *etc.*

As per Paragraph 4.3 of NSAP Guidelines, 2014 the first instalment for the next year is released automatically to all the states who have availed the second instalment in the previous year. However, states that did not receive the second instalment in the previous year had to submit proposals for the first instalment for the next year along with the documents that were to be submitted for the release of second instalment of the previous year. Further, the Guidelines (Paragraph 5.2.2) also stipulate that the State should maintain a database of eligible

<sup>28</sup> Sangolda, Ucassim Palem, Morjim, Tuem, Cortalim, Majorda, Chandor Cavorem, Davorlim

<sup>29</sup> Goa has two districts North Goa & South Goa

<sup>30</sup> 200 samples for three Pension schemes and 30 samples for NFB (Death benefit) Scheme



beneficiaries and upload it in the public domain. Audit observed the following:

- **Non-submission of timely reconciled UCs:** The responsibility of identifying beneficiaries and managing the funds including implementation of the Scheme was assigned to the DRDA. However, the funds were transferred by DRDA to the Directorate of Social Welfare (DSW) for disbursement of benefits to NSAP beneficiaries, as the DSW implemented a State social security Scheme DSSS for same/similar target<sup>31</sup> groups. In July 2014, MoRD halted the release of funds to the State under NSAP from 2013-14 onwards, citing unspent balances and pending submission of UCs. The last transfer (₹ 40 lakh) to DSW was made during 2016-17 from the unspent balance<sup>32</sup> available with the DRDA (31 March 2016). It was only in July 2020 that the DRDA submitted consolidated UCs for the period from 2015-16 to 2019-20. Further, these UCs were not reconciled with the audited report of NSAP.

Thus, due to non-utilisation of funds and non-submission of timely reconciled UCs, financial assistance under NSAP could not be availed by the State from Government of India from 2013-14 onwards.

- **Non-submission of claims/proposal:** Audit observed that MoRD had informed (December 2017) the Government of Goa that the State did not submit any proposal/claim for release of funds under NSAP since 2012-13 and requested them to submit proposal/claim in the prescribed format. Subsequently, the DRDA sought funds amounting to ₹ 12.60 crore (₹ 6.30 crore annually) in April 2018 from MoRD, citing a beneficiary count of 21,500 (for 2016-17 and 2017-18). However, the DRDA did not have a database of eligible beneficiaries, as it did not take up the exercise for identification of beneficiaries for coverage under the Scheme until 2020-21. Further, the proposal/claim was not submitted along with requisite documents<sup>33</sup> and unspent funds of ₹ 1.41 crore (as on 31 March 2018) lying with the DRDA were not considered for calculating the demand. On account of the flawed proposal, MoRD did not release the funds requested by the State. However, yet again, the Department neither submitted the corrected proposal nor did it pursue the matter with the MoRD for release of funds under the Scheme.

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<sup>31</sup> Senior citizens, disabled persons with more than 80 *per cent* disability and widows were benefitted under the DSSS.

<sup>32</sup> ₹ 2.28 crore (DRDA utilised the unspent grants to pay beneficiaries of NFBS and two instalments (December 2020 and January 2021) under IGNOAPS, IGNWPS, and IGNDPS, leaving a balance of ₹ 24.22 lakh as on 31/03/2022.

<sup>33</sup> Application in the prescribed format (Annexure VI), UCs for previous financial year and current year (Annexure VII), Audit Report of the previous financial year, *etc.*



Thus, due to non-submission of proposal/claim to the MoRD in the prescribed format along with requisite documents and non-updation of database of beneficiaries, assistance under NSAP could not be availed by the State from 2013-14 onwards from the GoI.

The Government accepted the audit observation (March 2024) and stated that the UCs and the proposal have been prepared and will shortly be submitted to MoRD for the uninterrupted flow of funds from MoRD.

### 1.6.3 Poor implementation of the Scheme

NSAP guidelines, 2014 prescribed regular monthly disbursement of pensions and benefits preferably at the door-step of beneficiaries. However, audit observed that out of the four Sub-schemes under NSAP, while the Sub-scheme NFBS was implemented throughout, the remaining three were implemented only in 02 out of 60 months of the audit period (2017-22). The details of beneficiary coverage and expenditure under NSAP in the State during 2017-22 are given in Table 1.5.

Table 1.5: Beneficiary coverage and expenditure for NSAP schemes during 2017-22

NSAP Sub-schemes	Beneficiaries and Expenditure	Number of beneficiaries and expenditure				
		2017-18	2018-19	2019-20	2020-21	2021-22
IGNOAPS	Beneficiaries	0	0	0	4804	0
	Expenditure (₹ in lakh)	0	0	0	22.37	0
IGNWPS	Beneficiaries	0	0	0	3917	0
	Expenditure (₹ in lakh)	0	0	0	23.51	0
IGNDPS	Beneficiaries	0	0	0	330	0
	Expenditure (₹ in lakh)	0	0	0	1.97	0
NFBS	Beneficiaries	213	157	70	250	29
	Expenditure (₹ in lakh)	36.65	29.20	13.40	40.35	5.80
Total	Beneficiaries	213	157	70	9301	29
	Expenditure (₹ in lakh)	36.65	29.20	13.40	88.20	5.80

(Source: Data provided by DRDA)

As per the **Table 1.5**, 9,051<sup>34</sup> beneficiaries (₹ 47.85 lakh) were paid pension for two months (December 2020 and January 2021) under IGNOAPS, IGNWPS and IGNDPS in June 2021 by the DRDA. A total of 719 beneficiaries (₹ 125.40 lakh) were benefitted under the NFBS during 2017-22.

Audit observed that instead of transferring the funds to the DSW for disbursement of pension benefits, two instalments were released to the beneficiaries directly by the DRDA during 2020-21. However, DRDA did not further disburse the pension to the eligible beneficiaries despite the availability of unutilised funds of ₹ 24.22 lakh (31 March 2022).

Director, DRDA cited (January 2023) non-receipt of funds from GoI as reason for not disbursing the monthly payments to the eligible beneficiaries under the Scheme.

The matter was referred to the Government in May 2023 and the Government replied (March 2024) that beneficiaries entitled under the NSAP Scheme are paid on a monthly basis by the DSW. Further, it was also stated that due to delay in receipt of funds from MoRD, the same could not be transferred to DSW.

The reply from the Government is not acceptable as the amount disbursed by the DSW on a monthly basis pertains to the DSS Scheme and not NSAP Scheme, which is evident from the fact that the DRDA had not transferred funds to DSW from 2016-17 onwards and the disbursement to NSAP beneficiaries was made by the DRDA itself directly during 2020-21. The non-release of funds by MoRD is attributable to DRDA's non-compliance to Scheme guidelines, such as non-utilisation of funds, non-submission of reconciled UCs and NSAP proposal to GoI.

***Recommendation 5: The Department may take necessary action to ensure utilisation of unspent balances and submission of reconciled UCs and audit reports to MoRD for immediate resumption of NSAP implementation in the State.***

#### **1.6.4 Non-conduct of survey to update beneficiary data**

Paragraph 3.12 of NSAP Guidelines 2014 mandates the annual verification of beneficiaries to update the existing list of eligible beneficiaries, for which states may form special verification teams. As per Paragraph 2.3, the pension claim should increase to ₹ 500 per month once the beneficiary attains the age of 80 years.

Audit observed that DRDA did not constitute special verification teams for annual verification of beneficiaries during 2017-22. Further, there

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<sup>34</sup> IGNOAPS: 4,804 + IGNWPS: 3,917+ IGNDPS: 330 = 9,051

was no mechanism in place for verifying the status of existing beneficiaries or for exclusion of ineligible beneficiaries. On scrutiny of payment database, audit further observed that out of the 3,917 IGNWPS beneficiaries, 112 who had attained the age of 80 during 2017-22 were not paid the enhanced pension<sup>35</sup> as per the guidelines.

Thus, due to non-constitution of verification teams and in the absence of any other monitoring mechanism by the Department either at the Local body level or DRDA level, there was no system to monitor eligibility of beneficiaries under the Scheme. This resulted in failure in extending the enhanced entitlements to beneficiaries above the age of 80 years available under the Scheme.

The matter was referred to the Government in May 2023 and the Government accepted the audit observation and stated (March 2024) that verification teams will be formed. The Government also stated that no beneficiary was deprived of benefits due to their inclusion under the State run DSS Scheme as the payments for both schemes are being made by the Department of Social Welfare, to whom the amount for NSAP is transferred by the DRDA.

However, it is seen that 112 beneficiaries indeed received a lesser amount than their eligibility and without adequate verification processes in place, the contention that no beneficiary was deprived of benefits due to inclusion in the DSSS is not tenable. Further, the DRDA's claim that funds under NSAP are being transferred to DSW periodically is incorrect as no funds were transferred to DSW during the audit period and payments to NSAP beneficiaries were made by the DRDA directly to their bank accounts for a period of two months (December 2020 and January 2021) in June 2021.

***Recommendation 6: DRDA may put in place mechanisms for proactive identification of eligible beneficiaries and annual verification of existing beneficiaries.***

## **Public Works Department**

### **1.7 Misappropriation of Government money**

**Failure of the Head of the Office to exercise mandatory checks of Cash book transactions weakened the internal control system and resulted in non-detection of misappropriation of ₹ 15,86,344 done by the cashier in Public Works Division VI, Margao.**

The Government of Goa (Receipts and Payments) Rules, 1997 stipulates that all monetary transactions should be entered in the Cash book as soon

<sup>35</sup> Amounting to ₹ 44,800 (112 x 2 months x ₹ 200)

as they occur and should be attested by the Head of Office (HoO) as token of check (Rule 13) and money deposited into the accredited bank for crediting in the Government account without undue delay (Rule 5). The Cash book should be closed regularly and checked by the HoO every month. All the remittance of receipts to the bank should also be attested by the HoO after verifying them.

Audit scrutiny (November 2022) of the records of Public Works Division VI (Roads), Margao, revealed that the Division Cash book had an opening balance of ₹ 13,712 (01 January 2021) and cash receipts<sup>36</sup> of ₹ 28,66,864 on behalf of the Government from January 2021 to September 2022. However, neither were all entries recorded in the Cash book nor had the HoO<sup>37</sup> verified the transactions and attested the Cash book as required under the rules. Out of the total receipts of ₹ 28,80,576 (inclusive of opening balance), only ₹ 12,94,232<sup>38</sup> was deposited in Government account in five different months, indicating a short deposit of ₹ 15,86,344. The non-maintenance of Cash book as per financial rules and non-remittance of Government money by the cashier remained undetected due to non-exercise of mandatory periodical checks by the HoO.

During the audit period (02 November 2022 to 18 November 2022), the cashier remitted ₹ 4,18,986<sup>39</sup> into Government account and further, on being pointed out by Audit (18 November 2022), the Executive Engineer (EE) Division VI (HoO), directed the cashier to immediately deposit the balance amount into the Government account. Accordingly, an amount of ₹ 11,82,056<sup>40</sup> (with a resultant balance of ₹ 11,184<sup>41</sup>) was remitted (14 December 2022) into Government account by the cashier.

The EE replied (March 2023) that the cashier had used Government money for his personal use and was removed from the charge of cashier (October 2022) and issued memo for his misbehavior.

The reply was not acceptable as no disciplinary action was initiated for the misappropriation of cash against the erring official by the Division. Moreover, the Division Office had not reviewed/conducted a detailed scrutiny of the Cash book for all the previous years during which the said

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<sup>36</sup> On account of issuing No Objection Certificates for road cutting, RTI fees, etc.

<sup>37</sup> Executive Engineer also having Drawing and Disbursing Officer responsibilities.

<sup>38</sup> January 2021- ₹ 4,30,134, September 2021- ₹ 11,579, December 2021- ₹ 3,12,872, June 2022- ₹ 3,057 and July 2022- ₹ 5,36,590

<sup>39</sup> ₹ 1,60,338 (four challans dated 09 November 2022) + ₹ 2,58,648 (six challans dated 14 November 2022) = ₹ 4,18,986

<sup>40</sup> Including balance of receipt of month of October 2022; ₹ 25,882 (Receipt of October 2022; ₹ 2,75,555 – Remittance of October 2022, ₹ 2,49,673= Balance ₹ 25,882)

<sup>41</sup> Total receipt upto October 2022, ₹ 31,56,131 (including OB of ₹ 13,712) minus Total remittance upto December 2022, ₹ 31,44,947 = ₹ 11,184

cashier had held the charge and thus, possibility of a larger fraud remaining undetected during the past periods cannot be ruled out by Audit. Thus, the failure of the HoO in exercising the mandatory checks of Cash book transactions as prescribed in the financial rules resulted in misappropriation/misuse of Government money amounting to ₹ 15,86,344. Besides, the possibility of larger frauds remaining undetected could not be ruled out for want of in-depth enquiry by the competent authority.

The matter was referred to the Government in March, June and October 2023; their reply is awaited (April 2024).

***Recommendation 7: Responsibility may be fixed on the delinquent official(s) for misappropriation of Government receipts for personal use and non-remittance of Government money, and disciplinary action may be initiated accordingly.***

#### Department of Urban Development

#### **1.8 Loss of ₹ 45 lakh *plus* interest due to non-renewal of agreements and non-collection of annual advertising fee**

**The Corporation of the City of Panaji (CCP) did not renew the advertising agreements despite recommendations of the Standing Committee, which led to a loss of ₹ 45 lakh *plus* interest (December 2014 to June 2022) to the CCP.**

Corporation of the City of Panaji (CCP) has the mandate<sup>42</sup> to maintain bus stops and regulate advertisements in the streets. The CCP signed three concession agreements with M/s Primeslots Events Pvt. Ltd. (PEPL) for providing and maintaining bus shelters (11 January 2005), information signages (10 November 2008) and traffic signages (12 December 2008) respectively. These agreements were valid for a period of 10 years (bus shelter) and five years (two agreements for signages), extendable by five and three years respectively, on mutual consent. The agreements for signages allowed for utilising the advertisement spaces available on the boards at bus shelters and signages, for commercial purpose against payment of user charges<sup>43</sup> to the CCP. From the year 2013, when the two agreements were about to expire, the concessionaire repeatedly<sup>44</sup> requested for extension of the agreements and offered (10 November 2014) to pay a combined annual fee of ₹ six lakh per annum for all the three types of agreements for

<sup>42</sup> Part IX A and Article 243 W read with Schedule 12

<sup>43</sup> Bus shelters = ₹ 1,500 annually per shelter, traffic/mandatory/cautionary signages = ₹ 300 annually per signage and information signages = ₹ 500 annually per signage.

<sup>44</sup> On 14 Aug 2013 for Traffic signage agreement and 19 Sept 2013 for Bus shelter signage agreement and on 19 March 2014, 14 July 2014, 20 Aug 2014 and 10 Oct 2014 for extension of agreements of both the Traffic and Information signages.

extension with effect from November 2014. Though this offer was accepted (14 November 2014) by the Standing Committee of the CCP, the agreements were not renewed for which reasons were not found on record. The concessionaire, however, continued his commercial operations of advertising in bus shelters and signages. Though the CCP demanded (April 2017) ₹ six lakh *per annum* from PEPL, the advertising agency as decided by the Standing Committee till 2019, there were no payments made by PEPL. As the default continued, the CCP floated a new tender (19 January 2021) for the removal of old signboards and bus shelters and installation and maintenance of new signboards and bus shelters along with advertisement rights. The tender was awarded (June 2022) to the successful bidder<sup>45</sup> for an annual license fee of ₹ 31 lakh. Meanwhile, a tender with similar component<sup>46</sup> of work involving demolition and reconstruction of modern bus stand under Smart City Mission (SCM) was floated (01 October 2021) by Goa Tourism Development Corporation Ltd. (GTDC) on behalf of M/s Imagine Panaji Smart City Development Ltd. (IPSCDL<sup>47</sup>). PEPL bagged (June 2022) the new contract initiated by IPSCDL. Consequently, the CCP cancelled (08 August 2022) its work order citing the reason of duplication of the work. The contract by IPSCDL to PEPL was for design, development, operation and maintenance of bus shelters.

Further, a survey conducted<sup>48</sup> (17 October 2022) by the CCP to identify illegally displayed advertisement boards/signboards revealed that PEPL continued to illegally display the advertisements on the existing bus shelters. Consequently, the CCP issued a show cause notice (12 December 2022) to PEPL, directing them to remove the illegally displayed advertisement boards/signboards.

Thus, non-renewal of the agreements by CCP, as decided in Standing Committee meeting *w.e.f.* November 2014 and not taking actions such as taking over the bus shelters spaces and signages spaces, delay in floating of fresh tender for advertisement rights, enabled PEPL to continue with illegal display of advertisements. Thus, allowing the concession agreement to continue beyond November 2014 without formal renewal and continuing failure to take remedial steps<sup>49</sup> for

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<sup>45</sup> M/s Digital Designer

<sup>46</sup> Component of 'Design Development, Operation and Maintenance of Bus shelters and Platforms at various locations in Panaji and Surrounding Areas' under work of 'Development of Intelligent Public Transport Infrastructure in Panaji under Smart Cities Mission'

<sup>47</sup> IPSCDL has been formed as Special Purpose Vehicle for the implementation of Smart City Mission.

<sup>48</sup> In compliance with the instruction issued by the Dy. Collector, Panaji.

<sup>49</sup> Section 144- Presentation of bill, 145- Notice of demand, 146- issue warrant and 149- to attach any movable or immovable property of the person to recover dues.

revenue recovery, resulted in loss of ₹ 45 lakh<sup>50</sup> plus interest thereon to the CCP.

The matter was referred to the Government (April, June and October 2023); their reply is awaited (April 2024).

***Recommendation 8: The CCP may fix the responsibility and take suitable action on the official(s) concerned for failing to renew agreements or reclaim spaces, thereby allowing the illegal display of advertisements to continue without any revenue realisation.***

### **1.9 Loss of public funds (₹ 86.81 lakh) on account of repair of private roads**

**Mapusa Municipal Council (MMC) executed road works in 11 private properties without invoking Section 170 of the Act, which resulted in loss of opportunity to recover the expenses (₹ 86.81 lakh) from the owners.**

As per Section 170(1)<sup>51</sup> of the Goa Municipality Act, 1968 (Act), Municipal Council may issue written notice to the owners of private streets to take up the improvement of their street which is necessary for public health, convenience or safety. Further, Section 170(3)<sup>52</sup> of the Act, stipulates that if the notice under Sub-section (1) is not complied with and such work is executed by the Council as provided in Section 313<sup>53</sup>, the expenses thereby incurred shall be apportioned by the Council among such owners for their refund by all concerned.

<sup>50</sup> ₹ Six lakh per year for seven and half years (From December 2014 to June 2022)

<sup>51</sup> Where a Council considers that in any street not being a public street, or in any part thereof, within the municipal area, it is necessary for the public health, convenience or safety that any work should be done for the levelling, paving, metalling, flagging, channelling, draining, lighting or cleaning thereof, the Council may by written notice require the respective owners of the lands or buildings fronting, adjoining, or abutting upon such street or part, thereof, to carry out such work in a manner and within a time to be specified in such notice.

<sup>52</sup> If the notice under Sub-section (1) is not complied with and such work is executed by the Council as provided in Section 313, the expenses thereby incurred shall be apportioned by the Council between such owners in such manner as it may think fit regard being had to the amount and value of any work already done by the owners or occupiers of any such lands or buildings.

<sup>53</sup> Where by or under this Act, any person is required to execute any work or do anything and default is made in the execution of such work or the doing of such thing, the Council, whether any penalty is or is not provided for such default, may cause, such work to be executed; and the expenses thereby incurred shall, unless otherwise expressly provided in this Act, be paid to the Council by the person by whom such work ought to have been executed, and shall be recoverable in the same manner as an amount claimed on account of a property tax, either in one sum or by instalments, as the Council may deem fit.

During scrutiny of construction files of MMC it was observed that the Chief Officer of MMC sought (27 April 2016) clarification from the Department of Urban Development (DUD) regarding taking up of road/footpath maintenance works in private societies' premises. The DUD directed MMC to follow Section 208<sup>54</sup> of the Act (09 May 2016).

Accordingly, ward councilors of MMC proposed to undertake hot mixing of various roads including road works in 11 different residential complexes within the jurisdiction of MMC and resolved (06 March 2018) to undertake the work under Section 208 of the Act. MMC obtained no objection certificates (NOC) from all 11 private owners/societies to execute the road works.

The Chief Project Officer, Goa State Urban Development Agency accorded (07 May 2018) technical sanction for the amount of ₹ 1.67 crore. Administrative Approval was given (21 May 2018) by the Director of Urban Development for ₹ 1.39 crore out of funds granted from 14<sup>th</sup> Finance Commission and ₹ 27.68 lakh from the Municipal Fund. The work was e-tendered with an estimated cost of ₹ 1.62 crore and was awarded (13 December 2018) for ₹ 1.69 crore. The work was completed (28 December 2018) at a total cost of ₹ 1.83 crore, out of which expense of ₹ 86.81 lakh was incurred for the improvement and maintenance of private streets.

As MMC itself undertook road works of private streets without invoking Section 170(1) and 170(3) of the Act, opportunity to recover expenses from the owners was lost. Further, as Section 208 of the Act deals with drainage works only, considering the Director of Urban Development's direction and undertaking the road works by the MMC under Section 208 of the Act was thus, irregular.

On this being pointed out by Audit, the Chief Officer (MMC) stated (February 2022) that after completing all the codal formalities, work was undertaken as per provisions of Section 208 of the Goa Municipality Act, 1968 and also assured (January 2023) that the observation has been noted and due care would be taken in future during execution of development works of private streets.

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<sup>54</sup> Chapter XIII Drainage: (1) The Council may, if it thinks fit, cause any work, the execution of which may be ordered by or on behalf of the Council under any of the foregoing provisions of this Chapter (related to Drainage), to be executed by municipal or other agency under its own orders, without first of all giving the person by whom the same would otherwise have to be executed the option of doing the same. (2) The expenses of any work so done shall be paid by the person aforesaid, unless the Council shall, by a general or special order or resolution, sanction the execution of such work at the charge of the municipal fund.



The reply was not acceptable, as the Act explicitly stipulates that expenses related to improvement works on private streets should be borne by the owners themselves. Notably, there exists no provision within Section 208 of the Act that permits repair and maintenance activities for private streets.

Thus, failure to invoke Section 170(1) and 170(3) and execution of works under Section 208 by the MMC was in contravention of the provisions set forth in the Act. As a consequence, expenditure incurred in this regard (₹ 86.81 lakh) was a loss to the municipality.

The matter was referred to the Government in February, June and October 2023; their reply was awaited (April 2024).



***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 2021-22, 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 detailed in **Table 2.1**.

**Table 2.1: Details of total revenue receipts of State Government**

(₹ in crore)

Sl. No.	Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
1	<b>Revenue raised by the State Government</b>					
	Tax revenue	4731.37	4871.36	4700.56	4150.68	5805.23
	Non-tax revenue	3033.27	2873.66	2737.54	2902.80	3787.25
	<b>Total</b>	<b>7764.64</b>	<b>7745.02</b>	<b>7438.10</b>	<b>7053.48</b>	<b>9592.48</b>
2	<b>Receipts from the Government of India</b>					
	Share of net proceeds of divisible Union taxes and duties	2544.26	2878.36	2479.85	2296.53	3356.98
	Grants-in-aid	744.62	814.60	1379.57	1090.28	1336.81
	<b>Total</b>	<b>3288.88</b>	<b>3692.96</b>	<b>3859.42</b>	<b>3386.81</b>	<b>4693.79</b>
3	<b>Total revenue receipts of the State Government (1 and 2)</b>	<b>11053.52</b>	<b>11437.98</b>	<b>11297.52</b>	<b>10440.29</b>	<b>14286.27<sup>1</sup></b>
4	<b>Percentage of 1 to 3</b>	<b>70</b>	<b>68</b>	<b>66</b>	<b>68</b>	<b>67</b>

(Source: Finance Accounts of the State)

There was an increase in the State's revenue collection in 2021-22 by ₹ 2,539 crore over the previous year (2020-21). The revenue raised by the State Government during the year 2021-22 constituted 67 *per cent* of the total revenue receipts. The balance 33 *per cent* of the receipts during 2021-22 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 2021-22 was ₹ 5,805.23 crore. The details of tax revenue during the period from 2017-18 to 2021-22 are given in **Table 2.2**.

