



**(LEGISLATIVE ASSEMBLY OF GOA)**

**PUBLIC ACCOUNTS COMMITTEE  
(2017-19)**

**SEVENTY FOURTH REPORT**

**Report of the Public Accounts Committee on the Report of the  
Comptroller and Auditor General of India for the year  
2011-12**

**LAID ON THE TABLE OF THE HOUSE  
ON 31<sup>ST</sup> JANUARY, 2019**

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**GOA LEGISLATURE SECRETARIAT  
ASSEMBLY COMPLEX  
PORVORIM – GOA**

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ASSEMBLY COMPLEX  
PORVORIM – GOA**

(i)

**INDEX**

<b>Sr. No.</b>	<b>CONTENTS</b>	<b>Pg. No.</b>
<b>1.</b>	<b>Composition of the Committee</b>	<b>(ii)</b>
<b>2.</b>	<b>Introduction</b>	<b>(iii)</b>
<b>3.</b>	<b>Report</b>	
	<b><u>CHAPTER-I</u></b>	
	<b>Tourism</b>	<b>1</b>
	<b><u>CHAPTER-II</u></b>	
	<b>Rural Development Agency</b>	<b>48</b>
	<b><u>CHAPTER-III</u></b>	
	<b>Finance</b>	<b>50</b>
 <b>Audit Paras from the Report of the Comptroller and Auditor General of India for the year ended 31<sup>st</sup> March, 2012.</b>		
<b>4.</b>	<b>Appendix – I</b>	<b>(Minutes of the meeting) 52</b>
<b>5.</b>	<b>Appendix – II</b>	<b>(Minutes of the meeting) 55</b>
<b>6.</b>	<b>Appendix – III</b>	<b>(Minutes of the meeting) 57</b>
<b>7.</b>	<b>Appendix – IV</b>	<b>(Minutes of the meeting) 60</b>

(ii)

**COMPOSITION OF THE  
PUBLIC ACCOUNTS COMMITTEE  
(2017-19)**

**CHAIRMAN**

**SHRI PRATAPSINGH RANE**

**MEMBERS**

**SHRI CHURCHILL ALEMAO**

**SHRI NILESH CABRAL**

**SHRI GLENN TICLO**

**SHRI RAJESH PATNEKAR**

**SHRI DAYANAND SOPTE**

**SMT JENNIFER MONSERRATE**

**GOA LEGISLATURE SECRETARIAT**

**SHRI N. B. SUBHEDAR, SECRETARY,**

**SMT CELIZA FERNANDES, UNDER SECRETARY**

(iii)

## **INTRODUCTION**

I, the Chairman of the Public Accounts Committee (2017-18) of the Sixth Legislative Assembly of the State of Goa having been authorised by the Committee to submit the Report on its behalf, present this Seventy Second Report of the Committee on the Audit Paras reflected in the Report of the Comptroller and Auditor General of India for the year 2011-12.

During its three sittings the Public Accounts Committee considered the explanation of the Departments in respect of Memorandum of Important points on Paras reflected in the Reports of the Comptroller and Auditor General of India for the year 2011-12.

The minutes of the meetings are at Appendix "I" to "III". After careful consideration, the Committee formulated its recommendations, which are embodied in the Report. The draft report was considered and adopted by the Committee at its meeting held on 2<sup>nd</sup> November, 2018. Minutes of the meeting are at Appendix IV.

The Committee is grateful to Shri. Ashutosh Joshi, Accountant General, Audit, Porvorim, Shri. Muralidharan, Sr. Audit Officer (Report) for their valuable guidance rendered to the Committee.

The Committee also places on record the cooperation extended to the Committee by Shri N. B. Subhedar, Secretary, Smt. Celiza Fernandes, Under Secretary, Smt. Perpetina D'Souza, Section Officer and all the concerned staff of the Legislature Secretariat and commends their contribution towards the Report.

