

Chapter I

**Social, General and
Economic Sectors**

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1.1 About this Report

This report relates to matters arising from the Information Technology audit of Transport Department and compliance audit of some selected departments of the Government of Goa (GoG). The primary purpose of the report is to bring to the notice of the State Legislature, audit findings of significant materiality in respect of Information Technology audit and compliance audits. The audit findings are expected to enable the executive to take corrective actions and also to frame policies and directives that will lead to improved financial management of the organisations, thus contributing to better governance and improved public service delivery.

This Report comprises two chapters containing one Information Technology Audit, two Subject Specific Compliance Audits and 13 paragraphs. Chapter I contains compliance audit findings pertaining to Social, General and Economic Sectors. Chapter II contains one 'Information Technology Audit on Vahan 4.0 and Sarathi 4.0' and compliance audit findings pertaining to Revenue Sector, including two Subject Specific Compliance Audits on processing of refund claims and transitional credits under GST.

1.2 Trend of Expenditure

The comparative position of expenditure incurred by the Government during the year 2020-21 and in the preceding two years is given in **Table 1.1**.

Table 1.1: Comparative position of expenditure

(₹ in crore)

Disbursements	2018-19	2019-20	2020-21
Revenue Expenditure			
General services	3792.81	3942.72	4144.19
Social services	2645.94	2739.16	2919.06
Economic services	2868.81	3136.87	3048.89
Grants-in-aid and contributions	1775.28	1803.91	1980.52
Total	11082.84	11622.66	12092.66
Percentage of increase of Revenue Expenditure from year 2018-19	-	4.87	9.11
Capital Expenditure			
Capital outlay	2149.14	1660.24	1996.67
Loans and advances disbursed	3.10	13.42	1.61
Repayment of public debt	920.46	1024.93	751.15
Total	3072.70	2698.59	2749.43
Grand total	14155.54	14321.25	14842.09
Percentage of increase of total expenditure from year 2018-19	-	1.17	4.85

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

The total expenditure of the State increased by five *per cent* from ₹ 14,156 crore in 2018-19 to ₹ 14,842 crore in 2020-21. The revenue expenditure of the State increased by nine *per cent* from ₹ 11,083 crore in 2018-19 to ₹ 12,093 crore in 2020-21.

The share of revenue expenditure to total expenditure was 80 *per cent* during 2018-20. The revenue expenditure increased to 81 *per cent* during 2020-21 with corresponding decrease in capital expenditure to 19 *per cent* as compared to 20 *per cent* during 2018-20.

1.3 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 Autonomous Bodies which are audited under the provisions of Sections 19 and 20 of the CAG's (DPC) Act. In addition, the CAG also conducts audit of bodies/authorities which are substantially funded by the Government, under Section 14 of the CAG's (DPC) Act. Principles and methodologies for various audits are prescribed in the Auditing Standards and the Regulations on Audit and Accounts (Amendments), 2020 issued by the CAG.

1.4 Planning and conduct of Audit

There are 59 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 Accountant General, Goa.

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

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

1.5 Lack of responsiveness of Government to Audit

1.5.1 Inspection Reports outstanding

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

As of June 2021, 721 IRs (3,060 paragraphs) were outstanding for want of compliance. Year-wise details of IRs and paragraphs outstanding are detailed in **Appendix 1.1**.

1.5.2 Response of departments to the draft paragraphs

Five draft paragraphs were forwarded (November 2021-February 2022) to the Secretaries of the concerned departments. The Government's replies to these draft paragraphs were required to be received within six weeks. However, replies have not been received till date (September 2022).

1.5.3 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 Accountant General for vetting. The EMs in respect of the paragraphs included in the Audit Reports were to be furnished to the State Legislature within three months from the date of tabling of the Audit Report.

Nine departments as detailed in **Appendix 1.2** had not submitted EMs for 13 paragraphs pertaining to Audit Reports for the years 2015-16 to 2019-20 (March 2022).