<sup>1</sup> 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 2021-22. 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	BE/ RE/ Actual	2017-18	2018-19	2019-20	2020-21	2021-22	Percentage increase (+) or decrease (-) in 2021-22 over 2020-21
1	Taxes on sales, trade, etc.	BE	2582.32	782.58	1395.74	1244.10	1106.45	
		RE	1491.52	782.58	1091.32	1051.05	1355.45	
		Actual	1621.69	1013.53	1032.84	989.81	1383.26	39.75
2	SGST <sup>2</sup>	BE	-	3123.62	2756.89	2772.03	2482.64	
		RE	1710.66	3123.62	2493.01	2373.08	2482.64	
		Actual	1463.74	2529.09	2438.50	1984.92	2757.66	38.93
3	Entertainment Tax/Luxury Tax, etc. <sup>3</sup>	BE	905.62	28.81	13.88	19.92	30.32	
		RE	332.93	28.81	17.48	19.92	30.32	
		Actual	315.98	13.50	(-)2.52	33.85	12.08	(-)64.31
Sub-total (Actual collection under 1,2 and 3 above)			3401.41	3556.12	3468.82	3008.58	4153.00	
4	Stamp Duty & Registration fees	BE	600.59	612.53	641.30	728.35	636.06	
		RE	600.59	612.53	631.30	728.35	636.06	
		Actual	529.69	432.33	393.37	350.41	644.53	83.94
5	State Excise <sup>4</sup>	BE	381.77	399.86	475.25	547.93	598.30	
		RE	381.77	399.86	475.25	459.21	598.30	
		Actual	408.44	477.95	491.77	514.86	649.83	26.21
6	Taxes on Goods and Passengers	BE	25.00	25.00	27.50	31.00	31.00	
		RE	25.00	25.00	27.50	31.00	31.00	
		Actual	26.08	25.39	25.02	10.04	13.21	31.57
7	Land Revenue	BE	61.64	39.59	60.17	67.54	39.90	
		RE	61.64	39.59	60.17	67.54	39.14	
		Actual	42.02	66.62	37.11	34.18	65.84	92.63
8	Other taxes	BE	243.46	260.26	385.97	434.24	547.83	
		RE	243.46	260.26	385.97	434.24	547.83	
		Actual	323.73	312.95	284.47	232.65	278.82	19.85
	Total	BE	4800.40	5272.25	5756.72	5845.11	5472.50	
		RE	4847.57	5272.25	5182.02	5164.39	5720.74	
		Actual	4731.37	4871.36	4700.56	4150.68	5805.23	

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

Taxes on sales, trade, etc. (except those on 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 GST consequent to the implementation of GST w.e.f. 01 July 2017. During 2021-22 a major portion of tax revenue (47.50 per cent) was collected under 'SGST'.

### 2.1.2.1 Revenue from GST

Government of Goa implemented GST w.e.f. from 01 July 2017. GST is levied on *intra-state* supply of goods or services (except alcohol for human consumption and five specified petroleum products) and its components are shared by the Centre (CGST) and the State (SGST).

<sup>2</sup> Including apportionment and advance apportionment of IGST.

<sup>3</sup> Taxes on entry of goods and medicinal and toilet preparation containing alcohol, opium, etc.

<sup>4</sup> Excludes medicinal and toilet preparations containing alcohol, opium, etc.

Further, 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	918.45
2018-19	3123.62*	3123.62*	1420.95
2019-20	1601.16	1601.16	1526.17
2020-21	1657.26	1506.90	1068.85
2021-22	1582.78	1417.58	1329.35

(Source: Details furnished by the State Tax Department)

\* Budget Estimate & Revised Estimate for the year 2018-19 are inclusive of IGST share whereas Actuals shown above is the proceeds of SGST exclusively.

The overall GST revenue of the State Government increased by ₹ 260.50 crores (24 per cent) in 2021-22 *vis-à-vis* 2020-21.

**Table 2.3A: Details of total number of taxpayers, ITC availed and utilised**

(₹ in crore)

Year	Total no. of taxpayers	ITC availed for the year	ITC utilised for the year
2018-19	28814	12516.27	12367.73
2019-20	29644	11200.71	11025.58
2020-21	32725	10724.59	10589.38
2021-22	30379	14555.05	13766.25

(Source: Details furnished by the State Tax Department)

### 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 2021-22)**

Category of Registrant	No. of Registrants	Percentage of total
Normal taxpayers	37708	86.15
Composition taxpayers	5051	11.54
Tax Deductors at Source	729	1.67
Tax Collectors at Source	194	0.44
Input Service Distributors	78	0.18
Others (Casual, NRTP, OIDAR)	08	0.02
<b>Total Registrants</b>	<b>43768</b>	

(Source: Data furnished by State Tax Department)

The total registrations under GST as on 31 March 2022 were 43,768 of which normal taxpayers accounted for 86 per cent and composition taxpayers were around 12 per cent. Of the total registrations, 18,101 taxpayers migrated from pre-GST regime, accounting for about 41 per cent, while the balance were new registrations.

### 2.1.2.3 GST Return filing pattern

#### *Filing pattern of GSTR-1 and GSTR-3B*

The trend of filing of GSTR-1 and GSTR-3B as on 31 March 2022 for the period from April 2021 to March 2022, as provided by State Tax Department, has been depicted in **Table 2.5**.

**Table 2.5: Returns filing trends of GSTR-1 and GSTR-3B**

*(Figures in numbers)*

Return Type	GSTR-1 <sup>5</sup>			GSTR-3B <sup>6</sup>				
Months	Due for filing	Returns filed	Return filing per cent	Due for filing	Total returns filed as on 31 Jan 2023	Return filing per cent	Returns filed by due date (20 <sup>th</sup> of following month of tax period)	Per cent filed by due date
April 2021	24272	19749	81	24272	20219	83	3744	15
May 2021	24257	19795	82	24257	20227	83	4714	19
June 2021	35597	30888	87	35597	31382	88	18516	52
July 2021	24050	19816	82	24050	20177	84	13291	55
Aug 2021	24263	19969	82	24263	20391	84	12869	53
Sep 2021	36018	31200	87	36018	31767	88	22905	64
Oct 2021	24216	19751	82	24216	20106	83	14182	59
Nov 2021	24425	20039	82	24425	20368	83	14212	58
Dec 2021	36434	31715	87	36434	32201	88	23443	64
Jan 2022	24471	20096	82	24471	20412	83	14149	58
Feb 2022	24769	20333	82	24769	20656	83	14279	58
Mar 2022	37269	32158	86	37269	32637	88	22757	61

*(Source: Data as on 31 January 2023 furnished by State Tax Department)*

The filing of GSTR-3B for April 2021 was 83 *per cent* while the filing *per cent* for March 2022 was 88 *per cent*. It was noticed that GSTR-3B returns were being filed within the due date on an average by 51 *per cent* taxpayers and 34 *per cent* filed the returns after the due date (remaining 15 *per cent* taxpayers did not file returns). GSTR-3B returns filed by the due date remained low, ranging from 15 *per cent* to 64 *per cent* during April 2021 to March 2022.

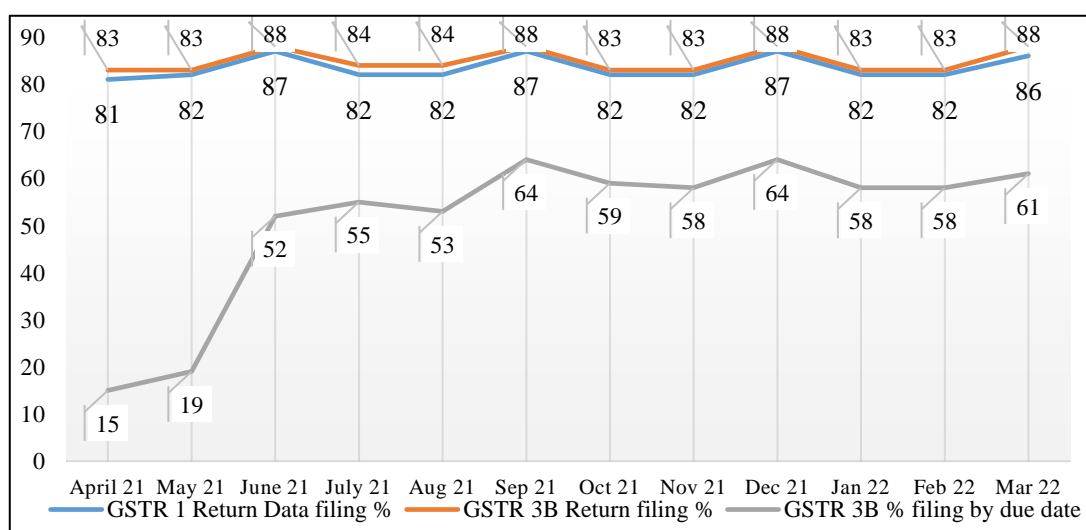
The trend of return filing is depicted in **Chart 2.1**.

<sup>5</sup> GSTR-1: Monthly return furnished by all normal and casual registered taxpayers making outward supplies of goods and services or both and contains details of outward supplies of goods and services.

<sup>6</sup> GSTR-3B: Monthly summary return of outward supplies and ITC claimed, along with payment of tax by the taxpayer to be filed by all taxpayers. This is the return that populates the credit and debits in the Electronic Credit Ledger and debits in Electronic Cash Ledger.



Chart 2.1: Filing pattern of GSTR-1 and 3B from April 2021 to March 2022



- The filing percentage of GSTR-1 returns was less throughout in comparison to the corresponding filing of GSTR-3B returns during the period April 2021 to March 2022.
- Interestingly, GSTR-1 filing percentage at the end of each quarter was higher than the monthly filing *percentage*. **Table 2.5** reveals that for April and May 2021, there were 0.24 lakh taxpayers each who were required to file GSTR-1, however only 0.20 lakh taxpayers submitted returns for each respective month.

### Filing of GSTR-4

The percentage of filing of GSTR-4, an annual return to be filed by composition taxpayers, as of March 2022, for the period from April 2021 to March 2022, is depicted in **Table 2.6**.

Table 2.6: Details of return filing of return CMP 08 for 2021-22

Return Type	CMP 08		
	Due for filing	Returns filed	Return filing <i>per cent</i> (calculated on total taxpayer)
2021-22	6696	2528	38

(Source: Data furnished by State Tax Department)

The filing percentage of GSTR-4 remained low at 38 *per cent* during 2021-22.

### Filing of GSTR-6 as of March 2022

GSTR-6 is filed by Input Service Distributor (ISD), giving the details of input tax credit received and distributed. The trend of filing GSTR-6, as provided by the State Tax Department, is depicted in **Table 2.7**.

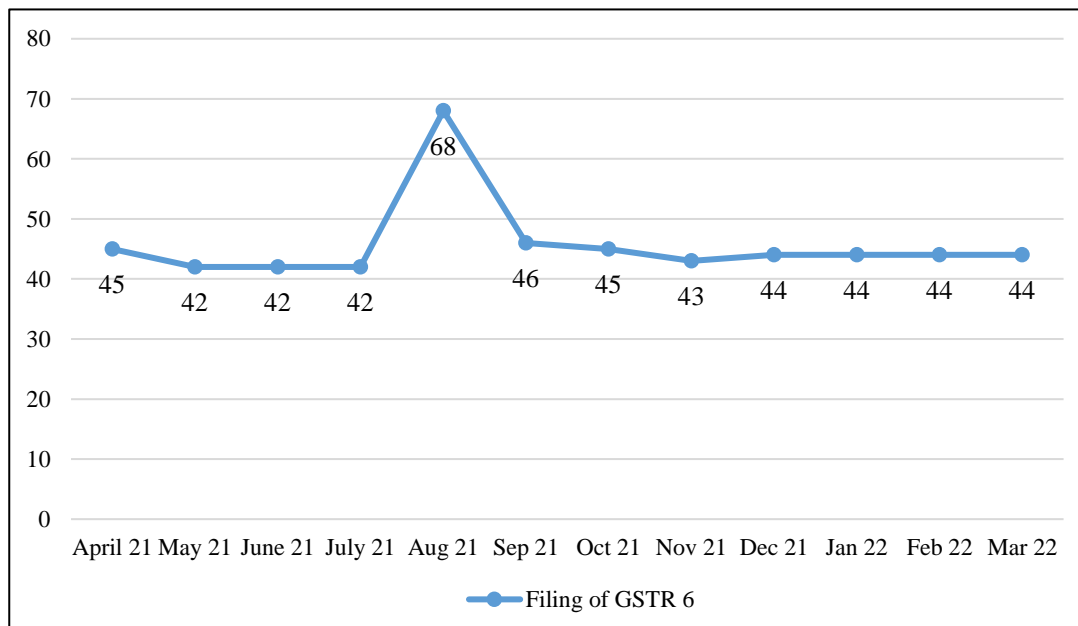
**Table 2.7: Details of filing GSTR-6**

Return type	GSTR-6		
Months	Due for Filing	Returns filed	Return filing <i>per cent</i>
Apr 2021	69	31	45
May 2021	69	29	42
June 2021	69	29	42
July 2021	71	30	42
Aug 2021	71	48	68
Sep 2021	71	33	46
Oct 2021	71	32	45
Nov 2021	72	31	43
Dec 2021	72	32	44
Jan 2022	72	32	44
Feb 2022	72	32	44
Mar 2022	72	32	44

(Source: Data furnished by State Tax Department)

Filing of returns GSTR-6 by taxpayers ranged from 42 *per cent* (June 2021) to 68 *per cent* (August 2021). It can be noticed that there was an increase of about 55 *per cent* in filing of returns in August 2021 than those filed in the month of April 2021. However, there was a decrease of about 33 *per cent* in filing of returns in March 2022 with reference to the returns filed in August 2021. The trend of returns filing is depicted in **Chart 2.2**.

**Chart 2.2: Filing of GSTR-6**



**2.1.2.4 Integrated Goods and Services Tax****Table 2.8: Details of IGST**

(₹ in crore)

IGST Component	2019-20	2020-21	2021-22
	954.02	916.07	1428.31

(Source: Data furnished by State Tax Department)

Integrated Goods and Services Tax apportioned (including advance apportionment) to the State for the years 2020-21 and 2021-22 was ₹ 916.07 crore and ₹ 1,428.31 crore respectively.

**2.1.2.5 Analysis of compensation received during 2021-22****Table 2.9: Details of compensation due and received**

(₹ in crore)

Year	Provisional Compensation due	Provisional compensation received		Shortfall/Surplus if any
		Borrowings	Compensation received	
2021-22	1870.04	846.91	911.16	111.97

(Source: Data furnished by State Tax Department)

It could be seen from the above table that even after receipt of compensation of ₹ 911.16 crore as grants from the GoI and back-to-back loans of ₹ 846.91 crore *in lieu* of shortfall in GST compensation, there was a shortfall of ₹ 111.97 crore towards the total compensation due to the State Government.

To bridge the shortfall in GST compensation, GoI implemented the scheme of back-to-back loans to the states with effect from 2020-21. During 2021-22, apart from receiving GST compensation of ₹ 911.16 crore, Government of Goa also received back-to-back loan of ₹ 846.91 crore *in lieu* of GST compensation due to the State. This loan is to be serviced from the cess collected by the State Government and placed under GST compensation fund.

**2.1.3 Non-tax revenue**

The total non-tax revenue raised during 2021-22 was ₹ 3,787.28 crore. The details of non-tax revenue for the year 2021-22, as well as for the preceding four years are given in **Appendix 2.1**. Details of non-tax revenue raised by principal departments of the Government of Goa during the period 2017-18 to 2021-22 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		2017-18	2018-19	2019-20	2020-21	2021-22	Percentage increase (+) or decrease (-) in 2021-22 over 2020-21
1	Power	BE	1819.15	1907.65	2244.16	2264.19	2673.34	
		RE	1819.15	1907.65	2244.16	2366.20	2673.34	
		Actual	2119.09	1919.80	1960.52	2051.05	2191.12	6.83
2	Non-Ferrous Mining and Metallurgical Industries <sup>7</sup>	BE	377.60	327.59	60.64	511.47	552.48	
		RE	377.60	327.59	60.64	397.47	552.48	
		Actual	332.79	34.39	8.78	168.10	129.20	(-)23.00
3	Other Administrative Services	BE	178.67	161.38	310.25	295.36	412.47	
		RE	179.83	161.38	310.25	455.51	411.79	
		Actual	139.66	450.94	260.25	190.71	309.40	62.23
4	Water Supply and Sanitation	BE	126.05	136.96	154.73	158.00	165.73	
		RE	126.05	136.96	154.73	184.15	165.73	
		Actual	129.80	145.96	147.66	135.67	176.56	30.14

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

### 2.1.4 Analysis of arrears of revenue

The arrears of revenue pending collection in respect of principal departments of the State Government as on 31 March 2022 were ₹ 4,802.37 crore of which ₹ 1,178.50 crore had been pending for more than five years as detailed in **Appendix 2.2**.

The information relating to cases pending in courts and with Departmental Appellate Authorities was not furnished by all the departments. However, it could be seen from the **Appendix 2.2** that 24.54 per cent of arrears have been pending for more than five years. As the chances of their recovery become low with the passage of time, it is recommended that the Government may instruct the concerned departments to make extra efforts for settlement of arrears.

### 2.1.5 Pendency of refund cases

Details of refund cases pending at the beginning of the year 2021-22, claims received and refunded during the year and the cases pending at the close of the year 2021-22 in respect of Commercial Taxes Department and State Excise Department are given in **Table 2.11**.

<sup>7</sup> 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: 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	869	249.93	-	-
2	Claims received during the year	421	37.02	4	0.02
3	Claims rejected	0	0	-	-
4	Refunds made during the year	509	83.29	4	0.02
5	Balance outstanding at the end of the year	781	203.66	-	-

(Source: Information furnished by the respective departments)

As seen above, 781 cases of refunds involving ₹ 203.66 crore were outstanding in Commercial Taxes Department as on 31 March 2022. 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 delay in refunds. It would be prudent on the part of the Department to settle the refund cases expeditiously to save the Government from interest liability. In the case of State Excise Department, no claims were pending for refund at the end of 31 March 2022.

#### **2.1.6 Response of Government/Departments towards Audit**

The office of Principal Accountant General, Goa (PAG) conducts periodical inspection of Government/Departments to test check transactions and verify the maintenance of important accounts and other records as prescribed in the rules and procedures. These inspections are followed by the issue of 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 and 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 March 2022 disclosed that 1,176 observations involving ₹ 827.76 crore relating to 241 IRs remained outstanding at the end of June 2022. Out of these, 407 observations from 134 IRs were outstanding for more than five years. The figures as on June 2022 along with the corresponding figures for the preceding two years are given in the **Table 2.12**.

**Table 2.12: Details of pending Inspection Reports**

	June 2020	June 2021	June 2022
Number of IRs pending for settlement	232	232	241
Number of outstanding audit observations	1049	1143	1176
Amount of revenue involved (₹ in crore)	3469.17	3571.34	827.76 <sup>8</sup>

(Source: Compiled from Audit records)

Department-wise details of the IRs and audit observations outstanding as of June 2022 are mentioned in the **Table 2.13**.

**Table 2.13: Department-wise details of pending Inspection Reports**

Sl. No.	Name of the Department/ Directorate	Nature of receipts	Number of outstanding IRs	Number of outstanding audit observations	Money value involved (₹ in crore)
1	Finance	Commercial Taxes	108	574	527.16
2	Excise	State excise	17	75	15.92
3	Revenue	Land revenue	29	146	31.07
4	Transport	Taxes on motor vehicles	46	208	71.06
5	Stamps and Registration	Stamp duty and registration fee	41	173	182.55
<b>Total</b>			<b>241</b>	<b>1176</b>	<b>827.76</b>

(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 IRs in respect of 14 IRs issued up to March 2022. This indicated that the Heads of offices/departments did not initiate action to rectify the defects, omissions and irregularities pointed out by the PAG in the IRs.

### **2.1.7 Response of the departments to draft audit paragraphs**

One Subject Specific Compliance Audit on “Departments’ oversight on GST payments and Return filing” and seven draft paragraphs were sent to the Secretaries of the respective departments between January 2023 and March 2023. Replies in respect of six paragraphs have been received from the Government (November 2023).

### **2.1.8 Planning and conduct of Audit**

The auditable units under various departments are categorised into high, medium and low risk units. Risk analysis is done considering their revenue position, trend of past 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 the priorities of the Government as per the budget speech, revenue during the past five years, features of the

<sup>8</sup> Three Inspection Reports containing 30 paragraphs and money value of ₹ 2,803.09 crore of Mines and Geology Department have been transferred to the Economic Sector.

tax administration, audit coverage and its impact during past five years, *etc.*

For the period 2021-22, nine<sup>9</sup> units were planned and audited, which included one Apex unit.

### **2.1.9 Results of audit and coverage of this chapter**

During the year 2021-22, Audit test checked the records of nine units of Sales Tax/Value Added Tax, Motor Vehicles Tax, Goods and Passengers Tax, Stamp duty and Registration and other Departmental offices.

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

#### ***Commercial Taxes Department***

There are eight auditable units in the Commercial Taxes Department, of which Audit selected three units for test check wherein 7,834 assessments were finalised during the year 2021-22. Audit test checked 727 assessments (9.28 *per cent*) during the year 2021-22.

#### ***Revenue Department***

There are 25 auditable units in the Department, of which two were selected for test check during 2021-22. Audit noticed seven 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.*

#### ***Transport Department***

There are 12 auditable units in the Transport Department and a total of 50,675 vehicles were registered during 2021-22. One unit was selected for test check during the year 2021-22.

#### ***Registration Department***

There are 14 auditable units in the Registration Department of which three units were audited during 2021-22.

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<sup>9</sup> Nine units = one Apex unit + eight units



**Department of State Tax**

**2.2 Subject Specific Compliance Audit (SSCA) on Department's oversight on GST payments and return filing**

During the test-check of records of four wards under Ward Audit pertaining to period 2017-18 to 2020-21, the following issues of non-compliance with the provisions of Act/Rules were noticed:

❖ **Oversight functions of Ward Audit**

- Deficient monitoring mechanism on return filing.
- Non-cancellation of registrations of non-filers of GSTR-3B.
- Delay in selection of cases for internal audit and non-completion of internal audit.
- Non-adherence to prescribed procedure for cancellation of registration.

During the test-check of returns data for the period 2017-18 of 104 deviations identified on a set of 13 parameters under Centralised Audit, the following deviations with the provisions of Act/Rules were noticed:

❖ **Oversight on tax payments**

- Audit noticed deviations from the provisions of the Act in 55 cases (constituting 52.88 *per cent* of the total 104 cases) involving mismatch/deviation of ₹ 46.30 crore. Relatively higher rates of deviations were noticed in risk parameters such as mismatch of ITC between returns, mismatch in tax liability, non/short payment of interest, non-filing of returns, *etc.*
- In 39 cases, constituting 37.50 *per cent* of identified 104 cases where the Department's reply was acceptable to Audit, data entry errors by the taxpayers comprised nine cases.
- In 10 cases, constituting 9.62 *per cent* of identified 104 cases the Department stated that it was examining the underlying deviation of ₹ 15.92 crore.

During the test-check of records of 15 taxpayers under Detailed Audit pertaining to the period 2017-18, the following issues of non-compliance with the provisions of the Act/Rules were noticed:

❖ **Scope limitation**

- None of the wards of State Tax Department, produced granular records for selected sample of 15 cases due to which audit scope was limited. Audit could not evaluate the extent of compliance by the taxpayers, and deviations relating to ITC availment and discharge of tax liability are reported as mismatches only.

❖ **Filing of Returns**

- **Non-payment of interest of ₹ 5.01 lakh by five out of 15 taxpayers.**

❖ **Utilisation of Input Tax Credit (ITC)**

- **Mismatch of ITC of ₹ 49.34 crore between GSTR-2A and GSTR-3B returns in 10 out of 15 taxpayers.**
- **Mismatch of ITC of ₹ 0.73 crore availed on import of goods by one taxpayer.**

❖ **Discharge of tax liability**

- **Mismatch of tax liability of ₹ 5.69 crore between returns by 08 out of 15 taxpayers.**
- **Short discharge of tax liability of ₹ 0.10 crore due to incorrect charging of rate of tax by 02 out of 15 taxpayers.**

**These instances under detailed audit involved deviation/mismatch of ₹ 55.91 crore.**

### 2.2.1 Introduction

Introduction of Goods and Service Tax (GST) has replaced multiple taxes levied and collected by the Centre and states. GST, which came into effect from 01 July 2017, is a destination-based consumption tax on the supply of goods or services or both levied on every value addition. The Centre and states simultaneously levy GST on a common tax base. Central GST (CGST) and State GST (SGST)/Union Territory GST (UTGST) are levied on *intra-state* supplies, and Integrated GST (IGST) is levied on *inter-state* supplies.

Section 59 of the Goa Goods and Service Tax (GGST) Act 2017, stipulates GST as a self-assessment-based tax, whereby the responsibility for calculating tax liability, discharging the computed tax liability and filing returns is vested on the taxpayer. The GST returns must be filed online regularly on the common GST portal, failing which late fee will be payable. Even if the business has no tax liability during a particular tax period, it must file a Nil return mandatorily. Further, Section 61 of the Act read with Rule 99 of GGST Rules 2017, stipulate that the proper officer may scrutinise the return and related particulars furnished by taxpayers, communicate discrepancies to the taxpayers and seek an explanation.

This SSCA was taken up considering the significance of the control mechanism envisaged for tax compliance and the oversight mechanism of the State Taxes Department, Goa (herein after referred to as the Department) under the new tax regime.

### **2.2.2 Audit objectives**

Audit of 'Department's oversight on GST Payments and Return filing' was taken up with the following audit objectives to seek an assurance on:

- i. Whether the rules and procedures were designed to secure an effective check on tax compliance and were being duly observed by taxpayers; and
- ii. Whether the scrutiny procedures, internal audit and other compliance functions of the wards were adequate and effective.