ASSEMBLY HALL  
PORVORIM, GOA  
DATED: 2<sup>ND</sup> NOVEMBER, 2018

SHRI PRATAPSINGH RANE  
CHAIRMAN

## **CHAPTER-I**

### **TOURISM DEPARTMENT**

#### **Performance Audit of promotion of tourism in Goa.**

*Goa is a popular tourist destination, famous especially for its beaches. The Goa tourism policy while outlining several measures to promote tourism in the State did not establish roles, responsibilities, organisations, agencies to assist in the execution of the action plan. Execution of new tourism projects suffered due to delay in obtaining various regulatory and other mandatory permissions/approvals. Amenities like parking and toilets were not adequately provided and maintained at popular tourist destinations. Ineffective monitoring by the Department resulted in violations and irregularities by beach shacks and water sports operators. Planning for advertisements and campaigns was not conducted by formulating a well-designed strategy and the impact of advertising efforts was not assessed. Community participation in development of tourism was found lacking. Solid waste management in coastal areas was ineffective due to lack of treatment facilities. There is a possibility of one beach becoming unsuitable for tourism due to environmental damage inflicted by a ship which ran aground but could not be removed for 12 years. Some of the key findings are highlighted below.*

#### **Audit findings**

- **Tourism policy formulated in 2001 was not revised. It did not spell out the role of various departments, agencies and organisations and indicate timelines for carrying out the tasks outlined in action plan.**
- **A single consultant was appointed without calling of tenders in May 2008 for providing consultancy services for various tourism projects. Out of 10 infrastructure projects proposed for execution with Central Financial Assistance at a total estimated cost of ₹ 238.24 crore, only one was under execution, three were yet to be sanctioned by GoI and execution of the remaining six projects was held up for want of various approvals/permissions.**
- **Amenities at tourist places like parking lots, toilets and**

changing rooms were inadequate and poorly maintained, wherever they existed. The Department's control over irregularities by beach shack owners was found to be inadequate and weak.

- The selection of advertising agencies and award of contracts for various promotional events were not transparent. The Department was not able to measure the outcome of the various promotional events undertaken by the agencies, in the absence of clear deliverables. Electronic campaigns of the Department were found to be expensive by ₹ 5.63 crore when compared with the rates offered by the Directorate of Advertising and Visual Publicity, GoI, during the similar period and for similar time slots.
- New tourism products like festival tourism, health tourism and monsoon tourism were not adequately promoted. The Government did not make any additional arrangements to start cruise activities in other parts of the State. A number of water sports operators carried out business without valid registration with the Department.
- Poor management of waste in North Goa coastal belt resulted in contamination of water in the Salmona spring. The excessive drawal of ground water in the coastal belt due to tourism related activities resulted in lowering of ground water table at an alarming rate. Due to mining of iron ore in the vicinity of Harvaalem waterfall, the place was losing its identity as a religious and tourist spot.
- The Department took 12 years to dispose of a grounded ship near Sinkerim beach resulting in erosion of land valued at 21 crore and loss of ₹ 17 crore to business and other establishments.

## **POLICY MAKING, PLANNING AND IMPLEMENTATION**

### *Trend of tourist arrivals*

Domestic as well as foreign tourists prefer to visit Goa during the months of October to March and the four months of monsoon from June to September witness lesser number of both categories of

tourists. The details of tourist arrivals in the State were as under: Out of the total FTA in India, only 7% visited Goa. United Kingdom, Russia and Germany were the major countries contributing to FTA in Goa with their nationals accounting for more than 60% of the foreign tourists. FTA witnessed negative growth in the year 2008 but during 2007-11, there was growth in tourists arrivals compared to the previous year. This growth however was not significant in the year 2011 as compared to the year 2010 indicating stagnation in the FTA. The State did not figure in the top 10 States of the country in attracting foreign tourists during the years 2009 and 2011.