Public Sector Undertakings and Government Commercial and Trading Activities

1.6 Functioning of State Public Sector Undertakings

There were 16¹ State Public Sector Undertakings (PSUs) as on 31 March 2021 in sectors other than Power Sector². These State PSUs were incorporated during the period 1965 to 2016 and included 14 Government Companies and two Statutory

¹ Excluding Goa Auto Accessories Limited, which has been handed over to the liquidator for conducting liquidation process as per Insolvency and Bankruptcy Board of India (Liquidation Process) Regulation, 2016, as per NCLT order delivered on 20/08/2019.

² The State Government's Electricity Department executed the functions of power purchase, distribution and maintenance.

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). 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 the subsidiary of Economic Development Corporation Limited (EDCL), *i.e.* GEL. Audit comments on the accounts of the State PSUs are incorporated in the Audit Report on State Finances for the year 2020-21 separately.

1.6.1 Lack of responsiveness of Government to Audit

Inspection reports outstanding

The Accountant General (AG) arranges to conduct periodical inspections of PSUs and auditable units under the Electricity Department to test-check their transactions. The AG also verifies the maintenance of important accounting and other records as per prescribed rules and procedures. These are followed up with Inspection Reports (IRs) which are issued to the heads of the PSUs inspected with copies to the Administrative departments. Half yearly reports of pending IRs are sent to the Secretaries of the concerned departments, to facilitate monitoring of the action taken on the audit observations included in these IRs.

As of June 2021, 130 IRs (694 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 1.2**.

Table 1.2: Details of IRs and paragraphs outstanding

(Figures in numbers)

Name of PSU/Department	Jun-2019		Jun-2020		Jun-2021	
	IR	Para	IR	Para	IR	Para
EDCL	07	33	04	21	06	29
GSIDCL	03	16	04	23	04	23
GAAL	01	04	01	04	01	04
GSTFDCL	01	07	00	00	01	07
GEL	01	08	02	13	02	04
GFDCL	03	17	03	06	04	15
GSSCOBCFDCL	02	19	00	00	02	19
GHRSSIDCL	01	09	01	08	01	08
GMCL	00	00	01	02	00	00
GSHCL	03	09	03	09	04	18
ITCGL	03	16	03	16	05	31
SIDCGL	02	05	03	10	03	10
GTDC	03	14	04	18	04	18
KTCL	00	00	00	00	01	09
GIDC	07	58	08	83	09	95
GITDC	00	00	01	02	01	02
Electricity Department	68	307	76	353	76	365
River Navigation Department	05	21	06	38	06	37
Total	110	543	120	606	130	694

(Source: Compiled from Audit records)

1.6.2 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 included in the Audit Reports. The Finance Department, Government of Goa issues every year, instructions to all Administrative departments to submit replies/explanatory notes within a period of three months of their presentation to the Legislature, in the prescribed format without waiting for any questionnaires from the Committee on Public Undertakings (COPU).

Table 1.3: Position of explanatory notes not received (as on 31 March 2022)

Year of the Audit Report (PSU)	Date of placement of Audit Report in the State Legislature	Total Performance Audits (PAs) and Paragraphs in the Audit Report		Number of PAs/ Paragraphs for which explanatory notes were not received	
		PAs	Paragraphs	PAs	Paragraphs
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
Total		3	3	1	3

(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 Electricity Department and Goa Industrial Development Corporation are pending.

Discussion of Audit Reports by COPU

The status of discussion of Performance Audits and paragraphs that appeared in the Audit Report (PSUs) by the COPU as on 31 March 2022 is given in **Table 1.4**.

Table 1.4: PAs and paragraphs appeared in Audit Reports vis-à-vis discussed as of 31 March 2022

Year of the Audit Report (PSU)	Number of PAs/Paragraphs			
	Appeared in Audit Report		Discussed by COPU	
	PAs	Paragraphs	PAs	Paragraphs
2016-17	0	4	0	4
2017-18	1	1	0	0
2018-19	1	1	0	0
2019-20	0	2	0	0
Total	2	8	0	4

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

The discussion on Audit Reports (PSUs) up to 2015-16 has been completed.