### **2.2.3 Audit methodology and scope**

This SSCA was predominantly conducted based on data analysis, which highlighted risk areas and red flags pertaining to the period from July 2017 to March 2018. Through data analysis, a set of 13 deviations were identified across the domains of ITC, Discharge of tax liability, Registration and Return filing. Such deviations were followed up through a Centralised audit (Limited Audit)<sup>10</sup>, whereby these deviations were communicated to the relevant wards (State Departmental field formations) and action taken by the wards on the identified deviations was ascertained without involving field visits. The Centralised audit was supplemented by a detailed audit involving field visits for verification of records available with wards. Returns and related attachments and information were accessed through the Goa GST Backend Portal as much as feasible to examine data/documents relating to taxpayers (*viz.* registration, tax payment, returns and other Departmental functions). The detailed audit sought to access relevant granular records from the taxpayers such as invoices through the respective wards. This apart, compliance functions of the wards such as scrutiny of returns and action on non-filers/late filers of returns were also to be reviewed in selected wards.

The review of the scrutiny of returns by the Department and verification of taxpayers' records covered the period from July 2017 to March 2018, while the audit of the functions of selected wards covered the period from July 2017 to March 2021. The SSCA covered only the State administered taxpayers. The field audit was conducted from April 2022 to November 2022.

Entry conference of this SSCA was held (06 April 2022) with the Commissioner of State Tax (CST), Goa and in which, the audit objectives, sample selection, audit scope and methodology were discussed. The Exit conference was held (28 February 2023) with the CST, Goa in which, the audit findings were discussed. The views

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<sup>10</sup> Centralised Audit did not involve seeking taxpayer's granular records such as financial statements related ledger accounts, invoices, agreements, *etc.*

expressed by the CST, Goa during the Exit conference and the written replies to the draft report have been incorporated in the relevant paragraphs.

#### **2.2.4 Audit sample**

A data-driven approach was adopted for planning as also to determine the nature and extent of substantive audit. The sample for this SSCA comprised a set of deviations identified through data analysis for Centralised audit that did not involve field visits; a sample of taxpayers for detailed audit that involved field visits and scrutiny of taxpayer's records at Departmental premises; and a sample of wards for evaluating the compliance functions of the wards.

There were three distinct parts of this SSCA as under:

**(i) Part I-Audit of wards**

Four<sup>11</sup> out of eight<sup>12</sup> wards with jurisdiction over more than one selected sample of cases for Detailed Audit were considered as the sample of wards for evaluation of their oversight functions.

**(ii) Part II-Centralised Audit (Limited Audit)**

The sample for Centralised Audit was selected by identification of high-value or high-risk deviations from rules and inconsistencies between returns through data analysis for evaluation of the adequacy and effectiveness of the scrutiny procedure of the Department. Accordingly, 104 instances of deviations under 13 dimensions were selected for Centralised Audit under this SSCA.

**(iii) Part III-Detailed audit**

It was planned to be conducted by accessing taxpayers' records through wards for evaluation of the extent of tax compliance by taxpayers. The sample of taxpayers for Detailed Audit was selected on the basis of risk parameters such as excess ITC, tax liability mismatch, disproportionate exempted turnover to total turnover and irregular ITC reversal. The 15 taxpayers<sup>13</sup> pertaining to five<sup>14</sup> wards which were selected for Detailed Audit comprised large, medium and small strata<sup>15</sup> taxpayers.

The details of sample for Centralised audit and detailed audit selected for this SSCA are brought out in **Appendix 2.3 (A) & 2.3 (B)**.

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<sup>11</sup> Margao, Panaji, Ponda and Vasco

<sup>12</sup> Bicholim, Curchorem, Mapusa, Margao, Panaji, Pernem, Ponda and Vasco

<sup>13</sup> Large taxpayers-nine, Medium taxpayers-five and Small Taxpayers-one

<sup>14</sup> Mapusa, Margao, Panaji, Ponda and Vasco

<sup>15</sup> First category strata comprising large taxpayers – top two *per cent* of taxpayers based on turnover. Second category strata comprising medium taxpayers – next eight *per cent* of taxpayers' based on the turnover. Third category strata comprising the small taxpayers – remaining 90 *per cent* of taxpayers.

### **2.2.5 Audit criteria**

The source of audit criteria comprised the provisions contained in the GGST Act 2017, IGST Act 2017, and rules made thereunder. The significant provisions are given in **Table 2.14**.

**Table 2.14: Source of criteria**

Sl. No.	Subject	Acts and Rules
1	Levy and collection	Section 9 of the GGST Act 2017
2	Reverse Charge Mechanism	Section 9(3) of GGST Act 2017 and Section 5 (3) of IGST Act
3	Availing and utilising ITC	Sections 16 to 21 under Chapter V of GGST Act 2017; Rules 36 to 45 under Chapter V of GGST Rules
4	Registrations	Section 22 to 25 of GGST Act; Rules 8 to 26 of GGST Rules
5	Supplies	Section 7 and 8 of GGST Act. Schedule I, II and III of the Act
6	Place of supply	Section 10 to 13 of IGST Act
7	Time of Supply	Section 12 to 14 of GGST Act
8	Valuation of supplies	Section 15 of GGST Act; Rules 27 to 34 of GGST Rules
9	Payment of Tax	Sections 49 to 53 under Chapter X of GGST Act; Rules 85 to 88A under Chapter IX of GGST Rules
10	Filing of GST Returns	Sections 37 to 47 under Chapter IX of GGST Act; Rules 59 to 68 and 80 to 81 under Chapter VIII of GGST Rules. Part B of GGST Rules prescribes format of returns
11	Zero-rated supplies	Section 8 of IGST Act
12	Assessment and Audit functions	Sections 61, 62, 65 and 66 under Chapter XII & XIII of GGST Act; Rules 99 to 102 under Chapter XI of GGST Rules

In addition, the notifications and circulars issued by Department relating to filing of returns, notifying the effective dates of filing of various returns, extending due dates for filing returns, rates of tax on goods and services, payment of tax, availing and utilising ITC, scrutiny of returns and oversight of tax compliance and Standard Operating Procedures (SoP) containing instructions to Departmental officers on various aspects related to filing returns, scrutiny of returns, cancellation of registrations, *etc.*, also formed part of the audit criteria.

### **Audit findings**

The audit findings are categorised into the following categories:

- Oversight functions of ward offices
- Centralised Audit
- Detailed Audit

## 2.2.6 Oversight functions of ward offices

### 2.2.6.1 Deficient mechanism for monitoring of return filing and scrutiny of returns

In selected four<sup>16</sup> wards, data relating to non-filers of returns and action taken by the Department was not provided. Data of non-filers downloaded by audit and responses received from three wards indicated inaction by the Department on non-filers of returns. One ward did not reply. Audit also observed delay in selection of cases for internal audit and non-completion of internal audit, non-cancellation of registrations of non-filers of returns and non-adherence to prescribed procedures for cancellation of registration. The details are given in the following paragraphs.

#### 2.2.6.2 Non-cancellation of registrations of non-filers of GSTR-3B

Section 29(1) of GGST Act, 2017 stipulates that the proper officer may, either on his own motion, or on application filed by registered person or his legal heir cancel the registration having regard to circumstances where the business has been discontinued, change in constitution of business or the taxable person is no longer liable to be registered.

Section 29(2) of the GGST Act allows for *suo-moto* cancellation of the registration of taxpayer by tax officer on the grounds of contravention of the Acts or Rules by the taxpayer, composition taxpayers not filing return for three consecutive tax periods, normal taxpayers not filing return for continuous period of six months, registered persons not commencing business within six months from date of registration and registration obtained by means of fraud, wilful misstatement or suppression of facts.

Section 46 of the GGST Act, 2017 read with Rule 68 of GGST Rules, 2017 stipulates issue of a notice in Form GSTR-3A requiring filing of return within 15 days if the taxpayer had failed to file the return within the due date. In case the taxpayer fails to file the returns even after such notice, the proper officers may proceed to assess the tax liability of the said person to the best of their judgment, taking into account all the relevant material which is available or gathered and issue an assessment order in Form ASMT-13 as per Section 62 of the GGST Act 2017 read with Rule 100 of the GGST Rules 2017. Filing of returns is related to payment of tax as the due date for both the actions are the same, which implies risk of non-payment of tax/penalty in the case of non-filers.

During ward Audit, information regarding non-filers of returns and action taken by the Department was sought for, but the same was not provided. However, Audit obtained data on non-filers (GSTR-3B only)

<sup>16</sup> Margao, Panaji, Ponda and Vasco

from the Goa GST backend portal (Model-1<sup>17</sup>) and worked out the year-wise and ward-wise number of non-filers who had not filed six or more consecutive returns. It was noticed that in four wards, GSTR-3B returns for six or more consecutive months, were not filed by 1,216 (9.14 *per cent*) out of 13,307 taxpayers, 1,269 (9 *per cent*) out of 14,100 taxpayers, 1,968 (13.01 *per cent*) out of 15,122 taxpayers and 2,385 (15.11 *per cent*) out of 15,784 taxpayers for the years 2017-18, 2018-19, 2019-20 and 2020-21 respectively as detailed in **Table 2.15**.

**Table 2.15: Details of non-filers of GSTR-3B during 2017-21 in four selected wards**

Sl. No.	Name of Ward	Year-wise number of taxpayers who are active and under State jurisdiction				Year-wise number of taxpayers who did not file GSTR-3B returns for at least six consecutive months				Action taken on non-filers
		2017-18	2018-19	2019-20	2020-21	2017-18	2018-19	2019-20	2020-21	
1	Ponda	2472	2701	2917	3095	223	238	393	502	No action was taken
2	Panaji	4194	4425	4712	4762	348	421	691	736	No action was taken
3	Vasco	2090	2197	2358	2514	206	222	325	417	No action was taken
4	Margao	4551	4777	5135	5413	439	388	559	730	Information was not provided
<b>Total</b>		<b>13307</b>	<b>14100</b>	<b>15122</b>	<b>15784</b>	<b>1216</b>	<b>1269</b>	<b>1968</b>	<b>2385</b>	

(Source: Goa GST backend portal, Model-1)

Audit called for the information on action taken by the wards in respect of these non-filers.

Out of the four wards, one ward (Margao) did not provide response to audit enquiries, hence, audit could not ascertain the action taken by the ward. From the information provided by remaining three wards<sup>18</sup> it was noticed that the ward officers had not initiated action for issuance of notices in GSTR-3A, cancellation of registration and conducting best judgement assessment.

On being pointed out (February 2023), the CST stated (February 2023) that action to cancel registration of non-filers would be taken up on priority in a phased manner as the GST backend system under Model-2 was recently adopted by the Department. Further progress in the matter is awaited (April 2024).

<sup>17</sup> The states which have developed backend systems on their own were called Model-1 and states which opted for development of backend system by GSTN were called as Model-2 states. Goa became Model-2 state *w.e.f.* 26 November 2022.

<sup>18</sup> Panaji, Ponda and Vasco



### 2.2.6.3 Delay in selection of cases for internal audit under Section 65 of the GGST Act and non-completion of internal audit

Internal Audit is another compliance verification mechanism, along with the scrutiny of returns, for the tax authorities to examine the correctness of self-assessed returns submitted by the taxpayers. Section 65(1) of the GGST Act provides for conducting the audit by the tax authorities and Section 65(4) stipulates that the audit under Section 65(1) shall be completed within three months from the date of commencement of the audit. Further, as per Section 73(10) of the GGST Act, the proper officer shall issue the order of determination of tax not paid or short paid or erroneously refunded or ITC wrongly availed or utilised for any reasons other than fraud or any willful misstatement or suppression of facts within three years from the due date for furnishing of annual return for the financial year. For the financial year 2017-18, extended due date of furnishing of annual return was 07 February 2020 and due date of issue of order under Section 73(10) was 06 February 2023 which was extended to 30 September 2023 *vide* notification dated 08 July 2022.

The CST selected 256 cases for audit under Section 65 of the GGST Act, out of which 50 cases were selected *vide* order No. CST/26-11/2020-21/509 dated 24 June 2020 on the basis of the refunds claimed by the taxpayers and remaining 206 cases were selected *vide* order No. CST/26-11/2021-22/2308 dated 14 December 2021 on the basis of risk parameters such as 100 *per cent* ITC claimed, Tran 1 filers, mismatch of liability as per GSTR-3B and GSTR-1, builders and hoteliers, *etc.* Out of 256 cases, 241 cases were selected for audit for the year 2017-18, nine cases were selected for the year 2018-19 and six cases were selected for the year 2019-20.

Audit observed that out of 241 cases selected for the year 2017-18, 50 cases were selected (24 June 2020) by the CST within four months from the extended due date of filing of annual return (07 February 2020) while the CST took 22 months (from 07 February 2020 to 14 December 2021) for selection of remaining 191 cases. Further, Audit observed from the case wise status of 256 cases furnished by the Department that notices in five<sup>19</sup> cases (selected for the year 2017-18) were not issued to the taxpayers. Notices were issued but returned unserved in case of eight taxpayers (five<sup>20</sup> taxpayers selected for the year 2017-18,

<sup>19</sup> GSTINs of five cases: 30AAACN3331N1ZR, 30AEBPP2975E1ZS, 30ADNPP5942L1Z6, 30ATXPD9328C1ZQ and 30AAZFA3229Q1ZY

<sup>20</sup> GSTINs of five cases selected for the year 2017-18: 30AAYFA7272N1ZU, 30AABCB7417Q1ZL, 30AABCP8121B1Z7, 30AAACF7909E2Z1 and 30AAACK5621J1ZX

two<sup>21</sup> taxpayers for the year 2018-19 and one<sup>22</sup> taxpayer for the year 2019-20) and audit was not completed (September 2022) in any of the selected cases even after the lapse of a period of 24 months (in respect of 50 cases) and six months (in respect of 206 cases) after the selection of cases for audit (September 2022).

On being pointed out (November 2022) by Audit, Deputy Commissioner of State Tax (HQ) replied (December 2022) that the delay in selection of cases for Audit was due to technical glitches in the software, and Assessing Authorities (AA) being busy in OTS<sup>23</sup> scheme by Government of Goa. The state of Goa also migrated from Model-1 to Model-2 (November 2022). It was further stated that notices in five cases were not issued due to ill health of AA and in eight cases where notices were returned, notices were served through registered email. The CST further stated (February 2023) that cases would be selected for audit for the year 2018-19 to 2020-21 at the earliest. Further progress in the matter is awaited (April 2024).

Thus, there was not only delay in selection of cases for audit but audit of selected cases were also not completed.

***Recommendation 1: The Department may ensure that cases for internal audit are selected within the prescribed time frame and audit is completed in a time bound manner before cases become time barred.***

#### **2.2.6.4 Non-adherence to prescribed procedure for cancellation of registration**

Section 29(2) of the GGST Act allows for *suo-moto* cancellation of the registration of taxpayer by tax officer on the grounds of contravention of the Acts or Rules by the taxpayer, composition taxpayers not filing return for three consecutive tax periods, normal taxpayers not filing return for continuous period of six months, registered persons not commencing business within six months from date of registration and registration obtained by means of fraud, wilful misstatement or suppression of facts.

Section 45 of the GGST Act requires every registered person other than (a) Input Service Distributor (ISD) or a non-resident taxable person or (b) Composition taxable person (Section 10) or (c) persons paying tax

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<sup>21</sup> GSTINs of two cases selected for the year 2018-19: 30AAZCS7323L1ZT and 30AAGFK6763J1Z8

<sup>22</sup> GSTIN of one case selected for the year 2019-20: 30AAEFM5712B1Z2

<sup>23</sup> The Goa (Recovery of Arrears of Tax, Interest, Penalty, Other Dues through Settlement) Act, 2023 published vide Notification no. 7/30/2023-LA dated: 08 September 2023 provides for expeditious enforcement of payment of tax, penalty and/or interest, *etc.* in respect of assessment period of assessment up to 30 June 2017 under the earlier acts such as Goa Value Added Tax Act 2005 and the Central Sales Tax Act 1956, *etc.*

under Section 51 - Tax collection at source (TCS) or persons paying tax under Section 52 - Tax deducted at source (TDS), whose registration has been cancelled, to file a final return in GSTR-10, within three months of the effective date of cancellation or the date of order of cancellation, whichever is later. The purpose of the final return is to ensure that the taxpayer discharges the outstanding liability. In case of non-filing of GSTR-10, the same procedure as adopted for non-filing of any return is to be followed by the tax officer.

The data on cancellation of registration of taxpayers in respect of selected four wards was called for. Details of registered taxpayers in four wards are given **Table 2.16**.

**Table 2.16: Number of registered taxpayers in selected four wards during 2017-18 to 2020-21**

Sl. No.	Year	No. of active taxpayers under state jurisdiction	No. of cancelled taxpayers	Total registered taxpayers
1	2017-18	13307	10	13317
2	2018-19	14100	246	14346
3	2019-20	15122	449	15571
4	2020-21	15784	367	16151
<b>Total</b>			<b>1072</b>	

(Source: Goa GST backend portal Model-1 and compiled by Audit from the information provided by the ward officers)

Audit observed from the data provided by four<sup>24</sup> wards that registrations of 1,072 taxpayers (1,038 on taxpayer's request and 34 suo-moto) had been cancelled during the period from 2017-18 to 2020-21 as detailed in **Appendix 2.4**. The information provided by the wards on action taken by the proper office after cancellation of taxpayers indicated that 878 (82 *per cent*) out of 1,072 taxpayers had not filed their final return in form GSTR-10. Main reasons for cancellation were non-filing of returns by the taxpayers for consecutive period of six months (two taxpayers), registration was obtained by means of fraud, wilful misstatement or suppression of facts (13 taxpayers), contravention of provisions of the Act (19 taxpayers) and applications filed by the taxpayers (1,038 taxpayers). The Department neither issued notices in form GSTR-3A nor conducted best judgement assessment in any of the cases. Non-filing of final returns by the taxpayers and non-conducting of best judgement assessment of the non-filers, have the risk of non-recovery of Government dues in these cases.

On being pointed out (February 2023), the CST stated (February 2023) that earlier Model-1 system did not have working module for initiating best judgement assessment. Now with implementation of Model-2 GST backend system, the functioning is made available to Assessing

<sup>24</sup> Margao, Panaji, Ponda and Vasco

Authorities for assessment of non-filers. It was further stated that the scrutiny of returns under Section 61 for the year 2017-18 was under progress and was being conducted on priority as per guidelines. It would be ensured that the assessment of non-filers (ASMT-13) under Section 62 is completed within the prescribed time limit. Further progress in the matter is awaited (April 2024).

Non-initiation of action for cancellation of registrations against taxpayers who had not filed returns for six consecutive months and non-initiation of action for issuing notices in GSTR-3A, not conducting best judgement assessment against cancelled taxpayers who have not filed GSTR-10 may result in non-discharge of tax liability and loss of revenue to the Government.

***Recommendation 2: The Department may monitor the status of cancellation of registrations and action taken thereon in consonance with the statutory provisions to check undischarged tax liabilities.***

## **2.2.7 Centralised audit**

### **2.2.7.1 Inconsistencies in GST returns**

Audit analysed GST returns data pertaining to 2017-18 as made available by Goods and Services Tax Network (GSTN). Rule-based deviations, and logical inconsistencies between GST returns filed by taxpayers were identified on a set of 13 parameters, which can be broadly categorised into two domains - ITC and Tax payments.

Out of the 13 prescribed GST returns<sup>25</sup>, the following basic returns that apply to normal taxpayers were considered for the purpose of identifying deviations, inconsistencies, and mismatches between GST returns/data:

- GSTR-1: Monthly return furnished by all normal and casual registered taxpayers making outward supplies of goods and services or both and contains details of outward supplies of goods and services.
- GSTR-3B: Monthly summary return of outward supplies and ITC claimed, along with payment of tax by the taxpayer to be filed by all taxpayers except those specified under Section 39(1) of the Act. This is the return that populates the credit and debits in the Electronic Credit Ledger and debits in Electronic Cash Ledger.

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<sup>25</sup> GSTR-1, GSTR-3B, GSTR-4 (taxpayers under the Composition scheme), GSTR-5 (non-resident taxable person), GSTR-5A (Non-resident OIDAR service providers), GSTR-6 (ISD), GSTR-7 (taxpayers deducting TDS), GSTR-8 (E-commerce operator), GSTR-9 (Annual Return), GSTR-10 (Final return), GSTR-11 (person having UIN and claiming a refund), CMP-08 and ITC-04 (Statement to be filed by a principal/job-worker about details of goods sent to/received from a job-worker).

- GSTR-6: Monthly return for ISDs providing the details of their distributed ITC and inward supplies.
- GSTR-8: Monthly return to be filed by the e-commerce operators who are required to deduct TCS under GST, introduced in October 2018.
- GSTR-9: Annual return to be filed by all registered persons other than an ISD, TDS/TCS, Casual Taxable Person and Non-Resident taxpayer. This document contains the details of all supplies made and received under various tax heads (CGST, SGST and IGST) during the entire year along with turnover and audit details for the same.
- GSTR-9C: Annual audit form for all taxpayers having a turnover above ₹ five crore in a particular financial year. It is basically a reconciliation statement between the annual returns filed in GSTR-9 and the taxpayer's audited annual financial statements.
- GSTR-2A: A system-generated statement of inward supplies for a recipient. It contains the details of all B2B transactions of suppliers declared in their form GSTR-1/5, ISD details from GSTR-6, details from GSTR-7 and GSTR-8 respectively by the counterparty and import of goods from overseas on bill of entry as received from ICEGATE Portal of Indian Customs.

The data analysis pertaining to State jurisdiction of Goa for the period 2017-18 on the 13 identified parameters and extent of deviations/inconsistencies observed (sample for centralised audit) are summarised in **Table 2.17**.

**Table 2.17: Data analysis summary of sampled cases of Goa State**

(₹ in Crore)

Sl. No.	Parameter	Algorithm used	Number of deviations	Mismatch/Amount involved
1	Mismatch in availing of ITC	ITC available as per GSTR-2A with all its amendments was compared with the ITC availed in GSTR-3B {Table 4A (5)} (accrued on domestic supplies) considering the reversal in Table 4(B)(2) but including the ITC availed in subsequent year 2018-19 from Table 8(C) of GSTR-9.	10	28.71
2	Mismatch in availing of ITC under Reverse Charge Mechanism (RCM) without payment	RCM liability declared in GSTR-9 Table 4G was compared with ITC availed in GSTR-9 Table (6C+6D+6F). In cases where GSTR-9 was not available, RCM liability in GSTR-3B Table 3.1(d) was compared with	10	3.75

Sl. No.	Parameter	Algorithm used	Number of deviations	Mismatch/Amount involved
		GSTR-3B Table {4(A)(2)+4(A) (3)}.		
3	Mismatch in availing of ITC under RCM	RCM payments in GSTR-3B Table 3.1(d) were compared with ITC availed in GSTR-9 Table (6C+6D+6F). In cases where GSTR-9 was not available, audit check was restricted within GSTR-3B, RCM payments in Table 3.1(d) <i>vis-a-vis</i> ITC availed in Table {4A(2) + 4A(3)}.	3	0.40
4	Incorrect availment of ISD credit	ISD received in GSTR-9 Table 6G was compared with ITC transferred in GSTR-6 (sum of Table 5A +Table 8A +Table 9A of GSTR-6) of the distributor. In cases where GSTR-9 is not available then GSTR-3B Table 4(A)(4) was compared with sum of Table 5A +Table 8A +Table 9A of GSTR-6.	10	2.25
5	Incorrect ISD credit reversal	GSTR-9 Table 7B/7H of the recipients was compared with sum of Table 8A (negative figures only) and Table 9A (negative figures only) of their GSTR-6.	1	0.0006
6	Mismatch in ITC availed between Annual return and financial statement (Table 12F of GSTR-9C)	Positive figure in Table 12F of GSTR-9C.	10	17.49
7	Reconciliation between ITC declared in Annual return with expenses in financial statement (Table 14T of GSTR-9C)	Positive figure in Table 14T of GSTR-9C.	10	276.65
8	Mismatch in turnover between Annual return and financial statement (Table 5R of GSTR-9C)	Negative figure in Table 5R of GSTR-9C.	3	196.41
9	Mismatch in taxable turnover between annual return and audited financial statement (Table 7G of GSTR-9C)	Negative figure in Table 7G of GSTR-9C.	10	365.84
10	Mismatch in tax paid between books of accounts and annual return (Table 9R of GSTR-9C)	Negative figure in Table 9R of GSTR-9C.	7	20.40

Sl. No.	Parameter	Algorithm used	Number of deviations	Mismatch/Amount involved
11	Mismatch in tax liability and payment among returns (GSTR-1, GSTR-3B and GSTR-9)	Greater of tax liability between GSTR-1 (Table 4 to 11) and GSTR-9 (Table 4N, 10 & 11) was compared with tax paid details declared in Tables 9 and 14 of GSTR-9. In cases where GSTR-9 was not available, tax paid details declared in Table 3.1(a) <sup>26</sup> and 3.1(b) in GSTR-3B <sup>27</sup> were compared with GSTR-1 liability. The amendments and advance adjustments declared in GSTR-1 and GSTR-9 were duly considered.	10	11.90
12	Cases where GSTR-3B was not filed but GSTR-1 or GSTR-2A was available	Taxpayers who had not filed GSTR-3B but filed GSTR-1 or where GSTR-2A available, indicating taxpayers had carried the business without discharging tax.	10	0.94
13	Non/short payment of interest	Interest calculated at the rate of 18 <i>per cent</i> on cash portion of tax payment on delayed filing of GSTR-3B <i>vis-a-vis</i> interest declared in GSTR-3B Table 6.1.	10	3.36
	<b>Total</b>		<b>104</b>	<b>928.10</b>

Audit selected a sample of 104 cases from amongst the top deviations/inconsistencies in each of the 13 parameters for the year 2017-18. The audit queries were issued to the respective wards during April 2022 to May 2022 without further scrutiny of taxpayer's records. Audit check in these cases was limited to verifying the Department's action on the identified deviations/mismatches.