Share of domestic tourists was less than half a per cent of the total tourist arrivals in the country. However, for Goa, domestic tourists comprised more than 80% of the total tourist arrivals which seemed to be stagnating from 2009 onwards.

The Principal Secretary, Tourism stated (March 2013) that arrivals in Goa had been understated and the statistics was not properly collected in respect of tourists arriving through road/rail and staying in unregistered accommodations. He further stated that measures were being taken to improve the statistics collection.

The Department in its written reply stated that the Department of Tourism has taken various marketing initiatives/steps for promoting Goa as a World Class Tourist Destination at the national as well as international level. The efforts of the Department have yielded positive results as the State has recorded a considerable increase in the inflow of domestic as well as foreign tourists. The statistical data since 2012 is given below:

<b>Year</b>	<b>Domestic</b>	<b>Foreign</b>	<b>Total</b>	<b>% Change</b>
2012	2337499	450530	2788029	4.4%
2013	2629151	492322	3121473	12%
2014	3544634	513592	4058226	30%
2015	4756422	541480	5297902	30.5%
2016	5650061	680683	6330744	19.5%

The Department follows various initiative in order to collect accurate statistical data for publishing the same for information of the public. The Department approaches various agencies such as Airport Authority/Immigration, MPT, Konkan Railways, Kadamba Transport Corporation for collection of data and compile the same. Occupancy

reports from all the hotels registered with the Department are also being obtained every month to keep the data updated. The Department also conducts various checks/inspections all over the State to crackdown the unregistered guest houses/accommodations and directs them to register the same under the Goa Registration of Tourist Trade Act, 1982. Wide publicity through newspapers and electronic media is also given to conduct awareness among the tourism industry stakeholders in Goa in this regard. The defaulters are accordingly imposed penalty under the above Act.

### ***Goa tourism policy and tourism master plan***

A policy is a principle or rule to guide decisions and achieve rational outcome. It is focused on action, stating what is to be done and by whom. Scrutiny of Goa's tourism policy was carried out in Audit to study the framework designed for the development of tourism in the State. The scrutiny revealed the following:

- The Goa tourism policy was formulated way back in 2001 which had not been revised subsequently despite the fact that tourism in Goa was a major economic activity having direct and indirect co-relation with all other sectors.
- The policy does not spell out the agencies and organisations within the Government and outside, responsible for carrying out the tasks outlined in action plan, such as identification of potential tourist destinations, launching entrepreneurship development and self-employment schemes, focusing on development of eco-tourism, cultural heritage tourism and adventure tourism, improving the efficacy of tourist facilitation services, imposing regulatory measures on developers/operators/tourists/local communities *etc.* No timelines were established for implementation of the action plan.
- The policy also does not recognize the need to develop effective linkages and close co-ordination with other Departments like Police, Transport, Railways, Aviation and Environment in order to promote tourism in an effective and efficient manner. Thus, the objectives were not supported by initiatives across the Departments.
- The policy does not delve into crime prevention strategy and visitor protection program. In the absence of any strategy, crime against tourists had shown a continuous increasing trend during 2007-10 as discussed in paragraph 2.1.10.
- The State does not have a Tourism Board though envisaged in the policy of 2001.

- The Department had a Tourism Master Plan (TMP) prepared in February 2001 by a private consultant which formed the basis for implementation of various tourism related activities in the State. However, the TMP had not been revisited by the Department considering the emerging requirements and the challenges thrown up by this sector in the intervening period.

The Principal Secretary, Tourism stated that formulation of new comprehensive tourism policy and Tourism Master Plan was in progress and expected to be completed by April 2015.

The Department informed that they have appointed a consultant M/s. KPMG ADVISORY Services Pvt. Ltd., Mumbai, for preparation of Tourism Master Plan and Tourism Policy for the State of Goa. As per scope of work the preparation of Tourism Master Plan for the State is divided into two phases, phase 1: Planning Phase and Phase 2 : Program Management Phase providing to the Department for a period of 5 years.