Compliance to Reports of COPU

Action Taken Notes (ATNs) on five reports of the COPU presented to the State Legislature in February 2011, December 2018, January 2019 and January 2021 are awaited (31 March 2022) as indicated in **Table 1.5**.

Table 1.5: Compliance to COPU Reports

Year of the COPU Report	Total number of COPU Reports	Total number of recommendations in COPU Reports	Number of recommendations where ATNs not received
2009-11	1	4	4
2014-15	1	8	8
2017-18	1	6	6
2018-19	2	12	12
2019-20	1	4	4

(Source: Compiled based on recommendations of COPU)

These Reports of COPU contained recommendations in respect of paragraphs which appeared in the Audit Report of the CAG of India for the year 2003-04, 2009-10, 2010-11, 2011-12, 2012-13 and 2013-14 respectively.

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

Home Department

1.7 Avoidable payment of late fee of ₹ 2.39 crore due to delay in payment of annual spectrum charges

Failure of Goa Police Department to pay annual spectrum charges to Government of India on time resulted in avoidable payment of late fee of ₹2.39 crore.

The main duty of the State police force is the maintenance of law and order within the State and wireless communication systems play an important role in this function. Ministry of Communication, Department of Telecommunication, Government of India is responsible for facilitating faster means of communication through the allotment of necessary spectrum.

Goa Police was allotted 21 (1 HF, 16 VHF and 4 UHF) reconciled Decision Letters (DLs³) for spectrum frequency networks, for which annual charges were to be paid. The Department was required to pay annual licence fee plus royalty amounting to ₹ 0.20 crore (₹ 0.03 crore being licence fee and ₹ 0.17 crore being royalty) from 2004 to 2012 and ₹ 0.47 crore (₹ 0.03 crore being licence fee and ₹ 0.44 crore being royalty) from April 2012 to January 2022. These charges were required to

³ Decision Letter is issued against each network licence provided

be paid in advance every year and a late fee at the rate of two *per cent* compounded annually was applicable for all delayed payments.

However, the Department failed to pay the annual charges in advance. Till March 2018, the Department had paid only ₹ 0.07 crore (₹ 0.02 crore in 2003 and ₹ 0.05 crore in 2008). The total amount payable, worked out to ₹ 23.77 crore, which included a late fee of ₹ 19.38⁴ crore. The Ministry conveyed (18/06/2018) waiver of late fee upto June 2018 on all networks existing prior to 01/06/2004 and requested all states to clear their dues at the earliest, but not later than 06/12/2018. Thus, with the waiver of late fee of ₹ 19.38 crore, the liability of the Department as at 31/03/2018 was ₹ 4.39 crore. Accordingly, the Department should have cleared the outstanding dues of ₹ 4.86 crore (₹ 4.39 crore *plus* ₹ 0.47 crore advance payment of 2018-19) by 30/06/2018. However, the Department continued to make part payments which resulted in levy of late fee of ₹ 2.39 crore (from July 2018 to March 2021) as given in **Table 1.6**.

Table 1.6: Details of payment of spectrum charges for the period 2018-22

(₹ in crore)

Year	Dues from previous year	Annual Spectrum charges for the year	Late fee	Total amount due to be paid	Amount paid	Amount payable
2018-19	4.39	0.47	0.84	5.70	1.99	3.71
2019-20	3.71	0.47	0.96	5.15	2.00	3.15
2020-21	3.15	0.47	0.58	4.20	3.95	0.25
2021-22	0.25	0.47	0.17	0.89	0.47	0.42
Total		1.88	2.55⁵		8.41	

(Source: Information provided by the office of the Director General of Police, Goa)

It can be seen that as against the cumulative liability of ₹ 5.80⁶ crore towards spectrum charges (for the period 2018-2021), the Department paid (from February 2019 to November 2020) ₹ 7.94 crore (comprising spectrum charges of ₹ 5.56 crore and late fee of ₹ 2.39⁷ crore) leaving a balance of ₹ 0.25 crore as unpaid. Thus, despite the levy of late fee by the Ministry, the Department did not discharge its liability in full. In the ensuing year also, the outstanding dues were not fully discharged and an amount of ₹ 0.42⁸ crore remained outstanding.