#### 2.2.7.2 Results of Centralised audit

Based on responses received from the Department to the Audit enquiries, the extent to which these parameters translated into compliance deviations is summarised in **Table 2.18**.

<sup>26</sup> Outward taxable supplies (other than zero-rated, nil rated and exempted).

<sup>27</sup> Outward taxable supplies (zero-rated).



**Table 2.18: Dimension wise summary of deficiencies**

(₹ in Crore)

Audit Dimension	Cases where reply received		Department's reply accepted by Audit						Compliance Deviation						The Department stated that they are examining the Audit Query	
									Accepted by Dept. including cases where action is yet to be initiated				Total			
			Data entry errors		Action taken before Audit query		Other valid explanations		ASMT-10 <sup>28</sup> / Action initiated		Under correspond-ence with taxpayer					
	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Mismatch in availing of ITC	10	28.71	0	0	0	0	0	0	7	20.72	0	0	7	20.72	3	7.99
Mismatch in availing of ITC under RCM without payment	10	3.75	4	1.09	0	0	0	0	4	2.04	0	0	4	2.04	2	0.62
Mismatch in availing of ITC under RCM	3	0.40	2	0.28	0	0	0	0	1	0.12	0	0	1	0.12	0	0
Incorrect availment of ISD credit	10	2.25	3	0.69	0	0	2	0.72	5	0.84	0	0	5	0.84	0	0
Incorrect ISD credit reversal	1	0.0006	0	0	0	0	0	0	0	0	0	0	0	0	1	0.0006
Mismatch in ITC availed between Annual return and financial statement (Table 12F of GSTR-9C)	10	17.49	0	0	3	6.78	1	0.71	4	6.10	0	0	4	6.10	2	3.90
Reconciliation between ITC declared in Annual return with expenses in financial statement (Table 14T of 9C)	10	276.65	0	0	0	0	10	276.65	0	0	0	0	0	0	0	0
Mismatch in turnover between Annual return and financial statement (Table 5R of GSTR-9C)	3	- <sup>29</sup>	0	0	0	0	2	-	1	-	0	0	1	-	0	0

<sup>28</sup> In cases where discrepancies or inconsistencies are found in a taxpayer's GST returns, the tax authorities issue a notice called GST ASMT-10.

<sup>29</sup> Total unreconciled turnover (TO) in table 5R of GSTR-9C in the three cases is ₹ 196.41 crore, out of which, in two cases involving mismatched TO of ₹ 81.81 crore valid explanations were provided by the Department and the compliance deviations in the remaining one case involving mismatched TO of ₹ 114.60 crore have been observed.



Audit Dimension	Cases where reply received		Department's reply accepted by Audit						Compliance Deviation						The Department stated that they are examining the Audit Query	
									Accepted by Dept. including cases where action is yet to be initiated				Total			
			Data entry errors		Action taken before Audit query		Other valid explanations		ASMT-10 <sup>28</sup> / Action initiated		Under correspond -ence with taxpayer					
	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Mismatch in taxable turnover between annual return and audited financial statement (Table 7G of GSTR-9C)	10	₹ <sup>30</sup>	0	0	0	0	6	-	4	-	0	0	4	-	0	0
Mismatch in tax paid between books of accounts and annual return (Table 9R of GSTR-9C)	7	20.40	0	0	0	0	3	15.22	4	5.18	0	0	4	5.18	0	0
Mismatch in tax liability and payment among returns (GSTR-1, GSTR-3B and GSTR-9)	10	11.90	0	0	1	1.05	0	0	7	7.44	0	0	7	7.44	2	3.41
Cases where GSTR-3B not filed but GSTR-1 or GSTR-2A available	10	0.94	0	0	1	0.23	0	0	6	0.34	3	0.38	9	0.72	0	0
Non/short payment of interest	10	3.36	0	0	1	0.22	0	0	9	3.14	0	0	9	3.14	0	0
Total	104	365.85	9	2.06	6	8.28	24	293.30	52	45.92	3	0.38	55	46.30	10	15.92

<sup>30</sup> Total unreconciled taxable turnover (TTO) in table 7G of GSTR-9C in the 10 cases is ₹ 365.84 crore, out of which, in six cases involving mismatched TTO of ₹ 232.04 crore valid explanations were provided by the Department and the compliance deviations in the remaining four cases involving mismatched TTO of ₹ 133.80 crore have been observed.

### 2.2.7.3 Summary of Centralised Audit

From the **Table 2.18**, it can be seen that audit noticed deviations from the provisions of the Act in 55 cases (Col. No. 10 and 12) involving mismatch in ITC/Tax liability of ₹ 46.30 crore (Col. No. 11 and 13) constituting 52.88 *per cent* of the inconsistencies/mismatches in data, for which the Department provided responses. Relatively higher rates of deviations were noticed in risk parameters such as mismatch of ITC between returns, mismatch in tax liability, non/short payment of interest, non-filing of returns, *etc.*

In 39 cases (Col. No. 4, 6 and 8), constituting 37.50 *per cent*, where the Department's reply was acceptable to Audit, data entry errors by taxpayers comprised nine cases (Col. No. 4), Department had proactively taken action in six cases (Col. No. 6) and 24 cases (Col. No. 8) had other valid explanations.

In 10 cases (Col. No. 16), constituting 9.62 *per cent*, the Department stated that it was examining the underlying deviation of ₹ 15.92 crore (Col. No. 17).

Illustrative cases with highest money value for dimensions of Centralised audit where audit observations were accepted by the Department are detailed in **Table 2.19**.

**Table 2.19: Top cases for dimensions of Centralised audit (for compliance deviations pertaining to cases where ASMT-10 was issued/action was initiated or case was under correspondence with taxpayer)**

Sl. No.	Dimension	GSTIN	Jurisdictional ward	Amount of mismatch (₹ in crore)	Action taken
1	Mismatch in availing of ITC	30AAACG6842K1ZQ	Panaji	6.61	The State Tax Officer (STO) stated (August 2022) that the taxpayer is selected for audit under Section 65 and the CST further stated (February 2023) that a circular was issued on the subject and verification of ITC shall be taken up as per the guidelines/clarifications in the said circular.
2	Mismatch in availing of ITC under RCM without payment of tax	30AAVFS6140G1Z5	Mapusa	0.84	The STO stated (August 2022) that the taxpayer's returns are verified and scrutiny is under process. The CST further stated (February 2023) that the case has been selected for scrutiny and the proper officer would initiate action as deemed fit while finalising the case of the taxpayer.

Sl. No.	Dimension	GSTIN	Jurisdictional ward	Amount of mismatch (₹ in crore)	Action taken
3	Mismatch in availing of ITC under RCM	30ABTFS8108H1ZZ	Panaji	0.12	The STO stated (August 2022) that necessary action would be initiated as per the provisions of the GGST Act. The CST further stated (February 2023) that the case has been selected for scrutiny and the proper officer would initiate action as deemed fit while finalising the case of the taxpayer.
4	Incorrect availment of ISD credit	30AAACG4447J1ZV	Panaji	0.51	The STO stated (August 2022) that necessary action would be initiated as per the provisions of the Act. The CST further stated (February 2023) that the case has been selected for scrutiny and ASMT-10 has been issued to the taxpayer.
5	Mismatch in ITC availed between Annual return and financial statement (Table 12F of GSTR-9C)	30AABCB5576G1ZY	Panaji	2.97	The STO stated (August 2022) that necessary action would be initiated as per provisions of the act. The CST further stated (February 2023) that the taxpayer had been selected for scrutiny of returns and the proper officer would check the exact availment of ITC in GSTR-3B with that of unreconciled ITC as shown in GSTR-9C while scrutinising the returns of the taxpayer.
6	Mismatch in turnover between annual return and audited financial statement (Table 5R of GSTR-9C)	30AAATC2716R1ZS	Panaji	114.60	The STO stated (August 2022) that necessary action would be initiated as per the provisions of the GGST Act. The CST further stated (February 2023) that the case has been selected for scrutiny and the proper officer would initiate action as deemed fit while finalising the case of the taxpayer.
7	Mismatch in taxable turnover between annual return and audited financial statement (Table 7G of GSTR-9C)	30AAICA6765F1ZT	Panaji	57.31	The STO replied (August 2022) that necessary action as per the provisions of the GGST Act and rules would be initiated. The CST further stated (February 2023) that the taxpayer has been selected for scrutiny of returns.

Sl. No.	Dimension	GSTIN	Jurisdictional ward	Amount of mismatch (₹ in crore)	Action taken
8	Mismatch in tax paid between books of accounts and annual return (Table 9R of GSTR-9C)	30AGIPK2039H2ZS	Panaji	3.53	The STO replied (August 2022) that the detailed verification of returns of the taxpayer would be conducted by the proper officer to whom the case is allotted for assessment under Section 65 of the Act. The CST confirmed the reply of the STO and further stated (February 2023) that the proper officer would initiate action as deemed fit while finalising the case of the taxpayer.
9	Mismatch in tax liability and payment among returns (GSTR-1, GSTR-3B and GSTR-9)	30AAHCA6486A1Z2	Panaji	2.28	The STO replied (August 2022) that the case has been selected for audit assessment under Section 65. The CST further stated (February 2023) that the action as deemed fit under the provisions of the Act would be initiated by the proper officer.
10	Cases where GSTR-3B was not filed but GSTR-1 or GSTR-2A was available	30AGWPP3748A1ZE	Vasco	0.33	The STO replied (June 2022) that notice under Section 46 of the GGST Act has been issued. The CST further stated (February 2023) that notice has been issued and the action as deemed fit under the provisions of the Act would be initiated by the proper officer.
11	Non/short payment of interest	30AAACN1597Q1Z5	Margao	1.37	The STO stated (May 2022) that the National Company Law Tribunal (NCLT) passed an order (December 2020) that the taxpayer would be liquidated. Accordingly, in view of the NCLT order, the claim of the Departmental dues has been filed with the liquidator. The CST confirmed (February 2023) the reply of the STO.

Illustrations for each of the highest money value cases from each dimension for the above table are given below.

#### **(i) Dimension - Mismatch in availing of ITC**

GSTR-2A is a purchase related dynamic tax return that is automatically generated for each business by the GST portal, whereas, GSTR-3B is a

monthly return in which summary of outward supplies along with ITC declared and payment of tax are self-declared by the taxpayer.

To analyse the veracity of ITC utilisation, relevant data were extracted from GSTR-3B and GSTR-2A for the year 2017-18, and the ITC paid as per suppliers' details was matched with the ITC credit availed by the taxpayer. The methodology adopted was to compare the ITC available as per GSTR-2A with all its amendments and the ITC availed in GSTR-3B in table 4A (5)<sup>31</sup> considering the reversals in table 4B (2)<sup>32</sup> but including the ITC availed in the subsequent year 2018-19 from table 8C of GSTR-9.

Audit observed that in case of taxpayer (GSTIN: 30AAACG6842K1ZQ) under Panaji ward, the ITC available as per GSTR-2A was ₹ 5.72 crore and the ITC availed in table 4A (5) of GSTR-3B was ₹ 12.33 crore (ITC availed in the subsequent year 2018-19 from table 8C of GSTR-9 was zero). This resulted in mismatch of ITC availed amounting to ₹ 6.61 crore which was communicated (May 2022) to the Department. The STO stated (August 2022) that taxpayer is selected for audit assessment under Section 65 of the Act. The CST further stated (February 2023) that the mechanism provided under Section 43 read with Rule 69 for matching of ITC was not in effect and a circular no. 183/15/2022-GST dated 27 December 2022 was issued on the subject, hence, verification of ITC shall be taken up as per guidelines/clarifications in the said circular. Further, progress in the matter is awaited (April 2024).

## **(ii) Dimension - Mismatch in availing of ITC under RCM without payment of tax**

Under RCM, the liability to pay tax is fixed on the recipient of supply of goods or services instead of the supplier or provider in respect of certain categories of goods or services or both under Section 9(3) or Section 9(4) of the GGST Act, 2017 and under Sub-section (3) or Sub-section (4) of Section 5 of the IGST Act, 2017.

GSTR-9 is an annual return to be filed once for each financial year, by the registered taxpayers who were regular taxpayers, including SEZ units and SEZ developers. The taxpayers are required to furnish details of purchases, sales, ITC or refund claimed or demand created, *etc.*

To analyse the veracity of ITC availed on tax paid under RCM for the year 2017-18, the datasets pertaining to GSTR-3B and annual return GSTR-9 were compared to check whether the ITC availed on RCM was restricted to the extent of tax paid. The methodology adopted was to

<sup>31</sup> All other eligible ITC.

<sup>32</sup> Other ITC reversed.

compare the RCM liability declared in GSTR-9 table 4G<sup>33</sup> with ITC availed in GSTR-9 table 6C<sup>34</sup>, 6D<sup>35</sup> and 6F<sup>36</sup>. In cases where GSTR-9 was not available, the check was restricted within GSTR-3B where the tax discharged as per table 3.1(d)<sup>37</sup> of GSTR-3B was compared with the ITC availed as per table 4A (2)<sup>38</sup> and 4A (3)<sup>39</sup> of GSTR-3B.

Audit observed that in case of a taxpayer (GSTIN: 30AAVFS6140G1Z5) under Mapusa ward, the tax paid under RCM as reported in table 3.1(d) of GSTR-3B was zero and the ITC availed in table 4A (2) & (3) of GSTR-3B was ₹ 0.84 crore, resulting in mismatch of ITC availed amounting to ₹ 0.84 crore which was communicated (April 2022) to the Department. The STO stated (August 2022) that taxpayer's returns are verified. Scrutiny is in progress, ASMT-10 will be issued and outcome will be intimated to Audit. The CST further stated (February 2023) that the case has been selected for scrutiny and the proper officer would initiate action as deemed fit while finalising the case of the taxpayer. Further, progress in the matter is awaited (April 2024).

### **(iii) Dimension - Mismatch in availing of ITC under RCM**

Under RCM, the liability to pay tax is fixed on the recipient of supply of goods or services instead of the supplier or provider in respect of certain categories of goods or services or both under Section 9(3) or Section 9(4) of the GGST Act, 2017 and under Sub-section (3) or Sub-section (4) of Section 5 of IGST Act, 2017.

In GSTR-9 which is an annual return to be filed once for each financial year, the details of purchases, sales, ITC or refund claimed or demand created, *etc.*, are required to be furnished by the registered taxpayers.

The datasets pertaining to monthly return GSTR-3B and annual return GSTR-9 for the year 2017-18 were compared to check whether the ITC availed on RCM was restricted to the extent of tax paid. The methodology adopted was to compare the RCM payments in GSTR-3B table 3.1(d) with ITC availed in GSTR-9 table (6C+6D+6F). In cases where GSTR-9 was not available, the check was restricted within GSTR-3B where the tax payable under RCM as per Table 3.1(d) was compared with the ITC availed as per table {4A (2)+4A(3)}.

Audit observed that in the case of a taxpayer (GSTIN: 30ABTFS8108H1ZZ) under Panaji ward, the payment under RCM as

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<sup>33</sup> Inward supplies (liable to reverse charge)

<sup>34</sup> Inward supplies received from unregistered persons liable to reverse charge

<sup>35</sup> Inward supplies received from registered persons liable to reverse charge

<sup>36</sup> Import of services

<sup>37</sup> Inward supplies (liable to reverse charge)

<sup>38</sup> Import of services

<sup>39</sup> Inward supplies (liable to reverse charge)

per table 3.1(d) of GSTR-3B was zero and the ITC availed as per table {4A (2) and 4A(3)} of GSTR-3B was ₹ 0.12 crore resulting in mismatch of ITC availed under RCM amounting to ₹ 0.12 crore which was communicated to the Department (May 2022). In response, the STO stated (August 2022) that necessary action would be initiated as per the provisions of the GGST Act. The CST further stated (February 2023) that the case has been selected for scrutiny and the proper officer would initiate action as deemed fit while finalising the case of the taxpayer. Further, progress in the matter is awaited (April 2024).

#### **(iv) Dimension - Incorrect availment of ISD credit**

To analyse whether the ITC availed by the taxpayer is in excess of the amount transferred by the ISD, ITC availed as declared in the returns of the taxpayer was compared with the ITC transferred by the ISD in their GSTR-6. The methodology adopted was to compare table 6G of GSTR-9 or table 4A(4) of GSTR-3B of the recipient taxpayers under the jurisdiction of the State with the sum of table 5A, table 8A, and table 9A of GSTR-6 of the respective ISD.

In case of taxpayer (GSTIN: 30AAACG4447J1ZV) under the jurisdiction of Panaji ward, Audit observed that the ITC availed in table 6G of GSTR-9 was ₹ 0.95 crore and the ITC distributed by the ISD in table (5A+8A+9A) of GSTR-6 was ₹ 0.44 crore. This resulted in incorrect availing of ITC by recipient on ISD credit amounting to ₹ 0.51 crore which was communicated to the Department (May 2022). In response, the STO stated (August 2022) that necessary action would be initiated as per the provisions of Act. The CST further stated (February 2023) that the case has been selected for scrutiny and ASMT-10 has been issued to the taxpayer. Further progress is awaited (April 2024).

#### **(v) Dimension - Mismatch in ITC availed between Annual return and financial statement (Table 12F of GSTR-9C)**

Table 12 of GSTR-9C reconciles ITC declared in annual return (GSTR-9) with ITC availed as per audited Annual financial statement or books of accounts. Table 12F of this table deals with unreconciled ITC.

The certified reconciliation statement submitted by the taxpayer as required under the Rule 80(3) of CGST/SGST Rules in form GSTR-9C for the year 2017-18 was analysed at data level to review the extent of identified mismatch in ITC declared in the Annual Return with the Financial Statements.

In case of a taxpayer (GSTIN: 30AABCB5576G1ZY) under Panaji ward, unreconciled ITC of ₹ 2.97 crore declared in table 12F of GSTR-9C, being ITC availed in GST returns in excess of eligible ITC based on financial statements, was noticed and communicated (May 2022) to the



Department. The STO stated (August 2022) that necessary action would be initiated as per provision of the Act. The CST further stated (February 2023) that the taxpayer had been selected for scrutiny of returns and the proper officer would check the exact availment of ITC in GSTR-3B with that of unreconciled ITC as shown in GSTR-9C while scrutinising the returns of the taxpayer. Further progress in this regard is awaited (April 2024).

**(vi) Dimension - Mismatch in turnover between annual return and financial statements (Table 5R of GSTR-9C)**

The certified reconciliation statement submitted by the taxpayer as required under Rule 80(3) of GGST Rules, 2017, in form GSTR-9C for the year 2017-18 was analysed at data level to review the extent of identified mismatch in turnover reported in the annual return *vis-à-vis* in the financial statements. The unreconciled amount in the cases where the turnover declared in GSTR-9 is less than what was declared in the financial statement indicates non-reporting, under-reporting, short-reporting, omission, error in reporting of supplies leading to evasion or short payment of tax. It could also be a case of non-reporting of both taxable and exempted supplies.

Table 5R of GSTR-9C captures unreconciled turnover between the annual return GSTR-9 and that declared in the financial statements for the year after the requisite adjustments.

In respect of a taxpayer (GSTIN: 30AAATC2716R1ZS) under Panaji ward, unreconciled turnover as per table 5R of GSTR-9C amounting to ₹ 114.60 crore was noticed and communicated to the Department (May 2022). In response, the STO stated (August 2022) that necessary action would be initiated as per the provisions of the GGST Act, 2017. The CST further stated (February 2023) that the case has been selected for scrutiny and the proper officer would initiate action as deemed fit while finalising the case of the taxpayer. Further progress is awaited (April 2024).

**(vii) Dimension - Mismatch in taxable turnover between annual return and audited financial statement (Table 7G of GSTR-9C)**

Table 7G of GSTR-9C captures the unreconciled taxable turnover between the annual return GSTR-9 and that declared in the financial statement for the year after the requisite adjustments.

The certified reconciliation statement submitted by the taxpayer as required under the Rule 80(3) of CGST/SGST Rules in Form GSTR-9C for the year 2017-18 was analysed at data level to review the extent of identified mismatch in taxable turnover reported in the Annual Return *vis-à-vis* the Financial Statements. The unreconciled amount in cases



where the taxable turnover in GSTR-9 is less than the financial statement indicates non-reporting, under-reporting, short-reporting, omission, error in reporting of taxable supplies. It could also be on account of non-reporting of both taxable and exempted supplies.

In respect of a taxpayer (GSTIN: 30AAICA6765F1ZT) under Panaji ward, unreconciled taxable turnover as per table 7G of GSTR-9C, amounting to ₹ 57.31 crore was noticed and communicated (May 2022) to the Department. The STO replied (August 2022) that necessary action as per the provisions of the GGST Act and rules would be initiated. The CST further stated (February 2023) that the taxpayer had been selected for scrutiny of returns. Further progress in this regard is awaited (April 2024).

**(viii) Dimension - Mismatch in tax paid between books of accounts and annual return (Table 9R of GSTR-9C)**

The certified reconciliation statement submitted by the taxpayer as required under Rule 80(3) of CGST/SGST Rules in GSTR-9C for the year 2017-18 was analysed at data level to review the extent of identified mismatch in tax paid between the Annual Return and the books of account. Table 9 of the GSTR-9C attempts to reconcile the tax paid by segregating the turnover rate-wise and comparing it with the tax discharged as per annual return GSTR-9. The unreconciled amounts could potentially indicate tax levied at incorrect rates, incorrect depiction of taxable turnover as exempt or *vice versa* or incorrect levy of CGST/SGST/IGST. There can also be situations wherein supplies/tax declared are reduced through amendments (net of debit notes/credit notes) in respect of the 2017-18 transactions carried out in the subsequent year from April to September 2018. Consequential interest payments - both short payments and payments under incorrect heads - also need to be examined in this regard.

In case of a taxpayer (GSTIN: 30AGIPK2039H2ZS) under Panaji ward, unreconciled payment of tax declared in Table 9R of GSTR-9C, amounting to ₹ 3.53 crore was noticed and communicated (May 2022) to the Department. The STO stated (August 2022) that the detailed verification of returns of the taxpayer would be conducted by the proper officer to whom the case is allotted for assessment under Section 65 of the Act. The CST confirmed the reply of the STO and further stated (February 2023) that the proper officer would initiate action as deemed fit while finalising the case of the taxpayer. Further progress in this regard is awaited (April 2024).

**(ix) Dimension - Mismatch in tax liability and payment among returns (GSTR-1, GSTR-3B and GSTR-9)**

GSTR-1 depicts the monthly details of outward supplies of Goods or Services. These details are also assessed by the taxpayer and mentioned in the relevant columns of annual return GSTR-9. Further, taxable value and tax paid thereof are also shown in GSTR-3B.

To analyse the undischarged tax liability, relevant data were extracted from GSTR-1 and GSTR-9 for the year 2017-18 and the tax payable in these returns was compared with the tax paid as declared in GSTR-9. Where GSTR-9 was not available, a comparison of tax payable between GSTR-1 and GSTR-3B was resorted to. The amendments and advance adjustments declared in GSTR-1 and 9 were also considered for this purpose.

For the algorithm, tables 4 to 11 of GSTR-1 and tables 4N, 10 and 11 of GSTR-9 were considered. The greater of the tax liability between GSTR-1 and GSTR-9 was compared with the tax paid declared in tables 9 and 14 of GSTR-9 to identify the short payment of tax. In the case of GSTR-3B, tables 3.1(a)<sup>40</sup> and 3.1(b)<sup>41</sup> were taken into account.

Audit observed in case of a taxpayer (GSTIN: 30AAHCA6486A1Z2) under Panaji ward, that the tax payable and tax liability discharged, declared in GSTR-9 were ₹ 3.60 crore and ₹ 1.32 crore respectively. This resulted in undischarged tax liability amounting to ₹ 2.28 crore which was communicated (May 2022) to the Department. The STO stated (August 2022) that the detailed verification of the returns would be conducted by the proper officer to whom the case is allotted for Audit assessment. The CST further stated (February 2023) that the action as deemed fit under provisions of GGST Act, 2017, would be initiated by the proper officer. Further progress in this regard is awaited (April 2024).