Phase 1 is divided into 6 modules which are as under:

Module 1: Current and Projected tourism scenario in Goa and understanding key gaps.

Module 2: Develop tourism concepts to attract tourist to Goa.

Module 3: Development of Tourism Master Plan for Goa.

Module 4: Development of Tourism Policy for Goa.

Module 5: Review and recommend measures for strengthening institutional and economic linkages.

Module 6: Development of Action Plan to implement the previous modules.

So far, the Consultant has submitted Module 1, 2 and 3 which has been completed and approved by the Government. Further, the Consultant has submitted Module 4 report, which was placed before the Evaluation Committee wherein the members were requested to submit their inputs. Accordingly the inputs received by the Committee Members were incorporated by the Consultant and now the revised draft Module 4 report (Tourism Policy) is submitted by the Consultant. The meeting of the Evaluation Committee is fixed on 15.09.2017, for its consideration and approval. In the recently concluded meeting, the members suggested some changes on constitution of GTB, based on this aspect the Chairman has requested all members to provide their inputs/suggestion at the earliest and directed the Consultant to update and re-submit the module 4 document.

In the proposed Tourism Master Plan Module 3, the Consultant has identified the potential of tourist destinations, launching entrepreneurship development of eco-tourism, cultural heritage tourism and adventure tourism, improving measures on developers/operators/tourist/local communities. In terms of tourist security Government has set up tourist police unit under the control of Superintendent of Police (Tourist Cell), besides that the Government has appointed Contractor Drishti Life Saving on all beaches to safe guard the visiting tourists. The Consultant in the Module 4 report has proposed for a constitution of Goa Tourism Board, which will inter alia, undertake the key responsibilities of governance and institutional framework.

During oral evidence the Committee was informed that in 2012 the Government took a decision to have a new Tourism Policy which was started in 2013 onwards. The fourth model of the Master Plan was the Tourism Policy which was under consideration and would be completed once the Evaluation Committee goes through it, and the Government approves it.

***The Committee strongly recommends that the Government takes immediate steps to formulate, finalise and act on the Tourism Policy so that the State benefits from a systematic and focused approach to Tourism which is its main income earner.***

## **BUDGETARY PROVISIONS AND EXPENDITURE**

The budget provisions and expenditure of the Department during the period 2007-12 is given below.

As against the total budgetary provision for plan expenditure of ₹ 295.45 crore the Department could utilise only ₹ 219.89 crore as on March 2012. During the years 2010-11 and 2011-12 allocation of ₹ 7.75 crore was not utilised since no claims were received under the Tribal Area Sub-plan. Allocation of ₹ 4.08 crore for participation in International Travel Marts (ITM) was surrendered during the years 2008-09, 2010-11 and 2011-12. During the period 2008-12 the Department received a total Central Financial Assistance (CFA) of ₹ 73.59 crore for seven infrastructure development projects in the State. The detailed audit findings on implementations of the central projects are incorporated in the paragraphs that follow.

### **Execution of projects under central financial assistance**

Under the central scheme of 'Product/Infrastructure Development for Destinations and Circuits, financial assistance is provided by GoI based on the project plan and estimates submitted by State Governments. As per the revised guidelines issued by GoI in September 2006, the State Governments were required to submit Detailed Project Reports (DPR) for availing of CFA.

The DPRs prepared by the State agencies in Goa for five tourism products at ₹ 81.44 crore were however returned (October 2007) by the GoI for not being in tandem with the revised CFA guidelines for schemes under 'Product/Infrastructure Development for Destinations and Circuits'.