The Department stated that no budget provision was available for payment of spectrum charges and that the Finance Department had approved (November 2020) a separate head of account⁹ for providing funds in the budget. The reply of the Department is not acceptable as spectrum charges are being levied since 2004 and

⁴ Calculated at two *per cent* (compounded annually) upto 31/03/2018

⁵ Including the additional late fee for 2021-22

⁶ Outstanding liability as on 01/04/2018 (₹ 4.39 crore) plus spectrum charges for three years (₹ 0.47 crore per year, ₹ 1.41 crore)

⁷ Opening balance ₹ 4.39 crore plus spectrum charges for 3 years ₹ 1.41 crore less payments made ₹ 7.94 crore plus closing balance ₹ 0.25 crore

⁸ Liability of ₹ 0.89 lakh less payment made ₹ 0.47 lakh (on 31 March 2022)

⁹ 2055-00-109-04-50

during the years 2018-19 to 2020-21 payment of spectrum charges of ₹ 7.94 crore was made from the funds allotted under Office Expenses¹⁰. Moreover, despite the opening of a new head of account in November 2020 with a budget provision of ₹ 1.15 crore for the year 2021-22, the outstanding dues on spectrum charges were not cleared in full.

The failure of the Police Department to pay spectrum charges in a timely manner, resulted in avoidable payment of ₹ 2.39 crore as late fees for the period 2018-19 to 2020-21.

Department of Civil Supplies and Consumer Affairs

1.8 Infructuous expenditure of ₹ 1.91 crore on procurement of tur dal¹¹.

Loss of ₹ 1.91 crore due to procurement of large quantity of tur dal without assessment of consumer demand and lifting capacity of Fair Price Shops.

Rule 144 (iv) of GFR 2017 prescribed avoiding purchase of quantities in excess of requirement to avoid inventory carrying costs while ensuring efficiency, economy, and transparency in public procurements.

During COVID-19 pandemic, Department of Civil Supplies and Consumer Affairs (DCS&CA) decided to provide relief to the 2.04 lakh APL and ANP¹² ration card holders through supply of one kg tur dal at ₹ 83¹³/Kg per cardholder for four months (April to July 2020) under Public Distribution System. Sale of 100 MT¹⁴ of tur dal was planned through the Goa State Horticultural Corporation Limited (GSHCL), while the remaining tur dal was to be sold through Fair Price Shops (FPS). Accordingly, DCS&CA placed (30/03/2020) an order with National Agriculture Co-operative Marketing Federation of India (NAFED) for supply of 800 MT of tur dal at ₹ 79,000 per MT.

Though the Secretary, DCS&CA had granted (08/04/2020) *post-facto* Administrative approval and Expenditure sanction of ₹ 6.80 crore for procurement of 800 MT, the Government of Goa (GoG) in its Cabinet meeting resolved (22/04/2020) to distribute 408 MT tur dal, one kg per card for a period of two months (April and May 2020). Accordingly, the Director, DCS&CA modified (April 2020) the purchase quantity to 408 MT.

NAFED supplied¹⁵ (April-May 2020) 400 MT of tur dal, out of which only 139.57 MT (34.23 *per cent*¹⁶) was lifted by FPS during April-May 2020. Despite further extensions till September 2020, only 16.42 MT of the balance 260.43 MT was

¹⁰ 2055-00-109-01-13

¹¹ A perennial legume, also known as pigeon pea or arhar dal

¹² Above Poverty Line (APL) and Annapurna Card holders (ANP) were 2,03,838

¹³ Price of ₹ 83/Kg included transportation & FPS dealer profit margin

¹⁴ Metric Tonne

¹⁵ Through their vendor M/s Shri Hari Industries, Gulbarga

¹⁶ Out of the total quantity of 407.8 MT allotted across talukas only 139.57 MT were lifted by FPS

lifted by FPS. The reason for low off-take being poor response from ration card holders. GSHCL refused (31/08/2020) to lift the tur dal as they were procuring polished dal from the open market at ₹ 73 /Kg, which was preferred by consumers, as against the partially polished tur dal supplied by DCS&CA at a higher price of ₹ 80 /Kg. In addition to above, GoG had directly distributed 2.80 MT of tur dal in containment zones during pandemic period.