**(x) Dimension - Cases where GSTR-3B not filed but GSTR-1 or GSTR-2A available**

At the data level, Audit attempted to identify those taxpayers who did not file GSTR-3B but filed GSTR-1 or whose GSTR-2A was available. GSTR-3B return is the only instrument through which the liability is offset, and ITC is availed. The very availability of GSTR-1 and 2A and non-filing of GSTR-3B indicates that the taxpayers had undertaken/ carried on the business during the period but have not discharged their tax liability. It may also include cases of irregular passing on of ITC. All these cases, therefore, required immediate action to recover the short-paid tax.

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<sup>40</sup> Outward taxable supplies (other than zero rated, nil rated and exempted)

<sup>41</sup> Outward taxable supplies (zero rated)

Audit observed from data of a taxpayer (GSTIN: 30AGWPP3748A1ZE) in Vasco ward that the taxpayer had reported tax liability of ₹ 0.33 crore in his GSTR-1 for the period from July 2017 to March 2018. However, the taxpayer had not filed his GSTR-3B for the above-mentioned period. Non-filing of GSTR-3B indicated that the taxpayer had not discharged his tax liability of ₹ 0.33 crore as reported in his GSTR-1 returns, which was communicated (April 2022) to the Department. The STO stated (June 2022) that notice under Section 46 of the GGST Act had been issued for non-filing of returns. In case of failure to file return within the stipulated time, tax liability would be assessed under Section 62 of the GGST Act. The CST confirmed (February 2023) the reply furnished by the STO. Further progress in this regard is awaited (April 2024).

#### **(xi) Dimension - Non/short payment of interest**

Section 50 of the GGST Act stipulates that every person liable to pay tax in accordance with the provisions of this Act or the rules made thereunder but fails to pay the tax or any part thereof to the Government within the period prescribed, shall for the period for which the tax or any part thereof remains unpaid, pay interest at the rate notified.

The extent of non/short payment of interest on account of delayed remittance of tax during 2017-18 was identified using the tax paid details in GSTR-3B and the date of filing of the GSTR-3B. Only the net tax liability (cash component) has been considered to work out the interest payable.

Audit observed that in case of a taxpayer (GSTIN: 30AAACN1597Q1Z5) under Margao ward, the returns (GSTR-3B) pertaining to the period from July 2017 to March 2018, involving payment of tax amounting to ₹ 30.17 crore, were filed with delay ranging from 19 to 160 days. This resulted in non-payment of interest amounting to ₹ 1.37 crore which was communicated (April 2022) to the Department. The STO stated (May 2022) that the NCLT Mumbai passed an order that the taxpayer would be liquidated. The Department had filed claim for tax and interest with the liquidator. The CST confirmed (February 2023) the reply furnished by the STO. Further progress in this regard is awaited (April 2024).

#### **2.2.8 Analysis of causative factors**

Considering the Department's response to all 104 data deviations/inconsistencies, the factors that caused the data deviations/inconsistencies are as follows:

##### **A. Deviation from GST law and rules**

Out of the 104 deviations summarised in **Table 2.18**, the Department has accepted the audit observations and initiated action in 55 cases

(52.88 *per cent*) with mismatches in ITC/Tax liability of ₹ 46.30 crore. Out of these cases, the Department has initiated action or issued notice conveying discrepancies to the taxpayer in Form ASMT-10 in 52 cases for ₹ 45.92 crore and was in correspondence with the respective taxpayers in three cases involving deviation/mismatch of ₹ 0.38 crore as detailed in **Appendix 2.5**.

#### **B. Data entry errors by taxpayers**

Out of 39 cases where Department's reply was accepted by audit, data entry errors were noticed in nine (23.08 *per cent*) cases. These data entry errors did not have any revenue implication. Most of the data entry errors were related to availment of ITC under RCM and ISD credit as detailed in **Appendix 2.6**. An illustrative case is brought out below:

A deviation amounting to ₹ 22.96 lakh was identified in respect of a taxpayer (GSTIN: 30AACCR6287K1Z6) under Margao ward, as the tax paid under RCM reported in table 3.1(d) of GSTR-3B was zero and the ITC availed in table 4A (2) & (3) of GSTR-3B was ₹ 22.96 lakh which resulted in mismatch of ₹ 22.96 lakh. The deviation was communicated (May 2022) to the Department. The STO replied (May 2022) that the taxpayer has wrongly reported ITC under RCM instead of regular ITC. The taxpayer did not have any RCM ITC as he had no liability to pay tax on RCM basis. The taxpayer filed GSTR-9 return and rectified the mistake. The CST further replied (February 2023) that returns were filed by the taxpayers from GST frontend portal, hence, the Department had no validation controls on the returns filed by the taxpayers. Further, the State of Goa is shifted from Model-1 to Model-2 State for back office.

The reply doesn't indicate that validation control for such data entry errors made by the taxpayers, has been addressed in the system.

#### **2.2.9 Detailed audit of GST returns**

Apart from identifying inconsistencies/deviations in GST returns through data analysis, a detailed audit of GST returns was also planned to be conducted as a part of this SSCA. A risk-based sample of 15 taxpayers was selected for this part of the SSCA. The methodology adopted was to initially conduct a desk review of GST returns and financial statements filed by the taxpayers as part of the GSTR-9C and other records available in the back-end system to identify potential risk areas, inconsistencies/deviations and red flags and then accessing taxpayers' records through wards for evaluation of tax compliance by taxpayers. Audit identified the risks related to excess availment of ITC and undischarged tax liability for detailed examination. On the ITC dimension, the mismatches were identified by comparing GSTR-3B with GSTR-2A and GSTR-9. On the tax liability dimension, the mismatches were identified by comparing GSTR-3B with GSTR-1 and GSTR-9.

**2.2.9.1 Scope limitation (non-production of records)**

Based on desk review results, audit requisitioned corresponding granular records of taxpayers such as the financial statements, invoices (outward and inward supplies), stock accounts of purchases, *etc.* to identify causative factors of the identified risks and to evaluate compliance by taxpayers.

However, in all 15 cases, the Department did not produce the corresponding granular records. The jurisdiction-wise non-production of records is summarised in **Table 2.20**. The case-wise listing of non-production is given in **Appendix 2.7**.

**Table 2.20: Non-production of records**

Jurisdictional ward of State	Sample	Non-production of records
	Number of taxpayers	Number of taxpayers
Panaji	2	2
Margao	5	5
Mapusa	1	1
Vasco	4	4
Ponda	3	3
<b>Total</b>	<b>15</b>	<b>15</b>

Thus, due to non-production of records, audit was constrained to conduct detailed audit of deviations relating to discharge of tax liability and availment of ITC. These deviations are reported as 'Mismatch' only in subsequent paragraphs.

**2.2.9.2 Filing of returns****Non-payment of interest on delayed payments by taxpayers**

Section 50 (1) and (2) of GGST Act, 2017, provides that every person who is liable to pay tax in accordance with the provisions of this Act or the rules made thereunder, but fails to pay the tax or any part thereof to the Government within the period prescribed, shall for the period for which the tax or any part thereof remains unpaid, pay, on his own, interest at such rate, not exceeding 18 *per cent*, as may be notified by the Government on the recommendations of the Council. The interest under Sub-section (1) shall be calculated, in such manner as may be prescribed, from the day succeeding the day on which such tax was due to be paid.

The extent of non-payment of interest on account of delayed remittance of tax during 2017-18 was identified using the tax paid details in GSTR-3B and the date of filing of the GSTR-3B. Only the net tax liability (cash component) was considered to work out the interest payable.

Audit observed in five cases, constituting 33.33 *per cent* of the 15 selected cases, that taxpayers had filed their returns with delay ranging from 01 day to 197 days, however, the interest liability of ₹ 5.01 lakh for delayed filing was not discharged (**Appendix 2.8**).

An illustrative case is featured below:

A taxpayer (GSTIN: 30AACCG4949F1ZV), under Panaji ward had filed GSTR-3B return for the month of November 2017, with a delay of seven days and paid the tax dues in this return by debiting the Cash Ledger. However, interest amounting to ₹ 1.82 lakh was not paid. On being pointed out (August 2022), the STO stated (August 2022) that communication has been made to the taxpayer for payment of interest. Further, the taxpayer has been selected for Audit assessment and the observation would be forwarded to proper officer to whom the said case was allotted for audit assessment. The CST confirmed (February 2023) the reply furnished by the STO. Further action taken in this regard is awaited (April 2024).

### 2.2.9.3 Mismatch in ITC

Audit analysed the dataset of GSTR-2A in respect of selected taxpayers along with datasets of GSTR-3B, GSTR-9 and GSTR-9C filed by the taxpayers and noticed mismatches of ITC and RCM among returns. Audit could not examine mismatches in detail since relevant granular records were not produced by the Department. The details of mismatches in ITC noticed by Audit are given in **Table 2.21**.

**Table 2.21: Mismatch in ITC claimed by taxpayers**

Sl. No.	Parameter	No. of cases	No. of Wards	Amount of mismatch (₹ in crore)	Remarks
1.	<b>Mismatch of ITC between GSTR-2A and GSTR-3B returns:</b> ITC available as per GSTR-2A with all its amendments was compared with the ITC availed in GSTR-3B in table 4A (5) <sup>42</sup> considering the reversals in table 4B (2) <sup>43</sup> but	10	4	49.34	In two cases <sup>44</sup> , the STO replied that scrutiny was under process. In five cases <sup>45</sup> , it was stated that the cases have been selected for audit under Section 65. In one case <sup>46</sup> , ASMT-10 has been issued.

<sup>42</sup> All other eligible ITC

<sup>43</sup> Other ITC reversed

<sup>44</sup> Margao (Sl. No. 1) and Vasco (Sl. No.2)

<sup>45</sup> Panaji (Sl. No. 3), Margao (Sl. No. 4, 5 and 6), Vasco (Sl. No. 7)

<sup>46</sup> Mapusa (Sl. No. 10)

Sl. No.	Parameter	No. of cases	No. of Wards	Amount of mismatch (₹ in crore)	Remarks
	including the ITC availed in the subsequent year 2018-19 from table 8C of GSTR-9. (Appendix 2.9)				In remaining two cases <sup>47</sup> reply is awaited. The CST further stated that verification of ITC would be taken up as per the extant guidelines. Further progress in this regard is awaited (April 2024).
2.	<b>Mismatch in ITC availed on import of goods:</b> ITC available in respect of import of goods as per ITC availed in table-4A (1) of GSTR-3B was compared with the ITC availed in table-8H of GSTR-9.	1	1	0.73	The STO (Margao) replied that the case has been selected for audit under Section 65 of the GGST Act for necessary action. The CST confirmed the reply of the STO. Further progress in this regard is awaited (April 2024).

#### 2.2.9.4 Discharge of tax liability

The taxable event in case of GST is supply of goods and/or services. Section 9 of the GGST Act is the charging Section Authorising levy and collection of tax called Central/State Goods and Services Tax on all *intra-state* supplies of goods or services or both, except on supply of alcoholic liquor for human consumption, on value determined under Section 15 of the Act *ibid*; and at such rates not exceeding 20 *per cent* under each Act, *i.e.*, CGST and GGST Act. Section 5 of the IGST vests levy and collection of IGST on *inter-state* supply of goods and services with Central Government with maximum rate of 40 *per cent*. Section 9(4) of the GGST Act and Section 5(3) and 5(4) of the IGST Act provide for reverse charge levy on certain goods or services, wherein the recipient instead of supplier becomes liable to pay tax.

#### 2.2.9.5 Mismatch in discharge of tax liability

Audit scrutinised GSTR-1, GSTR-3B and GSTR-9 returns filed by the taxpayers for the year 2017-18 and noticed mismatch in discharge of tax liability by comparing the tax liability furnished in the returns. Audit could not examine these mismatches in detail since relevant granular records were not produced by the Department. The details of mismatches are given in **Table 2.22**.

<sup>47</sup> Vasco (Sl. No. 8) and Panaji (Sl. No. 9)



**Table 2.22: Mismatch related to discharge of tax liability**

Sl. No.	Parameter	No. of cases	No. of Wards	Amount of mismatch (₹ in crore)	Remarks
1.	<b>Mismatch in tax liability on comparing greater of the tax liability of GSTR-1, GSTR-9 with reference to Tax payment in GSTR-9 or GSTR-3B - tax liability declared in GSTR-1 and GSTR-9 for the year 2017-18 and the tax payable in these returns was compared with the tax paid and declared in GSTR-3B or GSTR-9. (Appendix 2.10)</b>	8	5	5.69	In four cases <sup>48</sup> the STO replied that cases have been selected for audit under Section 65 of the GGST Act. In one case <sup>49</sup> it was stated that the proceeding would be initiated against the taxpayer under Section 73 of the Act. In one case <sup>50</sup> , ASMT-10 has been issued to the taxpayer. In one case <sup>51</sup> scrutiny was under process. In remaining one case <sup>52</sup> reply is awaited. The CST further, stated that the action as deemed fit under the provisions of the GGST Act would be initiated by the proper officer. Further progress in this regard is awaited (April 2024).

#### **2.2.9.6 Short discharge of liability due to incorrect charging of rate of tax**

As per Section 9 of the GGST Act, 2017, the GGST shall be levied on all *intra-state* supplies of goods or services or both on the value determined under Section 15 of the Act. The rates of state tax were prescribed under different schedules vide notification No.38/1/2017-Fin(R&C)(1/2017-Rate) dated, 30 June 2017.

Audit observed short discharge of tax liability of ₹ 0.10 crore due to incorrect charging of rate of tax in two cases, consisting of 13.33 *per cent* of the 15 audited cases (**Appendix 2.11**).

An illustrative case is featured below:

Audit observed from entries in table 12 (HSN wise summary of outward supplies) of GSTR-1 filed by the taxpayer (GSTIN: 30AAACB0421B1ZZ, selected months-August 2017 and March 2018) in Margao ward that in respect of supplies pertaining to four HSNs

<sup>48</sup> Margao (Sl. No. 1 and 3), Panaji (Sl. No. 2) and Vasco (Sl. No. 4)

<sup>49</sup> Ponda (Sl. No. 6)

<sup>50</sup> Mapusa (Sl. No. 5)

<sup>51</sup> Margao (Sl. No. 7)

<sup>52</sup> Vasco (Sl. No. 8)



(27121090, 39012090, 39011090 and 39019090) incorrect rate of tax was applied. In respect of three HSNs (27121090, 39012090 and 39011090) 'Nil' rate of tax was applied instead of correct rate of 18 *per cent*, and in remaining one HSN (HSN: 39019090) 17.32 *per cent* rate of tax was applied instead of correct rate of 18 *per cent* to be charged. Application of incorrect rate of GST resulted in short levy of GST by ₹ 0.10 crore. On being pointed out, the STO replied (October 2022) that the taxpayer is identified for audit under Section 65 and the observation would be forwarded to concerned proper officer for further necessary action. The CST confirmed (February 2023) the reply of the STO. Further progress in this regard is awaited (April 2024).

***Recommendation 3: The Department may initiate remedial action for all the compliance deviations brought out in this report before they get time barred.***

### 2.2.10 Conclusion

The SSCA on Department's Oversight on GST Payments and Return Filing was undertaken with an objective of assessing the adequacy of the system in monitoring return filing and tax payments, extent of compliance and other departmental oversight functions.

A review of the functions of four wards disclosed that there were deficiencies in oversight functions of wards such as monitoring of return filing, lack of action on non-filers of returns, delay in selection of cases for internal audit and non-adherence to prescribed procedure for cancellation of registration during the period from 2017-18 to 2020-21.

Further, out of the 104 high value data, inconsistencies identified by Audit in 55 cases constituting 52.88 *per cent*, turned out to be compliance deficiencies with mismatch of ITC/tax liability of ₹ 46.30 crore. Relatively higher rates of deviations were noticed in risk parameters such as mismatch of ITC between returns, mismatch in tax liability, non/short payment of interest, non-filing of returns, *etc.*

Detailed audit of GST returns also suggested significant deviations. At the outset, essential records such as financial statements, and granular records such as supplementary financial ledgers, invoices, agreement copies, *etc.*, were not produced, which constituted a significant scope limitation and cases could not be examined in detail. These cases represent potential risk exposure towards identified mismatches in ITC availment and tax payments. Audit observed deviations consisting of mismatches of ₹ 55.91 crore in 15 cases.

From a systemic perspective, the Department needs to strengthen the institutional mechanism in the wards to establish and maintain effective

oversight on return filing, taxpayer compliance, tax payments, cancellation of registrations and recovery of dues from defaulters.

### **2.2.11 Summary of recommendations**

The Department may -

- *ensure that cases for internal audit are selected and audit is completed in a time bound manner before cases become time barred.*
- *monitor the status of cancellation of registrations and action taken thereon in consonance with the statutory provisions to check undischarged tax liabilities.*
- *initiate remedial action for the compliance deviations brought out in this report before they get time barred.*

### **2.3 Irregular allowance of Input Tax Credit of ₹ 56.50 lakh**

**Irregular allowance of Input Tax Credit against entry tax paid after the tax period resulted in short-levy of VAT of ₹ 56.50 lakh.**

As per Section 18 of Goa Tax on Entry of Goods Act, 2000, every registered dealer shall pay in advance the full amount of tax payable by him on the basis of the goods brought by him during the month into the local area. Rule 11 of Goa Tax on Entry and Goods Rules, 2000, stipulates that annual return should be filed within 30 days after the close of the year to which the return relates. Entry tax paid during the tax period may be used for Input Tax Credit (ITC) under Section 9 (1) of the Goa Value Added Tax (GVAT) Act, 2005.

In view of the above mentioned provisions, it is evident that entry tax should be paid in advance and ITC against VAT liability should be restricted to the amount of tax paid during the tax period and the credit on account of tax paid after the tax period cannot be adjusted as ITC.

During scrutiny of records of the Commercial Taxes Office, Mapusa (March 2022) it was observed that while assessing the dealer (Manohar Packing Pvt. Ltd./TIN30100302047) for the years 2016-17 and 2017-18 (1<sup>st</sup> quarter) under GVAT, the Assessing Authority (AA) had allowed ITC of ₹ 46.67 lakh and ₹ 11.33 lakh respectively against entry tax paid at the time of VAT assessment as detailed in **Table 2.23**.

**Table 2.23: Details of Tax paid and ITC availed/allowed***(₹ in lakh)*

Year	Tax period	Tax paid during the tax period	Tax paid after the tax period	ITC availed
2016-17	01 April 2016 to 31 March 2017	1.50	45.17 <sup>53</sup> (July 2019 to August 2020)	46.67
2017-18 (1 <sup>st</sup> Quarter)	01 April 2017 to 30 June 2017	-	11.33 (March 2021)	11.33
<b>TOTAL</b>		<b>1.50</b>	<b>56.50</b>	<b>58.00</b>

It can be seen that the AA allowed ITC of ₹ 58 lakh during assessment for the year 2016-17 and 2017-18 (1<sup>st</sup> quarter). However, the dealer had paid only ₹ 1.50 lakh during the year 2016-17 (tax period) and balance taxes (₹ 45.17 lakh) were paid in subsequent years, similarly, entry tax for the tax period 2017-18 (1<sup>st</sup> quarter) was paid in March 2021.

The entry tax of ₹ 1.50 lakh paid during the year 2016-17 was eligible as ITC as per Section 9(1) GVAT, Act, 2005. Allowing additional ITC of ₹ 56.50 lakh paid by assessee in subsequent years was irregular resulting in loss of VAT revenue by ₹ 56.50 lakh.

The Department replied (January 2023) that the dealer had paid entry tax of ₹ 45.17 lakh between July 2019 to August 2020 and ₹ 11.33 lakh in March 2021 which was before finalising the assessment of 2016-17 and 2017-18 (19 August 2020 and 15 March 2021). The AA considered these payments made before finalisation of assessment and allowed the ITC as per Section 9(6) of GVAT Act. Further, Department replied (March 2023) that entry tax credit to the tune of entry tax paid for the tax period is allowed to the dealer. The matter was referred to the Government in February, June and October 2023 and Government reiterated the reply of the Department (November 2023).

The reply is not correct as Section 9(6) does not allow availing ITC for the entry tax paid after tax period and clearly stipulates that the entitlement of ITC was governed by Section 9(1) only and Section 9(1) clearly stipulates that ITC shall be allowed only for the tax paid during the tax period and not for tax paid for the tax period. Thus, allowance of ITC for the tax paid during the subsequent tax period (₹ 56.50 lakh) was not in accordance with the provision of GVAT Act, 2005.

<sup>53</sup> (July 2019-₹ 5,00,000+March 2020-₹ 10,00,000+ May 2020-₹ 30,00,000+August 2020-₹ 10,00,000)- (₹5.77 lakh entry tax paid on capital goods and reversal of ITC of ₹ 4.06 lakh).

## **2.4 Irregular allowance of Input Tax Credit on purchases**

### **Assessing Authority allowed Input Tax Credit despite non-production of purchase invoices by the dealer resulting in short-levy of VAT.**

Under Section 11 of Goa Value Added Tax (GVAT) Act, 2005, a registered dealer making taxable sale to another registered dealer shall provide an original tax invoice as described in Schedule 'F' at the time of sale. Further, Rule 43 of GVAT, Rules, 2005 stipulates that every registered dealer should maintain true and correct account of his business transactions and purchase records, such as purchase invoices, cash and credit invoices, *etc.*

During scrutiny (September 2021) of assessment records of Commercial Taxes Office, Pernem, Audit observed that a dealer<sup>54</sup> was called along with books of accounts vide assessment notice dated 17 September 2019 for verification of turnover for the year 2016-17. Since the dealer did not comply with the assessment notice, the proposal for *ex-parte* best judgement assessment was intimated (18 March 2020) to the dealer, wherein Input Tax Credit (ITC) was not considered and a demand of ₹ 1.04 crore u/s 29(2) was raised. Subsequently, the dealer responded and was assessed (19 August 2020) with a tax demand of ₹ 17.38 lakh *plus* applicable interest and penalty after allowing ITC of ₹ 55.82 lakh on purchases of ₹ 4.50 crore during 2016-17.

Audit observed that the Assessing Authority (AA) assessed (19 August 2020) the dealer despite non-production of purchase invoices, on the ground that the assessee's place of business had caught fire which resulted in burning of all the records, though there was no documentary evidence<sup>55</sup> in support of the dealer's claim. Further, the AA irregularly allowed ITC, resulting in short levy of VAT of ₹ 55.82 lakh.

The Dy. Commissioner of State Tax replied (January 2023) that the dealer was issued re-assessment notice on 06 January 2022. However, since the dealer had failed to submit purchase invoices and the statement of purchase, hence, the dealer would be assessed *ex-parte* on the basis of available documents and the same will be intimated to audit. Further, Dy. Commissioner of State Tax replied (April 2023) that the dealer was re-assessed on 01 February 2023 and a tax demand of ₹ 62.77 lakh was raised along with applicable interest and penalty by allowing ITC of ₹ 10.43 lakh only, instead of ₹ 55.82 lakh.

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<sup>54</sup> M/s Kaloji Motors & Kaloji Digital House, TIN: 30360303650; a retail trader dealing in oil, spare parts, tyres and electronic goods.

<sup>55</sup> Fire Report or Fire/Incident Report issued by Directorate of Fire & Emergency Services.

Hence, the AA had erred in allowing ITC of ₹ 55.82 lakh during assessment of the dealer and only at the instance of audit, the AA re-assessed the dealer and allowed ITC of ₹ 10.43 lakh only, instead of ₹ 55.82 lakh.

The matter was referred to the Government in March 2023, June and October 2023 and Government reiterated the reply of the Department (November 2023).

**Recommendation 4: The Department may fix the responsibility and take suitable action against the erring official(s) for allowing ITC despite non-production of purchase invoices by dealer.**

## 2.5 Short-levy of interest (₹ 31.01 lakh)

**Assessing Authority short-levied interest of ₹ 31.01 lakh for non-filing of returns and delayed payment of taxes by the dealer.**

Rule 24(1) of The Goa Value Added Tax Rules, 2005, stipulates that every registered dealer having monthly tax liability exceeding ₹ One lakh shall pay the tax within 20 days from the expiry of each month. Further, under Section 25 (4) (a) of Goa Valued Added Tax (GVAT) Act, 2005, any tax that is due and remains unpaid shall be paid forthwith along with interest on defaulted amount @ 12 per cent per annum. The rate was increased to 18 per cent per annum with effect from 01 June 2013 vide Notification no. 7/14/2013-LA dated 22 May 2013.

Scrutiny of assessment (September 2021) of a registered dealer<sup>56</sup> in CTO, Pernem revealed that the dealer had not paid the taxes due of ₹ 59.30 lakh and ₹ 23.51 lakh for the years 2012-13 and 2014-15 respectively. The dealer filed returns of the year 2012-13 only. The Assessing Authority (AA), vide the assessment orders for the above periods levied interest of ₹ 13.65 lakh on the cumulative tax liability of ₹ 82.81 lakh. The interest levied was found to be short by ₹ 31.01 lakh as detailed in Table 2.24.

**Table 2.24: Details of short-levy of interest**

*(Amount in ₹)*

Assessment year and date of assessment	Tax Payable excluding penalty as per AA	Interest levied by AA	Interest leviable	Short levy of interest
(1)	(2)	(3)	(4)	(5= 4-3)
2012-13 27/04/2016	5929693	942118	3231683 <sup>57</sup>	2289565
2014-15 13/03/2018	2351138	423205	1234347 <sup>58</sup>	811142
<b>Total</b>	<b>8280831</b>	<b>1365323</b>	<b>4466030</b>	<b>3100707</b>

<sup>56</sup> M/s Twenty First Century Iron & Steel Ltd.; TIN-30490306343

<sup>57</sup> ₹ 1,18,594 (₹ 59,29,693 x 12 per cent per annum x 2 months) + ₹ 31,13,089 (₹ 59,29,693 x 18 per cent per annum x 35 months) = ₹ 32,31,683

<sup>58</sup> ₹ 23,51,138 x 18 per cent per annum x 35 months = ₹ 12,34,347

After being pointed out by Audit, the State Tax Officer, Pernem replied (05 January 2023) that the dealer was served demand notices (10 December 2021) for the above mentioned periods and since the dealer failed to pay the said amount in response to the said notices, a recovery notice dated 29 June 2022 for outstanding dues was also issued. Further, Dy. Commissioner of State Tax (Audit) stated (24 March 2023) that the dealer had stopped manufacturing activity and dismantled its factory premises from the registered place in 2016 and its business was not in operation from that year; however, efforts were being made to recover the dues. The matter was referred to the Government in February, June and October 2023 and Government reiterated the reply of the Department (November 2023).

The reply of the Department is silent about the efforts made subsequent to the issue of recovery notice such as proceeding to recover the amount due as arrears of land revenue. The AA should have carefully assessed the dues in accordance with prescribed Acts and rules in order to avoid the instances of the short assessment.

## **2.6 Short-levy of interest on delayed payment of Luxury Tax**

**Assessing Authority short levied interest of ₹ 12.67 lakh for delayed payment of taxes in respect of 11 hoteliers of which ₹ 5.62 lakh was recovered from three hoteliers.**

Section 20 (1) of Goa Tax on Luxuries Act, 1988, read with Rule 11(1) of Goa Tax on Luxuries Rules, 1988, stipulates that if a hotelier does not pay the tax within 25 days from the expiry of the month, he shall be liable to pay by way of simple interest, in addition to the amount of such tax, a sum equal to one and half *per cent* of the amount of such tax for each month, for the first three months after the last date by which he should have paid such tax and two *per cent* of such amount for each subsequent month to the first three months.

During scrutiny of assessment records (September 2021) of hoteliers registered with State Tax Office (STO), Pernem, it was noticed that the Assessing Authority (AA) had short levied interest for delayed payment of tax in respect of 11 hoteliers as detailed in **Appendix 2.12**, which resulted in short levy of tax amounting to ₹ 12.67 lakh.

After this being pointed out by Audit, the Dy. Commissioner of State Tax replied (March 2023) that additional demand for ₹ 12.67 lakh towards interest had been raised and demand notices issued to the hoteliers out of which, three hoteliers have paid the amount ₹ 5.62 lakh. Further, additional demand notices have been issued to the hoteliers, who did not pay the dues. The matter was referred to the Government in

January, June and October 2023 and Government reiterated the reply of the Department (November 2023).

Interest being mandatory as per Section 20 (1) of Goa Tax on Luxuries Act, 1988, the AA should have levied the appropriate interest payable on the dues at the time of assessment itself.

## 2.7 Irregular grant of exemption on payment of Luxury Tax

**Luxury Tax payable of ₹ 10.54 lakh was exempted by the Assessing Authority even though the assessee did not fulfill criteria for exemption set under Goa Tax on Luxuries Tax Act, 1988.**

Under the provisions of Section 21 of the Goa Tax on Luxuries Tax Act (GTLA), 1988, Government of Goa issued Notification (March 2016), exempting luxury tax in excess of 75 paise in a rupee for luxuries provided in a hotel during the months from June to September every year with effect from 01 April 2016, subject to conditions that the hotelier holds a valid registration certificate, files the returns within the prescribed time, pays all taxes within the time prescribed under the Act and should not be in arrears of tax or other dues at the time of claiming such exemption. Section 21 (2) of the Act states that upon non-compliance to any of the conditions, for any reason whatsoever, the exemptions would be disallowed.

Scrutiny of luxury tax assessment files of Commercial Tax Office, Mapusa, revealed that 04 out of 61 hoteliers had not fulfilled the prescribed conditions. Three hoteliers paid their monthly tax liability with delays ranging from 10 to 27 days while one hotelier filed the quarterly return with delays ranging from two to eight days. Though the prescribed conditions were not fulfilled by these hoteliers, the Assessing Authority (AA) allowed the luxury tax exemption to them while finalising the assessments for the year 2016-17. This resulted in short levy of luxury tax amounting to ₹ 10.54 lakh as detailed below.

**Table 2.25: Details of short-levy due to non-compliance of conditions during 2016-17**

							(Amount in ₹)
R.C. No. of the Hotelier	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	Short-levy of luxury tax
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
BRD/GTL/275	2016-17 March 2021	Delay in remittance upto 22 days	19259758	6	4.5	1.5	288896
			37548991	6	6	0	0
			8826637	9	6.75	2.25	198599
			44074946	9	9	0	0
			11809305	12	12	0	0
	<b>Total</b>		<b>121519637</b>				<b>487495</b>



R.C. No. of the Hotelier	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	Short-levy of luxury tax
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
BRD/GTL/774	2016-17 December 2020	Delay in remittance upto 13 days	1532471	6	4.5	1.5	22987
			653442	6	6	0	0
			1843842	9	6.75	2.25	41486
			1728668	9	9	0	0
			636677	12	12	0	0
	<b>Total</b>		<b>6395100</b>				<b>64473</b>
BRD/GTL/510	2016-17 December 2020	Delay in filing of quarterly returns upto eight days	15263585	6	4.5	1.5	228954
			33905273	6	6	0	0
			6594681	9	6.75	2.25	148380
			34007610	9	9	0	0
			8181798	12	12	0	0
	<b>Total</b>		<b>97952947</b>				<b>377334</b>
BRD/GTL/389	2016-17 December 2020	Delay in remittance upto 27 days	7812036	6	4.5	1.5	117181
			26038540	6	6	0	0
			320083	9	6.75	2.25	7202
			25316680	9	9	0	0
			4668541	12	12	0	0
	<b>Total</b>		<b>64155880</b>				<b>124383</b>
<b>Grand Total</b>							<b>1053685</b>

The AA had granted exemption to the hoteliers, though they did not fulfill the prescribed conditions for availing the exemption. On being pointed out (March 2022) by Audit, Dy. Commissioner of State Tax replied (October 2023) that all four hoteliers were re-assessed and re-assessment orders were issued. The matter was referred to the Government in February, June and October 2023 and Government reiterated the reply of the Department (November 2023). However, further action on recovery of the tax was awaited (April 2024).

## 2.8 Non-levy of entry tax (₹ 8.26 lakh) plus applicable penalty

**A liquor manufacturing unit, despite *inter-state* purchase of raw materials for manufacturing of Indian-made foreign liquor (IMFL), beer, wine, etc., was not assessed under Goa Tax on Entry of Goods (GTEG) Act, 2000. The Assessing Authority failed to levy the entry tax of ₹ 8.26 lakh plus penalty of ₹ 12.40 lakh.**

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 notified<sup>59</sup> exemption from payment of entry tax on *inter-state* purchase of goods into local area other than liquor, alcohol, ferroalloys, steel melting, steel and chemical units for use in the manufacture of intermediate or finished products by small scale industrial units. Liquor manufacturing units were therefore, not eligible for exemption from

<sup>59</sup> No.5/11/2008-Fin (R&C) (12) dated 31/03/2013



payment of entry tax. The 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*. Besides, Section 14(5) of Act provided that the Assessing Authority (AA) may also direct the dealer to pay, in addition to the tax assessed, a penalty not exceeding one and a half times the amount of tax due that was not disclosed by the dealer.

During scrutiny of records of the Commercial Tax Office (CTO), Bicholim (July 2021), it was observed that a manufacturer<sup>60</sup> of liquor beverages, beer, wine spirits, *etc.*, who was not registered under entry tax, had made *inter-state* purchases amounting to ₹ 1.65 crore during 2016-17. Scrutiny of VAT assessment records of 2016-17 revealed that no entry tax was paid by the manufacturer during this period despite being liable to pay under GTEG Act, 2000.

Though the information of *inter-state* purchase by the manufacturer was known to the AA at the time of VAT assessment, the relevant entry tax of ₹ 8.26 lakh<sup>61</sup> and maximum penalty of ₹ 12.40 lakh<sup>62</sup> was not levied.

On this being pointed out, the CTO, Bicholim issued a notice (27 August 2021) to the dealer calling for documents to verify the tax liability under GTEG Act, 2000 and due to non-response from the dealer's side, a demand notice (18 May 2022) of ₹ 20.66 lakh<sup>63</sup> was issued on best judgement basis. Further, Dy. Commissioner of State Tax (Audit) replied (03 March 2023) that the dealer had closed down his business and whereabouts of the dealer were not known. The matter was referred to the Government in February, June and October 2023 and Government reiterated the reply of the Department (November 2023).

The reply was not tenable since the AA was aware of the *inter-state* purchases during VAT assessment, yet no entry tax was levied resulting in loss of revenue to the State exchequer.

### Excise Department

#### 2.9 Short-levy of excise duty and health surcharge due to consideration of lower Maximum Retail Price (MRP) slab

**Assessing Authority short-levied excise duty and health surcharge of ₹ 29.75 lakh and ₹ 0.59 lakh respectively due to consideration of lower MRP slab for liquor manufacturing units.**

Government of Goa explanation vide Notification No.1/1/2008-Fin (R&C), dated 10 November 2008 read with circular dated 25 November

<sup>60</sup> M/s Gagan Wine Trade and Financers Ltd; TIN -30550402340

<sup>61</sup> Entry tax @ five *per cent* of ₹ 1,65,28,882 (total *inter-state* purchase) = ₹ 8,26,444

<sup>62</sup> 1.5 times of ₹ 8,26,444 = ₹ 12,39,666

<sup>63</sup> ₹ 8.26 lakh as entry tax + ₹ 12.40 lakh as penalty

2008 stated that all the volumes of packages of foreign liquor/Indian made foreign liquor and wine have to be individually converted to the volume of 750 ml for determination of the “MRP slab” irrespective of their pack size. The highest MRP arrived at, after calculating the same *vis-à-vis* each volume, should be considered for the determination of “MRP slab” and levy of excise duty.

During scrutiny of determination of “MRP slab” for the liquor product recorded in the labels by a distillery<sup>64</sup>, it was observed that the Department had levied two<sup>65</sup> different rates of excise duty for three<sup>66</sup> different volumes, though a single rate of excise duty was applicable on the highest MRP derived after conversion of all different volumes to 750 ml.

Thus, incorrect determination of MRP slab<sup>67</sup> for levy of excise duty resulted in short levy of excise duty of ₹ 29.75 lakh *plus* health surcharge of ₹ 0.59 lakh<sup>68</sup> as detailed in **Table** below.

**Table 2.26: Details of short-levy of Excise duty due to incorrect determination of MRP slab**

(Amount in ₹)

Name of Brand	Year	MRP (₹)		MRP after converting to 750 ml		Quantity dispatched in bulk litre	Duty leviable on highest MRP (@ ₹ 450 per bulk litre)	Duty levied (@ ₹ 400 per bulk litre)	Short levy (₹)
		Volume of packaging (ml)							
Stranger and Sons Gin	2020-21	₹ 1540	₹ 490	1650 <sup>69</sup>	1837.50 <sup>70</sup>	21627.90	9732555	8651160	1081395
		700 ml	200 ml						
Wood burns contemporary Indian whisky	2021-22	₹ 1600	₹ 490	1600	1837.50	37869.00	17041050	15147600	1893450
		750 ml	200 ml						
Total							26773605	23798760	2974845

Assistant Commissioner of Excise replied (24 August 2023) that the distillery had submitted its reply which is under process. Since consent of the Finance Department is required, matter has been referred to the Finance Department.

The matter was referred to the Government in March, June and October 2023; their reply is awaited (April 2024).

<sup>64</sup> M/s Fullarton Distilleries Pvt. Ltd.

<sup>65</sup> @ ₹ 450 per bulk litre and @ ₹ 400 per bulk litre

<sup>66</sup> 700 ml, 750 ml and 200 ml

<sup>67</sup> Notification no. 1/2/2020-Fin(R&C)/556 dated 11 May 2020

<sup>68</sup> Health surcharge @ two *per cent* of excise duty *i.e.*, two *per cent* x ₹ 29,74,845 = ₹ 59,497

<sup>69</sup> (₹ 1,540/700 = 2.20), (2.20\*750 = ₹ 1,650)

<sup>70</sup> (₹ 490/200 = 2.45), (2.45\*750 = ₹ 1,837.50)

## ***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<sup>1</sup> State Public Sector Undertakings (PSUs) as on 31 March 2022 in sectors other than Power Sector<sup>2</sup>. 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 included one active subsidiary company (*i.e.*, Goa Electronics Limited) of Economic Development Corporation Limited (EDC). The State Government provides financial support to the State PSUs in the form of equity, loans and grants/subsidy from time to time. Of the 16 State PSUs, the State Government invested funds in all except in Goa Electronics Limited. Audit comments on the accounts of the State PSUs have been incorporated in the Audit Report on State Finances for the year 2021-22 separately.

##### 3.1.2 Coverage of this chapter

This chapter contains the result of compliance audit on the functioning of the State PSUs, Electricity Department and River Navigation Department. For the Report of the Comptroller and Auditor General of India for the year ended 31 March 2022, one compliance audit paragraph was issued to the Secretary of the River Navigation Department with a request to furnish reply within four weeks. The reply was awaited from the State Government (April 2024). The total financial impact of this compliance audit paragraph is ₹ 11 lakh.

##### 3.1.3 Lack of responsiveness of Government to Audit

###### *Inspection reports outstanding*

The Principal Accountant General (PAG) arranges to conduct periodical inspections of PSUs and auditable units under the Electricity Department to test-check their transactions. The PAG 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

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<sup>1</sup> Excluding Goa Auto Accessories Limited, which was under liquidation process since august 2019 has been dissolved by National Company Law Tribunal as per order dated 28 February 2022.

<sup>2</sup> The State Government's Electricity Department executes the functions of power purchase, distribution and maintenance.

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, to facilitate monitoring of the action taken on the audit observations included in these IRs.

As of June 2022, 134 IRs (669 paragraphs) were outstanding for want of compliance from the PSUs, Electricity Department and River Navigation Department. Details of IRs and paragraphs outstanding are given in **Table 3.1**.

**Table 3.1: Details of IRs and paragraphs outstanding**

*(Figures in number)*

Name of PSU/Department	June 2020		June 2021		June 2022	
	IRs	Paras	IRs	Paras	IRs	Paras
EDCL	04	21	06	29	07	22
GSIDCL	04	23	04	23	05	29
GAAL	01	04	01	04	01	04
GSSTFDCL	00	00	01	07	01	07
GEL	02	13	02	04	02	02
GFDCL	03	06	04	15	04	15
GSSCOBCFDCL	00	00	02	19	03	16
GHRSSIDCL	01	08	01	08	01	08
GMCL	01	02	00	00	00	00
GSHCL	03	09	04	18	04	11
ITCGL	03	16	05	31	05	31
SIDCGL	03	10	03	10	03	07
GTDC	04	18	04	18	05	22
KTCL	00	00	01	09	02	16
GIDC	08	83	09	95	10	104
GITDC	01	02	01	02	01	02
Electricity Department	76	353	76	365	74	336
River Navigation Department	06	38	06	37	06	37
<b>Total</b>	<b>120</b>	<b>606</b>	<b>130</b>	<b>694</b>	<b>134</b>	<b>669</b>

*(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 a product of audit scrutiny and it is imperative that they elicit appropriate and timely response from the executive. All the Administrative departments of PSUs are required to submit explanatory notes indicating the corrective/remedial action taken or proposed to be taken on paragraphs and Performance Audits (PAs) included in the Audit Reports. The Finance Department, Government of Goa issues every year, instructions to all Administrative departments to submit replies/explanatory notes on paragraphs/PAs within a period of three months of presentation of the respective Audit Reports to the Legislature, in the prescribed format

without waiting for any questionnaire from the Committee on Public Undertakings (COPU). The status of explanatory notes not received as on 31 March 2023 is given in **Table 3.2** below.

**Table 3.2: Position of explanatory notes not received (as on 31 March 2023)**

(Figures in number)

Year of the Audit Report (PSU) <sup>3</sup>	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
2015-16	07/08/2017	1	1	0	1
2017-18	07/02/2020	1	1	0	1
2018-19	29/01/2021	1	1	1	1
2019-20	22/07/2022	0	2	0	0
<b>Total</b>		<b>3</b>	<b>5</b>	<b>1</b>	<b>3</b>

(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 and Infrastructural Development Corporation of Goa Limited, Goa Industrial Development Corporation and Goa Electricity Department are pending for submission.

### Discussion of Audit Reports by COPU

The status of discussion of Performance Audits and paragraphs relating to Economic Sector that appeared in Audit Report by the Committee on Public Undertakings (COPU) as on 31 March 2023 is given in **Table 3.3**.

**Table 3.3: PAs and paragraphs appeared in Audit Reports vis-à-vis discussed as of 31 March 2023**

(Figures in number)

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	1	1
2018-19	1	1	0	0
2019-20	0	2	0	0
<b>Total</b>	<b>2</b>	<b>8</b>	<b>1</b>	<b>5</b>

(Source: Compiled based on the discussions of COPU on the Audit Reports)

The discussion on Audit Reports (PSUs) up to 2020-21 is currently ongoing.

<sup>3</sup> Combined Audit Report 2020-21 was placed before the Legislature in August 2023.

### Compliance to Reports of COPU

Action Taken Notes (ATNs) on five reports of the COPU presented to the State Legislature in February 2011, December 2017, January 2019 and January 2021 are awaited (March 2023) 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.

***Recommendation 1: The State Government may ensure that replies to Paragraphs/Performance Audits and ATNs on the recommendations of COPU are furnished as per the prescribed time schedule.***

### RIVER NAVIGATION DEPARTMENT

#### **3.2 Major irregularities in Cash book leading to misappropriation of revenue (₹ 11 lakh)**

**Failure of the Head of the Office to exercise mandatory checks of Cash book transactions weakened the internal control system and resulted in non-detection of fraudulent entries and misappropriation of ₹ 11 lakh by the cashier.**

The Government of Goa (Receipts and Payments) Rules, 1997 stipulate 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 (Rule 13) and deposited into accredited bank for inclusion in the Government account without undue delay (Rule 5). The Cash book should be closed regularly and checked by the HoO every month. All the remittance of receipts to the bank should also be attested by the HoO after verifying them. When the credit appears in the receipt scroll from the bank, the actual date of realisation of the cheque or draft should be indicated by cheque drawing DDOs against the original entry in the Cash book so as to keep track of outstanding items.

The River Navigation Department (RND) had various sources of revenue receipts, viz., traffic receipts, workshop receipts, renting of jetties and



ramps, Right to Information fees, *etc.* The cashier was responsible for issuing printed receipts for all inflows of cash/Demand Draft/financial instruments on Government account and recording them in the subsidiary Cash book. All transactions in the subsidiary Cash book were to be subsequently recorded in the main Cash book and thereafter periodically deposited (remittance) into the treasury. Audit scrutiny (04 October 2021) of the Cash book and other records of RND for the period from April 2018 to September 2021 revealed the following irregularities:

**1. Under reporting of cash received:** The transaction value recorded in every receipt was to be posted in subsidiary Cash book and thereafter, the sum-total of the day was to be posted in the main Cash book. However, it was observed that the transaction values of cash received as recorded in receipt-books were under reported in the Cash book by ₹ 3,39,651 (Appendix 3.1).

**2. Recording of remittance without recording receipt of cheque/DD:** Two<sup>4</sup> cheques/DD of ₹ 1.20 lakh pertaining to hiring charges revenue in May 2018<sup>5</sup> were not accounted for, on the receipt side of the Cash book, while the remittance was accounted on the payment side (14 August 2018) so as to fraudulently reduce the overall cash balance by ₹ 1.20 lakh. In another case, a DD of ₹ 10,000 in May 2018<sup>6</sup> was not accounted for, on the receipt of the Cash book, while its remittance was accounted for, on the payment side (14 August 2018) as ₹ 1,00,000 (instead of ₹ 10,000) to fraudulently reduce the overall cash balance by ₹ One lakh (₹ 90,000 under remittance *plus* ₹ 10,000 unaccounted receipt). This resulted in depiction of the short receipt of cash amounting to ₹ 2.20 lakh in the Cash book.

**3. Recording of same remittance twice:** An Abstract Contingent (AC) bill<sup>7</sup> of ₹ eight lakh was drawn in cash (01 October 2019), of which ₹ 3,21,925 was remitted back (14 October 2019) and ₹ 4,78,075 was spent (30 October 2019) on fuel (Indian Oil Corp.). The remittance of ₹ 3,21,925 was accounted twice on the payment side (one under the cash column and the other under the AC-bill column). This resulted in fraudulent reduction of the overall cash balance by ₹ 3,21,925.

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<sup>4</sup> Ribco Constructions Pvt. Ltd. ₹ 90,000 & High Street Cruises and Entertainment Pvt. Ltd. ₹ 30,000

<sup>5</sup> DD no. 602625 dated 18 May 2018 of ₹ 90,000 & Cheque no. 501163 dated 22 May 2018 of ₹ 30,000

<sup>6</sup> DD no. 602648 dated 22 May 2018 of ₹ 10,000

<sup>7</sup> For consumption of diesel for ferry boats.

**4. Remittances recorded without actual payments:** During 2019-20, two remittances<sup>8</sup> of value ₹ 2,18,905 were recorded on the payment side of the Cash book without actually effecting payments as revealed from the details of remittances/challans from the Directorate of Accounts, Goa for the year 2019-20. This also resulted in fraudulent reduction of the overall cash balance by ₹ 2,18,905.

It was also observed that all the entries of Cash book and monthly cash verification certificates were attested by the Drawing and Disbursing Officer<sup>9</sup> (DDO) alone without monthly attestation<sup>10</sup> of the remittance reconciliation and cash balance by the HoO, as required under the rules. Additionally, the DDO did not carry out reconciliation with the Treasury, which ultimately led to the misappropriation of Government money amounting to ₹ 11,00,481<sup>11</sup> by the cashier.

After being pointed out by Audit, the Department replied (07 April 2022) that the official concerned was placed under suspension (17 December 2021) and a summary of unaccounted money would be prepared. Further, the Department informed (31 August 2023) that an inquiry was ongoing and compliance would be intimated once the same was concluded.

Thus, the failure of the HoO in exercising the mandatory checks on Cash book transactions as prescribed in the financial rules weakened the internal control and facilitated misappropriation of revenue amounting to ₹ 11 lakh.

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<sup>8</sup> ₹ 90,573 (challan No. 201900974043; dated 21 August 2019) and ₹ 1,28,332 (dated 26 November 2019; challan not found) entered in Cash book as payments on 17 September 2019 and 26 November 2019 respectively.

<sup>9</sup> Assistant Account Officer


<sup>10</sup> As prescribed in Rule 13 (iv) & (v) of the Receipts and Payments Rules, 1997

<sup>11</sup> ₹ 3,39,651 + ₹ 2,20,000 + ₹ 3,21,925 + ₹ 2,18,905

The matter was referred to the Government in May, June and October 2023; their reply is awaited (April 2024).