Thereafter, the Education Department agreed (10/11/2020) to lift the entire 241.21¹⁷ MT for distribution under Mid-day meal scheme. However quality check carried out by the Food and Drugs Administration at the behest of the Secretary, Civil Supplies revealed (November 2020) that the entire quantity of tur dal was “unsafe food”¹⁸. Efforts to dispose off the tur dal as ingredients for cattle/poultry feed did not fructify as the tur dal was not suitable even for that as per the report of Indian Council of Agricultural Research (09/04/2021). Other efforts¹⁹ for disposal through alternate channels proved to be too late and led to subsequent declaration of remaining 241.21 MT of tur dal as unsafe, not only for human consumption but also as cattle feed.

Audit noticed that before taking up procurement, the Department neither assessed the demand (including consumer preference for polished dal) for tur dal nor was GSHCL consulted/contracted for sale of 100 MT. Thus, non-preparation of an appropriate procurement plan, based on an estimation of the capacity of the FPS/other channels resulted in 241.21 MT (60 *per cent*) of tur dal valued at ₹ 1.91 crore remaining unsold for seven²⁰ months. Moreover, the consignments of tur dal were accepted by DCS&CA from NAFED’s vendor without adequate²¹ checks.

The Department accepted (19/04/2021) the audit observation as well as the financial loss of ₹ 1.91 crore and stated that efforts to sell through media awareness campaigns (April 2020 and August 2020) and meetings with GSHCL, Bardez Bazaar, Goa Bagayatdar and Registrar of Co-operative Societies did not yield any result. In subsequent reply, the Department also accepted (17/03/2022) that GSHCL was not consulted during planning stage to sell 100 MT tur dal through their outlets. Further, the Department informed (January 2023) that the matter had been referred to the Vigilance Department and inquiry was in progress.

Thus, the failure of the DCS&CA to estimate consumer demand, ascertain the lifting capacity of FPS and accordingly plan for procurement/distribution of

¹⁷ 241.21 MT = Total 400 MT minus (155.99 MT lifted by FPS plus 2.80 MT distributed in containment zone)

¹⁸ Odour and appearance of dal was not satisfactory, live and dead insect/worms were present, all characteristics such as extraneous matter, defects (seeds with serious defects and light defects) were beyond prescribed permissible limits prescribed by FSSAI Manual.

¹⁹ 2,800 kg in containment zone

²⁰ From May 2020 to November 2020

²¹ The type, grade, variety and expiry date of tur dal was not known as the consignments were received in plain bags without labels and declaration of batch details, quality certificate, specifications of tur dal and expiry date.

required quantities in a staggered manner, led to excess procurement and failure to sell in a timely manner, resulting in 241.21 MT of tur dal being declared “unsafe food”, which caused a loss of ₹ 1.91 crore to the exchequer.

Department of Town and Country Planning

1.9 Loss of interest of ₹ 1.03 crore due to non-adherence to Government directions

Failure of the Department to monitor the utilization of grants released to the grantee institution and parking of grants in current account by the grantee resulted in loss of interest of ₹ 1.03 crore.

Government of Goa, *vide* circular dated 02/01/2004 identified Economic Development Corporation Limited (EDCL) as the institution for payment of compensation for land acquired under Land Acquisition Act, 1894 and instructions were issued to all land acquiring departments, corporations and other agencies to deposit amounts pertaining to land acquisition award with the EDCL subsequently. For drawal of cheques to be paid to beneficiaries, the officers of Land Acquisition Cell associated with the concerned projects were required to forward a request letter to EDCL. Based on this, cheques were to be forwarded by the EDCL to the Land Acquisition Cell within seven working days. EDCL remitted interest at the rate of eight *per cent* on the land acquisition deposits made by the Government departments, into the Government treasury annually.