***Recommendation 2: Responsibility may be fixed on the delinquent official(s) for misappropriation of Government receipts by adopting fraudulent practices and for failing to perform mandatory checks.***

**Panaji**  
**The 17 February 2025**

  
**(ETI SHUKLA)**  
**Accountant General**

*Countersigned*

**New Delhi**  
**The 20 February 2025**

  
**(K. SANJAY MURTHY)**  
**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 2016-17		2017-18		2018-19		2019-20		2020-21		2021-22		Total	
		IR	Para	IR	Para	IR	Para	IR	Para	IR	Para	IR	Para	IR	Para
1	Agriculture	1	6	-	-	15	79	2	10	6	18	1	6	25	119
2	Animal Husbandry and Veterinary Services	1	1	1	4	3	15	1	8	1	5	1	10	8	43
3	Archives, Archaeology and Museum	-	-	2	4	1	2	-	-	-	-	-	-	3	6
4	Art and Culture	6	14	1	1	1	6	2	11	-	-	-	-	10	32
5	Bank	1	1	1	2	5	13	4	7	-	-	-	-	11	23
6	Commercial Taxes	1	1	-	-	-	-	-	-	2	10	-	-	3	11
7	Co-operation	4	15	3	23	-	-	2	15	1	4	1	9	11	66
8	Civil Supplies and Consumer Affairs	-	-	-	-	-	-	1	4	1	6	-	-	2	10
9	Civil Aviation	-	-	-	-	-	-	1	3	-	-	-	-	1	3
10	Craftsman Training	2	2	-	-	3	7	1	4	2	5	-	-	8	18
11	Education	19	37	7	24	7	45	7	48	5	28	2	9	47	191
12	Electoral Office	3	4	-	-	-	-	1	6	-	-	-	-	4	10
13	Excise	-	-	-	-	-	-	-	-	-	-	-	-	0	0
14	Finance	9	28	2	15	2	14	2	8	1	6	1	7	17	78
15	Factories and Boilers	-	-	-	-	-	-	1	2	-	-	-	-	1	2
16	Fisheries	2	3	-	-	-	-	1	3	1	10	1	7	5	23
17	Food And Drug Administration	-	-	-	-	-	-	1	5	-	-	-	-	1	5
18	Forests	8	21	1	12	1	7	6	34	-	-	-	-	16	74
19	General Administration	2	5	1	7	-	-	-	-	1	7	-	-	4	19
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	29	66	11	27	5	16	6	19	2	13	-	-	53	141
24	Higher Education	1	1	-	-	-	-	-	-	-	-	-	-	1	1
25	Home	6	9	6	17	4	13	2	10	4	10	-	-	22	59
26	Information and Technology	2	6	1	7	1	8	-	-	1	10	-	-	5	31
27	Information and Publicity	11	30	1	5	2	11	2	11	1	3	-	-	17	60
28	Industries, Trade and Commerce	5	17	-	-	2	8	1	8	-	-	-	-	8	33
29	Inland Water Transport	6	22	-	-	-	-	1	17	-	-	-	-	8	47
30	Irrigation	18	38	4	31	-	-	8	50	4	48	-	-	34	167
31	Labour	4	5	1	3	1	2	1	6	1	10	-	-	8	26

Sl. No.	Name of the Department	Upto 2016-17		2017-18		2018-19		2019-20		2020-21		2021-22		Total	
		IR	Para	IR	Para	IR	Para	IR	Para	IR	Para	IR	Para	IR	Para
32	Law	6	10	2	4	2	2	1	5	-	-	-	-	11	21
33	Legislature	3	5	-	-	-	-	-	-	1	7	-	-	4	12
34	Legal Metrology	-	-	-	-	-	-	1	11	-	-	-	-	1	11
35	Official Language	1	1	1	1	-	-	1	1	-	-	-	-	3	3
36	Panchayati Raj	28	69	7	31	11	58	6	39	10	56	-	-	62	253
37	Planning and Statistics	-	-	1	2	-	-	1	7	-	-	-	-	2	9
38	Printing and Stationary	-	-	1	5	-	-	-	-	-	-	-	-	1	5
39	Public Works	50	120	11	63	8	46	16	94	18	139	5	38	108	500
40	Revenue	15	56	2	14	1	3	1	9	1	3	1	4	21	89
41	Science, Technology and Environment	1	9	-	-	1	5	-	-	1	4	-	-	3	18
42	Social Welfare	4	11	3	13	6	22	2	8	1	5	1	7	17	66
43	Sports and Youth Affairs	8	19	1	1	3	12	2	7	2	8	1	4	17	51
44	Stamps and Registration	-	-	1	6	-	-	-	-	-	-	-	-	1	6
45	Technical Education	6	8	-	-	2	10	1	3	3	13	1	4	13	38
46	Transport	3	4	-	-	-	-	-	-	1	7	-	-	4	11
47	Town and Country Planning	2	3	-	-	3	4	1	1	-	-	-	-	6	8
48	Tourism	5	12	1	4	2	4	2	7	1	6	1	10	12	43
49	Urban Development	79	384	10	83	10	109	11	108	3	47	1	9	114	740
50	Women and Child Development	2	3	-	-	1	7	1	4	2	8	-	-	6	22
<b>Total</b>		<b>357</b>	<b>1051</b>	<b>84</b>	<b>409</b>	<b>104</b>	<b>531</b>	<b>101</b>	<b>593</b>	<b>78</b>	<b>496</b>	<b>19</b>	<b>132</b>	<b>743</b>	<b>3212</b>

(Source: Details compiled from Audit records)



**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 the Department	2016-17	2017-18	2018-19	2019-20	2020-21	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Social Welfare	1	-	-	-	-	1
2	Water Resources Department	-	1	-	1	-	2
3	Public Works Department	-	-	1	1	-	2
4	Public Health Department	-	-	3	-	-	3
5	Education Department	-	-	-	1	-	1
6	Home Department	-	-	-	1	1	2
7	Panchayat Department	-	-	-	1	-	1
8	Housing Department	-	-	-	1	-	1
9	Civil Supplies and Consumer Affairs	-	-	-	-	1	1
10	Town and Country Planning	-	-	-	-	1	1
<b>Total</b>		<b>1</b>	<b>1</b>	<b>4</b>	<b>6</b>	<b>3</b>	<b>15</b>

*(Source: Details compiled from Audit records)*

## APPENDIX 1.3

(Referred to in paragraph 1.5.3)

## Project-wise components and amount sanctioned in SDS

Sl. No.	Component Amount (₹ in lakh)	Sanctioned Amount (₹ in lakh)
1	Improvement of infrastructural facilities by way of parking facilities, illumination and providing handicap friendly access from parking to beach at Calangute. i. Beautification near Calangute market circle and taxi stand Beautification & site Development – ₹ 58.56 lakh ii. Construction of parking near Annexe Building for Buses and Two-Wheeler parking at Calangute Residency – ₹ 205.28 lakh iii. Illumination of road from Calangute to Baga – ₹ 106.38 lakh iv. Construction of parking near the beach along with Garden area on Department of Tourism land – ₹ 343.76 lakh	713.98
2	Development of Anjuna Beach i. Landscaping – ₹ 171.99 lakh ii. Parking area – ₹ 298.56 lakh iii. Entrance Plaza – ₹ 149.82 lakh iv. Ticket Booth – ₹ 22.29 lakh v. Internal Pathways – ₹ 158.23 lakh vi. Hawkers Pavilion – ₹ 38.64 lakh vii. Changing Room, Toilet – ₹ 24.56 lakh viii. Toilet Block (2 Unit) – ₹ 31.01 lakh ix. Amphitheater/Cultural Center – ₹ 46.13 lakh x. Watch Tower – ₹ 47.96 lakh xi. Water Supply and Sewage – ₹ 159.28 lakh xii. Electrical – ₹ 175.24 lakh xiii. Interior works – ₹ 103.27 lakh xiv. Horticulture – ₹ 49.20 lakh	1476.18
3	Development of Morjim Khind i. Parking area – ₹ 44.15 lakh ii. Hill Rock Landscaping – ₹ 23.43 lakh iii. Site Development at Creek Side Garden – ₹ 216.67 lakh iv. Cycle Track to Beach – ₹ 61.63 lakh v. Cafeteria and Kitchen – ₹ 20.14 lakh vi. Meditation Hall, kiosks and Yogshala – ₹ 28.94 lakh vii. Covered seating, viewing pavilion, Pergola – ₹ 7.65 lakh viii. Ticketing and Information center – ₹ 5.46 lakh ix. Toilet – ₹ 15.02 lakh x. Landscaping – ₹ 17.88 lakh xi. Water Supply work – ₹ 13.75 lakh xii. Illumination (LED) to Beach Road – ₹ 141.30 lakh xiii. Electrical works – ₹ 51.81 lakh	647.83
4	Development of Ashwem Beach parking	80.04
5	Provision of Public Infrastructure like Toilets, TICs, Signages, Benches across Goa i. Tourism information centers, Souvenir Shops & Toilet Blocks at five locations – ₹ 414.00 lakh ii. Public Amenities (39 blocks) Ladies & Gents Toilet, drinking water, clock rooms, changing rooms – ₹ 1714.10 lakh iii. Safety & Security at beaches/surroundings CCTV Cameras plus Wi-Fi Hotspots – ₹ 360.63 lakh	3072.81

Sl. No.	Component Amount (₹ in lakh)	Sanctioned Amount (₹ in lakh)
	iv. GIS Mapping with Web Integration – Mapping of all tourist spots, Landmarks, feature, <i>etc.</i> , creating geo-referenced base map, development of web-based application for easy information access – ₹ 137.65 lakh v. Tourism Signages – ₹ 96.27 lakh vi. Seating Arrangement, Solid Waste Management & Solar panels – ₹ 350.16 lakh	
6	Development of Aguada Fort as major tourist destination i. Buses – ₹ 100.00 lakh	₹ 100 lakh (revised in May 2020 against original cost of ₹ 380.81)
7	Upgradation and Improvement of Helipad i. Helipad area – ₹ 119.79 lakh ii. Coffee Shop – ₹ 44.80 lakh iii. Reception – ₹ 20.00 lakh iv. Toilet – ₹ 41.00 lakh v. Parking – ₹ 47.52 lakh vi. Paves near Helipad – ₹ 70.45 lakh	343.56
8	Development of Aguada Jail as a Tourist Destination i. Approach Road & Parking – ₹ 272.95 lakh ii. Boundary Wall and Fort Walls – ₹ 261.73 lakh iii. Landscaping – ₹ 434.38 lakh iv. Rehabilitation and repair of the buildings – ₹ 712.05 lakh v. Sound and Light Show (including infrastructure) – ₹ 556.69 lakh vi. Watch Tower with Equipment – ₹ 36.59 lakh vii. Jetty – ₹ 67.70 lakh viii. Services (STP, Solar, Garbage collection, Rain Water Harvesting) – ₹ 242.41 lakh ix. TIC, Souvenir Shop – ₹ 41.80 lakh * x. Ticket Counter – ₹ 3.00 lakh * xi. Toilet – ₹ 41.00 lakh * xii. Parking – ₹ 195.00 lakh * *Shifted from Development of Aguada Fort (Sl. No. 06 above).	₹ 2865.31* (revised in May 2020 against original cost of ₹ 2584.50)
	<b>Total</b>	<b>₹ 9299.71 lakh (revised in May 2020 against original cost of ₹ 9522.74 lakh)</b>

(Source: Revised sanctioned order dated 20/05/2020 of Ministry of Tourism, Government of India)

## 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		2017-18	2018-19	2019-20	2020-21	2021-22	Percentage increase (+) or decrease (-) in 2021-22 over 2020-21
1	Power	BE	1819.15	1907.65	2244.16	2264.19	2673.34	
		RE	1819.15	1907.65	2244.16	2366.20	2673.34	
		Actual	2119.09	1919.80	1960.52	2051.05	2191.12	6.8
2	Non-Ferrous Mining and Metallurgical Industries <sup>1</sup>	BE	377.60	327.59	60.64	511.47	552.48	
		RE	377.60	327.59	60.64	397.47	552.48	
		Actual	332.79	34.39	08.78	168.10	129.20	-23.14
3	Other Non-tax receipts <sup>2</sup>	BE	95.28	82.89	182.42	296.11	747.56	
		RE	93.15	82.89	182.42	96.10	747.15	
		Actual	57.23	71.02	69.55	57.90	372.42	543.21
4	Water Supply and Sanitation	BE	126.05	136.96	154.73	158.00	165.73	
		RE	126.05	136.96	154.73	184.15	165.73	
		Actual	129.80	145.96	147.66	135.67	176.56	30.00
5	Other Administrative Services	BE	178.67	161.38	310.25	295.36	412.47	
		RE	179.83	161.38	310.25	455.51	411.79	
		Actual	139.66	450.94	260.25	190.71	309.40	62.23
6	Miscellaneous General Services	BE	45.73	46.01	43.00	31.40	44.37	
		RE	45.73	46.01	43.00	31.40	44.37	
		Actual	31.83	14.54	26.67	17.99	11.47	-36.24
7	Education, Sports, Art and Culture	BE	29.17	34.73	41.70	53.18	38.49	
		RE	30.74	34.73	41.70	53.18	38.40	
		Actual	26.49	24.95	25.27	21.68	25.34	16.88
8	Medium Irrigation	BE	19.79	16.38	3.43	8.76	31.17	
		RE	19.79	16.38	3.43	18.76	31.17	
		Actual	44.77	6.51	27.66	60.97	316.76	419.53
9	Interest Receipts	BE	17.38	29.56	33.39	21.01	72.40	
		RE	27.84	29.56	33.39	21.00	72.38	
		Actual	27.24	24.20	62.82	82.58	21.52	-73.94
10	Medical and Public Health	BE	36.43	31.26	34.09	28.34	36.21	
		RE	36.58	31.26	34.09	28.34	35.96	
		Actual	38.37	31.70	27.31	23.82	31.83	33.61
11	Urban Development	BE	64.00	61.00	90.00	92.20	65.02	
		RE	61.00	61.00	90.00	92.20	65.02	
		Actual	43.32	85.21	48.63	31.27	55.73	78.22
12	Roads and Bridges	BE	28.21	21.94	31.23	38.14	47.89	
		RE	28.21	21.94	31.23	38.14	47.89	
		Actual	34.97	52.44	24.18	21.90	68.88	214.52
13	Minor Irrigation	BE	10.17	11.98	21.87	37.81	122.03	
		RE	10.17	11.98	21.87	37.81	121.93	
		Actual	07.71	12.00	48.24	39.16	77.05	96.75
Total		BE	2847.63	2869.33	3250.91	3835.97	5009.16	
		RE	2855.84	2869.33	3250.91	3820.26	5007.61	
		Actual	3033.27	2873.66	2737.54	2902.80	3787.28	

<sup>1</sup> 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

<sup>2</sup> 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 2.1.4)  
**Arrears of revenue**

(₹ in crore)

Sl. No.	Name of the Department	Amount outstanding as on 31 March 2022	Amount outstanding for more than five years	Action taken by the Department
1	Commercial Taxes Department	2030.90	881.57	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	574.61	59.24	The Department had referred 9,521 cases involving ₹ 67.30 crore to RRCs. Disconnection notices were issued to consumers against whom electricity charges were outstanding. If arrears were not cleared, connections were initially disconnected for six months, non-payment of arrears for further temporary period resulted in permanent disconnection, after giving due notice. Notices were issued for payment of 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 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	121.47	16.61	Arrears of Rent ₹ 2.15 crore:- The Department stated that one case involving ₹ 22.82 lakh was pending in RRC as on 31 March 2022. In the remaining cases complaint had been filed against the absconding defaulters. Arrears of Water Charges ₹ 119.32 crore:- The Department stated that arrears involving ₹ 17.87 crore were pending before RRC as on 31 March 2022. Show cause notices had been issued and disconnection under process.
4	Water Resources Department	2075.39	221.08	Water tax ₹ 2.47 crore:- The Department stated that those who did not pay water taxes have been requested to pay on priority. The notice for arrears payment were being sent regularly and 143 cases involving ₹ 9.73 lakh were referred to RRC. Raw water charges ₹ 2069.87 crore:- Department stated that farmers were contacted personally for collecting revenue and reminder letter sent to PWD. Monthly bill were sent to the other consumers and reminders were issued if required. Hire charges of machinery ₹ 0.33 crore:- Department stated that the cases were referred to the Government to waive-off the same. Rent from shops and halls ₹ 2.71 crore:- The Department stated that notices have been served on defaulters for effecting payment.
<b>Total</b>		<b>4802.37</b>	<b>1178.50</b>	

(Source: Information furnished by concerned departments)

**APPENDIX 2.3 A**  
(Referred to in paragraph 2.2.4 (iii))  
**Sample for limited/centralised audit**

Sl. No.	Dimension	GSTIN	Ward
1	Mismatch in availing of ITC	30AAACC7260M1ZS	Panaji
2		30AABCB5576G1ZY	Panaji
3		30AAUFS0343N1ZY	Margao
4		30AAACF2614E1ZI	Bicholim
5		30AABCS1624G1Z0	Margao
6		30AAACC4309B1ZN	Margao
7		30AACCB9382M1ZG	Mapusa
8		30AAACG6842K1ZQ	Panaji
9		30AAACI6561R1ZA	Panaji
10		30AACCB0943N1ZX	Mapusa
11	Mismatch in availing of ITC under RCM without payment	30AADFM0340A1ZF	Vasco
12		30AABCL0814D1ZF	Ponda
13		30AAVFS6140G1Z5	Margao
14		30AADCA1647D1ZF	Margao
15		30AAGPH8218M1ZQ	Margao
16		30AAJFC6648K1ZB	Panaji
17		30BJYPK2384R1ZC	Mapusa
18		30AABCA8820A1ZI	Margao
19		30AAEFD7394L1Z8	Margao
20		30AACCR6287K1Z6	Margao
21	Mismatch in availing of ITC under RCM	30ADHPD0332Q1ZW	Margao
22		30BWRPM9261K1ZZ	Mapusa
23		30ABTFS8108H1ZZ	Panaji
24	Incorrect availment of ISD credit	30AAKCS3431L1ZF	Panaji
25		30AAACK0376Q1ZH	Mapusa
26		30AAGCG1917R1ZG	Mapusa
27		30AIHPV6277B1ZA	Margao
28		30AAACR6389Q1ZT	Margao
29		30AAACH7083B1Z5	Vasco
30		30AAACS5123K1ZQ	Panaji
31		30BEGPP5049K1ZE	Margao
32		30AAACG4447J1ZV	Panaji
33		30AAACH1004N1Z7	Ponda
34	Incorrect ISD credit reversal	30AAACU5552C1ZW	Panaji
35	Mismatch in ITC availed between Annual return and financial statement (Table 12F of GSTR-9C)	30AAACG2207L1Z5	Mapusa
36		30AABCB5576G1ZY	Panaji
37		30AAACI6561R1ZA	Panaji
38		30AACCB0943N1ZX	Mapusa
39		30AABCS4998M1ZW	Mapusa
40		30AADCH4946G1ZU	Mapusa

Sl. No.	Dimension	GSTIN	Ward
41		30AABCD4024B1ZP	Margao
42		30AABCK1781A1ZA	Vasco
43		30AADCH4249J1ZR	Margao
44		30AAKCS3431L1ZF	Panaji
45	Reconciliation between ITC declared in Annual return with expenses in financial statement (Table 14T of GSTR-9C)	30AABCA8820A1ZI	Margao
46		30AAACG2207L1Z5	Mapusa
47		30AAACG1395D1Z7	Panaji
48		30AAFCP1610H1Z3	Panaji
49		30AAACF2614E1ZI	Bicholim
50		30ADYPB1867B1ZU	Ponda
51		30AALCA4699P2ZZ	Vasco
52		30AAACC8547R1ZA	Panaji
53		30AAECA4770C1ZA	Mapusa
54		30AABCB5730G1ZA	Panaji
55	Mismatch in turnover between Annual return and financial statement (Table 5R of GSTR-9C)	30AAATC2716R1ZS	Panaji
56		30AACCC8256D1Z3	Panaji
57		30AADCG4784D1ZX	Mapusa
58	Mismatch in taxable turnover between annual return and audited financial statement (Table 7G of GSTR-9C)	30AAACG0904A1ZS	Mapusa
59		30AAICA6765F1ZT	Panaji
60		30AAGCS0761F1ZT	Panaji
61		30ADQPB7143N1ZG	Vasco
62		30AACCM8043J1ZN	Ponda
63		30AAAF02018A1ZD	Ponda
64		30AADCG0645D1ZD	Pernem
65		30AAFCP9360E1ZM	Mapusa
66		30AACCC0502G1ZO	Vasco
67		30ABUPN0537G1ZR	Panaji
68	Mismatch in tax paid between books of accounts and annual return (Table 9R of GSTR-9C)	30AAACG0904A1ZS	Mapusa
69		30AGIPK2039H2ZS	Panaji
70		30AADCR2367P1Z6	Ponda
71		30BFDPS0980J1ZG	Curcholem
72		30AAOCS6601E1ZO	Mapusa
73		30AABCB5576G1ZY	Panaji
74		30AABCE6688E1ZS	Panaji
75	Mismatch in tax liability and payment between returns	30BFDPS0980J1ZG	Curcholem
76		30AAHCA6486A1Z2	Panaji
77		30AAACK0251C1ZK	Panaji
78		30AAVFS6140G1Z5	Margao
79		30ACWPM0745N1Z7	Mapusa
80		30AAACL0582H2ZY	Panaji
81		30AAACV5950B1ZV	Vasco
82		30BKLPS7980R1Z3	Curcholem
83		30AABCG1439P1ZO	Panaji
84		30AAFCG6897H1ZD	Panaji

Sl. No.	Dimension	GSTIN	Ward
85	Cases where GSTR-3B not filed but GSTR-1 or GSTR-2A available	30AGWPP3748A1ZE	Margao
86		30AAMCS5980L1ZV	Margao
87		30AKSPS1256J1ZW	Ponda
88		30AAKFT8191R1ZD	Panaji
89		30AGBPJ6107E1Z6	Vasco
90		30AOOPK0861K1ZX	Margao
91		30FBHPS0203N1ZS	Margao
92		30AWFPM7927B1ZU	Margao
93		30ACCPH6266P1ZG	Panaji
94		30BZTPP7555A1Z8	Panaji
95	Short payment of interest	30AGVPC4796Q1ZL	Ponda
96		30AAACN1597Q1Z5	Margao
97		30AACCC8902G1Z4	Mapusa
98		30AUEPS1803K1ZV	Ponda
99		30AAFC0528C1ZI	Panaji
100		30AACPF5128J1Z7	Mapusa
101		30AABCM3008L1ZX	Panaji
102		30AAMFN6123F1ZM	Vasco
103		30AGEPB6260F1Z3	Vasco
104		30AAACE6234B1ZH	Panaji

(Source: Data taken from GST Portal)



**APPENDIX 2.3 B**  
(Referred to in paragraph 2.2.4 (iii))

**Sample for detailed audit**

Sl. No.	GSTIN	Name of Ward
1	30AAACF0365N1ZV	Vasco
2	30AAACS0764L1ZJ	Margao
3	30AACCG4949F1ZV	Panaji
4	30AAACB0421B1ZZ	Margao
5	30AAACB1298E2Z7	Margao
6	30AAACC1450B1ZR	Margao
7	30AAACM7515P1ZE	Vasco
8	30AAAAL0405H1ZH	Mapusa
9	30AACFK5651K1ZH	Ponda
10	30AAJCS0294G1ZK	Vasco
11	30AAECD3802A2ZN	Margao
12	30AIGPM1552M1ZD	Vasco
13	30AAACE2616F1ZF	Ponda
14	30AAACG6923H1ZZ	Panaji
15	30AALFM1713H1ZQ	Ponda

(Source: Data taken from GST Portal)

## APPENDIX 2.4

(Referred to in paragraph 2.2.6.4)

### Follow up action not initiated after cancellation of registration during 2017-21 in selected four Wards

Sl. No.	Name of Ward	Financial Year	Total number of taxpayers whose registrations were cancelled	No. of taxpayers whose registrations were cancelled on application	No. of taxpayers whose registrations were cancelled <i>Suo-motto</i>	Number of cases where Final Return in GSTR-10 were not filed	Number of cases where final returns in GSTR-10 were not filed, notice in GSTR-3A were issued	Number of cases where final returns in GSTR-10 were not filed even after issue of notice, best judgement in assessment in ASMT-13 were issued	Section 62 assessment in cases of <i>Suo moto</i> cancellation		
									Number of assessments initiated	Amount recovered (initiated cases)	Amount recovered (completed cases)
1	Ponda	2017-18	-	-	-	-	-	-	-	-	-
		2018-19	24	24	-	18	-	-	-	-	-
		2019-20	21	21	-	21	-	-	-	-	-
		2020-21	40	35	5	25	-	-	-	-	-
2	Vasco	2017-18	-	-	-	-	-	-	-	-	-
		2018-19	42	42	-	38	-	-	-	-	-
		2019-20	86	86	-	68	-	-	-	-	-
		2020-21	115	105	10	92	-	-	-	-	-
3	Panaji	2017-18	-	-	-	-	-	-	-	-	-
		2018-19	18	18	-	18	-	-	-	-	-
		2019-20	4	4	-	4	-	-	-	-	-
		2020-21	41	41	-	41	-	-	-	-	-
4	Margao	2017-18	10	-	10	9	-	-	-	-	-
		2018-19	162	159	3	139	-	-	-	-	-
		2019-20	338	332	6	272	-	-	-	-	-
		2020-21	171	171	-	133	-	-	-	-	-
Total			1072	1038	34	878	-	-	-	-	-

(Source: Compiled by audit from the information provided by the ward offices)

**APPENDIX 2.5***(Referred to in paragraph 2.2.8 A)***Cases where ASMT-10 issued/Action initiated or Case is under correspondence***(Amounts in ₹)*

Sl. No.	Ward	GSTIN	Amount of discrepancy	Action taken	Dimension
1	Panaji	30AAACG6842K1ZQ	6,61,46,963	Taxpayer is selected for audit u/s 65 by Commissioner of State Tax.	Mismatch in availing of ITC
2	Bicholim	30AAACF2614E1ZI	3,22,88,129	ASMT-10 has been issued.	
3	Ponda	30AAACC4309B1ZN	2,96,22,156	Taxpayer is selected for scrutiny which is under process.	
4	Panaji	30AABCB5576G1ZY	2,51,92,444	Taxpayer is selected for scrutiny.	
5	Mapusa	30AACCB9382M1ZG	2,36,05,848	Taxpayer is selected for audit u/s 65 by Commissioner of State Tax.	
6	Margao	30AAUFS0343N1ZY	1,47,77,061	ASMT-10 has been issued.	
7	Margao	30AABCS1624G1Z0	1,55,88,502	ASMT-10 has been issued.	
8	Panaji	30AAHCA6486A1Z2	2,28,42,888	Case is allotted for Audit assessment.	Mismatch in tax liability and payment between returns.
9	Panaji	30AAACK0251C1ZK	1,25,07,418	Case is allotted for Audit assessment.	
10	Panaji	30AABCG1439P1ZO	88,85,231	Notice in REG-17 issued.	
11	Vasco	30AAACV5950B1ZV	87,20,892	Case is allotted for Audit assessment.	
12	Curcholem	30BFDPS0980J1ZG	85,06,922	ASMT-10 has been issued.	
13	Mapusa	30AAVFS6140G1Z5	66,30,296	Taxpayer is selected for scrutiny.	
14	Curcholem	30BKLP57980R1Z3	63,29,978	ASMT-10 has been issued.	
15	Panaji	30AABCB5576G1ZY	2,97,40,394	Taxpayer is selected for scrutiny.	Mismatch in ITC availed between Annual return and financial statement (Table 12F of GSTR-9C).
16	Mapusa	30AABCS4998M1ZW	1,42,30,466	Case is selected for Audit assessment.	
17	Margao	30AABCD4024B1ZP	1,08,43,611	ASMT-10 has been issued.	
18	Panaji	30AAKCS3431L1ZF	61,85,467	Taxpayer is selected for scrutiny.	Mismatch in availing of ITC under RCM without payment.
19	Mapusa	30AAVFS6140G1Z5	84,03,746	Scrutiny is under process.	
20	Margao	30AABCA8820A1ZI	61,67,272	ASMT-10 has been issued.	
21	Ponda	30AABCL0814D1ZF	34,78,352	ASMT-10 has been issued.	Mismatch in availing of ITC under RCM.
22	Panaji	30AAJFC6648K1ZB	23,53,454	Taxpayer is selected for scrutiny.	
23	Panaji	30ABTFS8108H1ZZ (Buffer list)	11,91,719	Taxpayer is selected for scrutiny.	
24	Margao	30AAACN1597Q1Z5	1,36,67,503	Department has filed claim for dues with the liquidator.	Short payment of interest.
25	Vasco	30AGEPB6260F1Z3	36,52,154	ASMT-10 has been issued.	
26	Panaji	30AABCM3008L1ZX	34,38,159	Taxpayer is selected for scrutiny.	
27	Vasco	30AAMFN6123F1ZM	29,40,202	ASMT-10 has been issued.	
28	Ponda	30AUEPS1803K1ZV	18,61,828	ASMT-10 has been issued.	
29	Mapusa	30AACCC8902G1Z4	16,08,285	Scrutiny is under process.	
30	Ponda	30AGVPC4796Q1ZL	15,25,370	ASMT-10 has been issued.	
31	Panaji	30AAACE6234B1ZH	14,79,378	Taxpayer is selected for scrutiny.	
32	Panaji	30AAFCD0528C1ZI	12,25,638	ASMT-10 has been issued.	
33	Panaji	30AGIPK2039H2ZS	3,52,59,618	Case is allotted for assessment u/s 65.	Mismatch in tax paid between books of

34	Curcholem	30BFDPS0980J1ZG	85,06,922	ASMT-10 has been issued.	accounts and annual return (Table 9R of GSTR-9C).
35	Panaji	30AABCB5576G1ZY	40,18,319	Taxpayer is selected for scrutiny.	
36	Panaji	30AABCE6688E1ZS	40,17,049	Case is allotted for assessment u/s 65.	
37	Margao	30AAMCS5980L1ZV	26,40,989	Notice for cancellation is issued.	Cases where GSTR-3B not filed but GSTR-1 or GSTR-2A available.
38	Panaji	30AAKFT8191R1ZD	6,34,873	Notice in REG-17 issued.	
39	Margao	30FBHPS0203N1ZS	42,415	Registration is suspended, as taxpayer has done suicide. Notice for cancellation is issued.	
40	Margao	30AWFPM7927B1ZU	23,974	Notice for cancellation is issued.	
41	Panaji	30ACCPH6266P1ZG	13,636	Notice in REG-17 issued.	
42	Panaji	30BZTPP7555A1Z8	12,047	Notice in REG-17 issued.	
43	Panaji	30AAATC2716R1ZS	-	Taxpayer is selected for scrutiny.	Mismatch in turnover between Annual return and financial statement (Table 5R of GSTR-9C).
44	Panaji	30AAICA6765F1ZT	-	Taxpayer is selected for scrutiny.	Mismatch in taxable turnover between annual return and audited financial statement (Table 7G of GSTR-9C).
45	Ponda	30AACCM8043J1ZN	-	Scrutiny is under process.	
46	Pernem	30AADCG0645D1ZD	-	Taxpayer is selected for scrutiny.	
47	Panaji	30ABUPN0537G1ZR	-	Taxpayer is selected for scrutiny.	
48	Panaji	30AAACG4447J1ZV	51,08,127	Taxpayer is selected for scrutiny.	Incorrect availment of ISD credit.
49	Mapusa	30AAACK0376Q1ZH	9,41,570	Taxpayer is selected for scrutiny.	
50	Margao	30AIHPV6277B1ZA	8,78,040	ASMT-10 has been issued.	
51	Panaji	30AAKCS3431L1ZF	8,74,272	Taxpayer is selected for scrutiny.	
52	Panaji	30AAACS5123K1ZQ	5,83,568	Taxpayer is selected for scrutiny.	
<b>Total of 52 cases where ASMT-10 was issued/action initiated</b>			<b>45,91,93,142</b>		
53	Vasco	30AGWPP3748A1ZE	32,96,664	Show Cause Notice under Section 46 of GGST Act has been issued.	Cases where GSTR-3B not filed but GSTR-1 or GSTR-2A available.
54	Vasco	30AGBPJ6107E1Z6	3,99,600	Show Cause Notice under Section 46 of GGST Act has been issued.	
55	Margao	30AOOPK0861K1ZX	63,602	Show Cause Notice under Section 46 of GGST Act has been issued.	
<b>Total of three cases where case is under correspondence</b>			<b>37,59,866</b>		
<b>Total of 55 cases</b>			<b>46,29,53,008</b>		

(Source: Compiled by audit based on replies received from the Department)

## APPENDIX 2.6

(Referred to in paragraph 2.2.8 B)

Cases where reply of the Department was accepted based on data entry error

(Amounts in ₹)

Sl. No.	GSTIN	Ward	Amount of discrepancy	Dimension
1	30AADFM0340A1ZF	Vasco	35,99,396	Mismatch in availing of ITC under RCM without payment.
2	30AADCA1647D1ZF	Margao	30,21,378	
3	30BJYPK2384R1ZC	Mapusa	20,05,488	
4	30AACCR6287K1Z6	Margao	22,96,426	
5	30AAGCG1917R1ZG	Mapusa	15,67,828	Incorrect availment of ISD credit.
6	30BEGPP5049K1ZE	Margao	8,41,188	
7	30AAACH7083B1Z5	Vasco	45,19,470	
8	30BWRPM9261K1ZZ	Mapusa	12,97,401	Mismatch in availing of ITC under RCM.
9	30ADHPD0332Q1ZW	Margao	15,02,291	
Total			2,06,50,866	

(Source: Compiled by audit based on replies received from the Department)

**APPENDIX 2.7**  
(Referred to in paragraph 2.2.9.1)  
**Non-production of records**

Sl. No.	Name of Ward	GSTIN	Records not produced	Period for which records not produced
1	Mapusa	30AAAAAL0405H1ZH	Outward supplies invoices	January 2018 and March 2018
			Inward supplies invoices	January 2018 and March 2018
			Stock account of purchases, sundry creditors ledger, Directors' report, and trial balance	2017-18
			Financial statements (Profit and Loss Account, Balance Sheet)	2016-17 and 2018-19
			GSTR-9 and GSTR-9C of the taxpayer	2018-19
2	Panaji	30AACCG4949F1ZV	Outward supplies invoices	November 2017 and February 2018
			Inward supplies invoices	August 2017 and February 2018
			Stock account of purchases, sundry creditors ledger, Directors' report and Auditors' report and trial balance	2017-18
			Financial statements (Profit and Loss Account, Balance Sheet)	2018-19
3	Panaji	30AAACG6923H1ZZ	Outward supplies invoices	July 2017 and January 2018
			Inward supplies invoices	November 2017 and January 2018
			Stock account of purchases and Directors' report	2017-18
4	Ponda	30AAACE2616F1ZF	Outward and inward invoices	November 2017, December 2017, January 2018 and March 2018
			Invoices related to exports and SEZ supplies, shipping bills, EGM and bill of export	November 2017 and January 2018
			Trial Balance, Auditor's Report (Tax Audit Report) and Director's Report	2017-18
5	Ponda	30AACFK5651K1ZH	Purchase invoices	December 2017 and January 2018
6	Ponda	30AALMF1713H1ZQ	Sales invoices	August 2017 and March 2018
7	Margao	30AAECD3802A2ZN	Outward supplies invoices	December 2017 and March 2018
			Inward supplies invoices	September 2017 and February 2018
			Stock account of purchases, sundry creditors ledger, Directors' report and Auditors' report and trial balance	2017-18
			Financial statements (Profit and Loss Account, Balance Sheet)	2016-17
8	Margao	30AAACS0764L1ZJ	Outward supplies Invoices	September 2017 and October 2017
			Inward supplies Invoices	February 2018 and March 2018
			Stock account of purchases, sundry creditors ledger, trial balance	2017-18
			Bill of export and EGM (Export General Manifesto)	September 2017 and December 2017

9	Margao	30AAACB1298E2Z7	Sales and purchase ledgers	December 2017, January 2018, November 2017 and February 2018
			Sales and purchase ledgers, stock account of purchases, sundry creditors ledger and trial balance	2017-18
10	Margao	30AAACB0421B1ZZ	Outward supplies invoices	August 2017 and March 2018
			Inward supplies invoices	July 2017 and March 2018
			Stock account of purchases, sundry creditors ledger and trial balance	2017-18
			Invoices pertaining to export and SEZ supplies, bill of export, shipping bills and Export General Manifesto	October 2017 and November 2017
11	Margao	30AAACC1450B1ZR	Outward supplies invoices	October 2017 and March 2018
			Inward supplies invoices	November 2017 and February 2018
			Stock account of purchases, Sundry Creditors and Trial Balance	2017-18
12	Vasco	30AAJCS0294G1ZK	Agreement and Purchase Orders (Inward supplies)	September 2017 and October 2017
			Agreement and Sales Orders (Outward supplies)	October 2017 and December 2017
			Stock account of purchases, sundry creditors ledger	2017-18
13	Vasco	30AIGPM1552M1ZD	Outward supplies invoices	December 2017 and March 2018
			Inward supplies invoices	August 2017 and March 2018
			Stock account of purchases, sundry creditors ledger, Directors' report, Auditors' report, trial balance	2017-18
			Financial statements (Profit and Loss Account, Balance Sheet)	2016-17, 2017-18 and 2018-19
14	Vasco	30AAACM7515P1ZE	Purchase invoices	August 2017 and September 2017
15	Vasco	30AAACF0365N1ZU	Agreement and purchase orders (inward supplies), Agreement and sales orders (Outward supplies), Stock account of purchases, sundry creditors ledger	2017-18

(Source: Compiled by audit based on audit requisitions issued and replies received from the Department)

## APPENDIX 2.8

(Referred to in paragraph 2.2.9.2)

### Non-payment of interest on delayed payment of GST

(Amounts in ₹)

Sl. No.	Name of Ward	GSTIN	Range of Delay in payment (in days)	Interest leviable	Interest paid	Non-payment of Interest
Col.1	Col.2	Col.3	Col.4	Col.5	Col.6	Col.7 = (Col.5 - Col.6)
1	Vasco	30AAACM7515P1ZE	1 to 20	1,01,780	0	1,01,780
2	Mapusa	30AAAAL0405H1ZH	27 to 197	79,305	0	79,305
3	Panaji	30AACCG4949F1ZV	7	1,82,207	0	1,82,207
4	Margao	30AAECD3802A2ZN	13 to 182	49,808	0	49,808
5	Margao	30AAACB1298E2Z7	7 to 29	88,017	0	88,017
<b>Total</b>				<b>5,01,117</b>	<b>-</b>	<b>5,01,117</b>

(Source: Compiled by audit based on detailed audit sample, returns downloaded from GST Backend portal Model-1 and audit observations issued to the Department)



## APPENDIX 2.9

(Referred to in paragraph 2.2.9.3)

### Mismatch of ITC between GSTR-2A and GSTR-3B returns

Sl. No.	Name of Ward	GSTIN	ITC available as per GSTR-2A with all its amendments excluding RCM	ITC availed in Table 4(A)(5) of GSTR-3B	ITC reversed as per Table 4B (2) of GSTR-3B	ITC availed in the subsequent year in Table 8 (c) of GSTR-9	Total ITC availed (Col.8= Col.5- Col.6+ (Col.7)	Excess ITC availed (Col.9= Col.8- Col.4)
1	2	3	4	5	6	7	8	9
1	Margao	30AAACC1450B1ZR	1,64,49,59,632	1,93,59,96,276	1,40,56,807	12,18,40,433	2,04,37,79,902	39,88,20,270
2	Vasco	30AAACM7515P1ZE	28,06,90,047	29,81,13,408	0	0	29,81,13,408	1,74,23,361
3	Panaji	30AACCG4949F1ZV	4,51,77,597	6,33,44,052	37,62,706	18,00,002	6,13,81,348	1,62,03,751
4	Margao	30AAECD3802A2ZN	16,33,081	55,67,701	0	0	55,67,701	39,34,620
5	Margao	30AAACB1298E2Z7	2,26,88,644	2,52,63,095	0	0	2,52,63,095	25,74,451
6	Margao	30AAACB0421B1ZZ	9,90,89,919	14,10,00,104	0	4,10,156	14,14,10,260	4,23,20,341
7	Vasco	30AAJCS0294G1ZK	1,01,46,702	1,64,48,060	0	0	1,64,48,060	63,01,358
8	Vasco	30AIGPM1552M1ZD	7,68,423	21,90,466	0	0	21,90,466	14,22,043
9	Panaji	30AAACG6923H1ZZ	1,08,84,341	1,32,31,387	0	0	1,32,31,387	23,47,046
10	Mapusa	30AAAL0405H1ZH	26,52,704	33,14,460	0	13,50,406	46,64,866	20,12,162
Total			2,11,86,91,090	2,50,44,69,009	1,78,19,513	12,54,00,997	2,61,20,50,493	49,33,59,403

(Source: Compiled by audit based on detailed audit sample, returns downloaded from GST Backend portal Model-1 and audit observations issued to the Department)

**APPENDIX 2.10**  
(Referred to in paragraph 2.2.9.5)

**Mismatch in tax liability between returns**

(Amounts in ₹)

Sl. No.	Name of Ward	GSTIN	Liability as per GSTR-1	Liability as per Table 4N of GSTR-9 including amendments through made Table 10 and Table 11	Greater of both the liability as per GSTR-1 and GSTR-9	Liability discharged as per GSTR-9/3B	Undischarged liability
Col.1	Col.2	Col.3	Col.4	Col.5	Col.6	Col.7	Col.8 = (Col.6- Col.7)
1	Margao	30AAACB0421B1ZZ	22,91,38,976	25,42,87,231	25,42,87,231	20,97,20,481	4,45,66,750
2	Panaji	30AACCG4949F1ZV	29,18,74,068	36,99,91,625	36,99,91,625	36,75,10,093	24,81,532
3	Margao	30AAACB1298E2Z7	9,97,08,192	12,98,87,479	12,98,87,480	12,71,08,699	27,78,781
4	Vasco	30AAJCS0294G1ZK	38,67,903	97,41,955	97,41,955	77,04,424	20,37,531
5	Mapusa	30AAAAL0405H1ZH	47,51,476	70,42,818	70,42,818	47,51,476	22,91,342
6	Ponda	30AACFK5651K1ZH	68,41,876	67,61,526	68,41,876	57,55,520	10,86,356
7	Margao	30AAACC1450B1ZR	2,87,83,92,383	2,89,55,05,985	2,89,55,05,985	2,89,43,97,018	11,08,967
8	Vasco	30AIGPM1552M1ZD	25,71,753	25,76,088	25,76,088	20,17,640	5,58,448
<b>Total</b>			<b>3,51,71,46,627</b>	<b>3,67,57,94,707</b>	<b>3,67,58,75,058</b>	<b>3,61,89,65,351</b>	<b>5,69,09,707</b>

(Source: Compiled by audit based on detailed audit sample, returns downloaded from GST Backend portal Model-1 and audit observations issued to the Department)

**APPENDIX 2.11**  
(Referred to in paragraph 2.2.9.6)  
**Incorrect charging of rate of tax under GST**

(Amount in ₹)

Sl. No.	Name of Ward	GSTIN	Number of invoices/ HSNs	Taxable Value	Rate of tax charged (in <i>per cent</i> )	Rate of Tax to be charged (in <i>per cent</i> )	Short levy of GST
Col.1	Col.2	Col.3	Col.4	Col.5	Col.6	Col.7	Col.8 = Col.5X (Col.7-Col.6) %
1	Ponda	30AACFK5651K1ZH	3	10,928	18	28	1,093
2	Margao	30AAACB0421B1ZZ	1	10,46,61,581	17.32	18	7,11,699
			3	17,60,737	0	18	3,16,933
Total			7				10,29,724

(Source: Compiled by audit based on detailed audit sample, returns downloaded from GST Backend portal Model-1, sample invoices produced by the department and audit observations issued to the Department)

**APPENDIX 2.12**  
(Referred to in paragraph 2.6)

**Details of short-levy of interest on delayed payment of Luxury Tax**

(Amount in ₹)

Hotelier	F.Y.	Date of Assessment	Tax Assessed	Tax paid	Interest Levied	Date of payment of Tax	Unpaid Tax amount	Delay <sup>3</sup> (in months)	Interest to be levied <sup>4</sup>	Short levy (Int. due – Int. levied)
PR/GTL/05 Mandrem hotels (P) Ltd.	2016-17	26/03/2021	11,34,105	4,18,518	5,42,485	20/03/2018	4,18,518	11	85,796	2,05,229
							7,15,587	47	6,61,918	
							1,87,656	47	1,73,582	
PR/GTL/09 Sea View Resorts	2016-17	26/03/2021	1,87,656	-	1,20,306	-	-	-	-	53,276
BRD/GTL/297 Naga Cottages Pernem	2016-17	25/07/2018	1,94,850	-	46,764	-	-	15	55,532	8,768
BRD/GTL/392 La Vaincia Beach Resort Morjim	2014-15	17/03/2017	1,87,313	93,656	30,907	23/12/2015	-	8	13,580	24,350
BRD/GTL/398 Salija Resort (P) Ltd. Morjim	2012-13	23/03/2017	1,70,301	1,44,881	9,151	08/05/2012 to 13/04/2013	25,420	23	41,677	
	2015-16	30/03/2020	91,955	18,156	43,673	04/12/2015 to 05/01/2016	73,799	47	68,264	24,591
	2016-17	26/03/2021	1,22,850	-	84,817	-	1,22,850	47	1,13,636	28,819
BRD/GTL/418 Yab Yum Resort Pvt. Ltd. Bardez	2017-18 (1 <sup>st</sup> Qtr.)	26/03/2021	40,950	-	24,233	-	40,950	44	35,422	11,189
	2016-17	25/03/2021	6,53,052	6,01,572	35,542	08/07/2016 to 30/03/2017	51,480	47	47,619	12,077
	2017-18 (1 <sup>st</sup> Qtr.)	25/03/2021	36,000	-	21,304	-	36,000	44	31,140	9,836

<sup>3</sup> Delay has been calculated from the month of May after the Financial Year to date of assessment or date of payment, whichever is earlier. More than 15 days have been calculated as complete month.

<sup>4</sup> Interest to be levied = (Unpaid tax x 1.5% x 3) + {Unpaid tax x 2% x (delay in months – 3)}

Hotelier	F.Y.	Date of Assessment	Tax Assessed	Tax paid	Interest Levied	Date of payment of Tax	Unpaid Tax amount	Delay <sup>3</sup> (in months)	Interest to be levied <sup>4</sup>	Short levy (Int. due – Int. levied)
BRD/GTL/439 Reeva Beach Resort Mandrem	2012-13	24/03/2017	3,55,692	2,49,119	54,352	01/07/2012 to 05/01/2013	1,06,573	47	98,580	44,228
	2016-17	30/03/2021	21,53,568	16,60,112	3,16,353	30/05/2016 to 29/04/2017	4,93,456	47	4,56,447	1,40,094
	2017-18 (1 <sup>st</sup> Qtr.)	30/03/2021	10,87,445	6,56,212	2,55,195	29/05/2017 to 31/07/2017	4,31,233	44	3,73,017	1,17,822
BRD/GTL/483 Rococco @ Ashvem Mandrem	2016-17	25/03/2021	2,48,095	-	1,71,287	-	2,48,095	47	2,29,488	58,201
	2017-18 (1 <sup>st</sup> Qtr.)	25/03/2021	45,000	-	22,190	-	45,000	44	38,925	16,735
BRD/GTL/607 Safira River Front Resort Pernem	2013-14	03/07/2017	1,89,636	26,942	1,08,386	11/07/2013 to 06/01/2014	1,62,694	38	1,21,207	12,821
	2015-16	13/12/2018	2,07,095	-	41,460	-	2,07,095	32	1,29,434	87,974
	2016-17	25/03/2021	2,27,715	-	1,45,987	-	2,27,715	47	2,10,636	64,649
BRD/GTL/620 Airsonic Holidays Pvt. Ltd. Mandrem	2016-17	06/12/2018	18,41,039	11,00,000	1,18,118	23/01/2017 to 12/06/2017	5,00,000	2	15,000	1,67,361
							7,41,039	19	2,70,479	
BRD/GTL/690 Marbela Resorts Morjim	2014-15	05/01/2018	7,64,402	7,64,404	3,21,051	03/03/2017	7,64,402	22	3,24,871	3,820
	2016-17	25/03/2021	25,02,105	27,56,500	3,70,175	05/01/2018 to 18/01/2018	25,02,105	9	4,12,847	42,672
	2017-18 (1 <sup>st</sup> Qtr.)	25/03/2021	4,84,873	5,34,282	48,909	11/01/2019	4,84,873	18	1,67,281	1,18,372
<b>TOTAL</b>										<b>12,67,248</b>

**APPENDIX 3.1**  
(Referred to in paragraph 3.2)  
**Details of under reporting of cash received**

(Amount in ₹)

Sl. No.	Date	Receipt Book no.	Receipt no.	Amount as per receipt book	Amount as per subsidiary cash book/cash book	Short remittance amount
1	19/07/2018	224	15	1,764	1,260	504
2	21/09/2018	230 & 231	42 to 50 & 1 to 11	1,02,698	1,02,678	20
3	09/11/2018	241	4 to 24	79,072	79,012	60
4	15/11/2018	242 & 243	41 to 50 & 1 to 13	32,877	32,527	350
5	05/12/2018	247	2 to 19	67,427	67,237	190
6	20/12/2018	249	48	1,710	710	1,000
7	15/01/2019	253	49	380	300	80
8	18/02/2019	259	40	1,000	250	750
9	28/02/2019	261	15	12,808	2,808	10,000
10	11/03/2019	263 & 264	41 to 50 & 1 to 9	55,247	36,319	18,928
11	02/07/2018	221	44	4,180	0	4,180
12	16/07/2018	223	48	320	0	320
13	16/07/2018	223	49	1,260	0	1,260
14	06/09/2018	229	26	405	0	405
15	16/11/2018	243	14	1,869	0	1,869
16	11/12/2018	248	20 to 34	2,77,287	97,287	1,80,000
17	20/02/2019	260	2	2,580	0	2,580
18	01/03/2019	261	31	1,020	0	1,020
19	01/03/2019	261	32	2,132	0	2,132
20	01/03/2019	261	33	155	0	155
21	01/03/2019	261	34	530	0	530
22	01/03/2019	261	35	1,750	0	1,750
23	01/03/2019	261	36	17,590	0	17,590
24	01/03/2019	261	37	3,224	0	3,224
25	01/03/2019	261	38	19,730	0	19,730
26	01/03/2019	261	39	570	0	570
27	12/03/2019	264	10	200	0	200
28	29/04/2019	270	26	14,610	610	14,000
29	29/05/2019	275	44 <sup>5</sup>	22,360	0	22,360
30	13/06/2019	277	37	6,450	0	6,450
31	21/06/2019	278	46	370	0	370
32	03/07/2019	280 & 281	50 & 1 to 17	93,299	86,997	6,302
33	13/08/2019	287	24	7,635	635	7,000
34	02/10/2019	294	36 to 50	30,503	30,363	140
35	10/10/2019	296	34	9,803	1,803	8,000
36	15/11/2019	301	25	390	0	390
37	22/11/2019	302	5	5,765	3,218	2,547
38	18/02/2020	317	21	2,695	0	2,695
<b>TOTAL</b>				<b>8,83,665</b>	<b>5,44,014</b>	<b>3,39,651</b>

(Source: Information compiled from Receipt books, Subsidiary cash book and Cash book)

<sup>5</sup> Date of receipt has been mentioned as 18 May 2019 on this receipt.









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