South Goa Planning Development Authority (SGPDA)²² sought Government approval (09/01/2019) to acquire land admeasuring 22,565 square metres²³ worth ₹ 15.17 crore for the purpose of developing Multi Public Utility Services²⁴ at Navelim/Margao, which needed to be urgently taken up. Accordingly, special capital grant²⁵ of ₹ 15.17 crore was released by the Town and Country Planning Department (TCP), Government of Goa to SGPDA, Margao on 29/03/2019.

The Pattern of Assistance (01/03/2019) released by Chief Town Planner (Administration), TCP stipulated that the sanctioned capital grant should be utilised exclusively for the proposed land acquisition and within a period of one financial year for the purpose for which it was sanctioned. The amount remaining unspent from this capital grant shall be refunded back to the treasury within three months from the close of the financial year.

²² A Statutory Body formulated under the Town and Country Planning Board and the main functions of the Authority are as specified under Section 20 (2) of the Town and Country Planning Act, 1974.

²³ 1,140 sq. m. in property bearing chalta No. 7 of PT Sheet No.258 at Margao and 21,425 sq.m. in survey No. 203/1 and 203/4 of Navelim village

²⁴ Having public purpose as its primordial object and includes development of burial ground/kabrasthan

²⁵ This grant of ₹ 15.17 crore was not provided in the original budget but in the Supplementary budget for the specific purpose of developing Multi Public Utility services at Navelim/Margao.

Audit observed (January 2020) that SGPDA deposited (30/03/2019) the capital grant amount of ₹ 15.17 crore in a current account (A/c No. 35213824439) with State Bank of India (SBI), which was in violation of Government instructions regarding land acquisition deposits. Further, the TCP neither instructed the SGPDA to adhere to Government instructions regarding deposit of grants with EDCL nor monitored the utilisation of grants released to SGPDA. As a result, the capital grant of ₹ 15.17 crore remained parked in SGPDA's current account with SBI for a period of 341 days from 30/03/2019 to 04/03/2020. Further, SGPDA could not go ahead with the land acquisition as planned within one year, due to objections by the residents of Navelim/Margao, as the area was close to river Sal, and located in a water catchment and eco-sensitive area.

On this being pointed out (January 2020) by audit, the TCP accepted the lapse and stated (August 2020) that the amount has been transferred to EDCL on 05/03/2020. Further, due to non-utilisation of capital grant, it was decided (08/12/2021) to direct the SGPDA to refund the unutilised capital grant allocated, with the approval of the Government.

The Department stated (18/04/2022) that in future it would strictly adhere to all financial rules issued by the Government from time to time and whenever the Department releases grant for land acquisition, the clause to deposit the amount with EDCL would be incorporated and that the utilisation of funds would be monitored in timely manner. Further, it was stated (30/05/2022) that the proposal for acquiring this land has been dropped and that the amount was yet to be transferred to Government treasury as the request for funds transfer had to be made by Dy. Collector & Land Acquisition Officer, which was awaited.

Thus, due to the TCP Department's failure to instruct the SGPDA to deposit the funds relating to land acquisition award with the EDCL and monitor the utilisation/refund of grant before June 2020²⁶, the SGPDA parked ₹ 15.17 crore in its current account with SBI for 341 days, in violation of Government instructions, resulting in loss of interest of ₹ 1.03 crore²⁷ to the Government.

²⁶ Unspent capital grant need to be refunded back to the treasury within three months from the close of the financial year (2019-20)

²⁷ $(₹ 15,16,58,000 \times 8 \text{ per cent} \times 268)/365 = ₹ 89,08,349$ plus ₹ 14,40,751 (Interest to be earned from EDCL @ 8 per cent of ₹ 15,16,58,000 minus interest earned from SBI @ 3.25 per cent of ₹ 15,16,58,000 for 73 days)