### **Appointment of a single consultant**

Audit scrutiny revealed that GoI advised (January 2007) the State Government to maintain a panel of qualified architects and project consultants for conceptualisation and preparation of DPRs. However, the Department *suo-motu* submitted (December 2007) to the State Government, the offer of M/s Lotus Environments (M/s Lotus) to provide consultancy services for tourism projects. M/s Lotus was appointed as consultant in May, 2008. The process of appointing consultant without calling of tenders deprived the State of competitive, qualified offers besides being in violation of GoI directives. The selection was further justified to the Council of Ministers of the State citing the inclusion of M/s Lotus in the panel approved by the India Tourism Development Corporation (ITDC). However, the Department failed to disclose that the panel by ITDC had been approved in April 2009, a full year after M/s Lotus had been appointed in Goa. Ex post facto approval of the Cabinet was obtained in August 2011 for appointment of M/s Lotus in May 2008 for a consultancy fee of ₹ 9.53 crore at the rate of 4% of the project cost(₹ 238.24 crore).

The Department in its written reply stated that the Department is now following all the codal formalities and guidelines as laid down by the Ministry of tourism, Government of India for appointment of Consultants for Centrally and State Funded Projects.

The Department in its further written reply stated that in the past, with a view to avail the benefits of Central Financial Assistance for creating/upgrading tourism infrastructure in the State, the Department of

Tourism had submitted some proposals to the Ministry of Tourism, Government of India for consideration. However, Ministry of Tourism, Government of India did not consider the said proposals highlighting various deficiencies in the proposals, which were mainly due to lack of expertise of Tourism officials in the preparing DPR, design as per the norms of Government of India. The Hon'ble Union Tourism Minister and the Hon'ble Chief Minister of Goa during several meetings in Delhi also highlighted this issue. Upon inquiry with the Ministry of Tourism, Government of India, New Delhi, it was noticed that the most of the States has engaged the services of consultants having expertise in preparing DPR, designs, drawings etc. as per the norms of the Schemes framed by Ministry of Tourism, Government of India for grant of Central Financial Assistance.

Meanwhile, in November 2007 M/s. Lotus Environment Pvt. Ltd., Pune approached this Department with Company profile and request to offer consultancy services. Incidentally, the services of M/s. Lotus Environment Pvt. Ltd., Pune were also engaged by Maharashtra Tourism Development Corporation (MTDC) for various projects. Inorder to confirm the veracity of this fact, this Department approached MTDC which confirmed the same. After confirming the facts, this Department processed the proposal of M/s. Lotus Environments, Pune for appointment of Consultant for CFA projects for administrative approval of the Government and financial concurrence.

After obtaining Administrative approval of the Government, this Department appointed M/s. Lotus Environments, Pune in May 2008 as Consultant for Centrally Financed Projects in Goa and subsequently acquired financial concurrence of the Government for their appointment in July 2008. On 09/07/2008 this Department executed an agreement with the Company which was duly vetted by the Law Department. After being appointed as Consultant, M/s. Lotus Environments submitted a DPR for Integrated Development of Infrastructure for Heritage and Hinterland Tourism as Mega Project, which was prepared as per the guidelines of Ministry of Tourism, Government of India and the same was forwarded to Ministry for consideration and approval on 20/01/2009. On 09/02/2009, the Ministry of Tourism conveyed its approval for the said Mega Project and sanctioned ₹ 43.09 crore.

As the Department was satisfied with the performance of M/s. Lotus Environments, Pune, the same consultant was requested to prepare DPR for another 5 projects namely 1) Development of Baga Circuit 2)

Development of Goa Haat 3) Heli Tourism 4) Development of Miramar Circuit and 5) Development of Colvale Circuit with details as below:

Name of Project	Letter to Lotus to prepared DPR	DPR submitted to DoT	DPR submitted to MoT	Sanctioned by MoT
Development of Baga Circuit	----	14/02/2011	14/02/2010	04/07/2011
Development of Goa Haat	23/06/2010	14/02/2011	23/12/2010	24/03/2011
Heli Tourism	10/10/2011	-----	14/03/2011	Not sanctioned
Development of Miramar Circuit	01/10/2010	31/01/2011	14/02/2011	Not sanctioned
Development of Colvale Circuit	01/10/2010	31/01/2011	14/02/2011	Not sanctioned

After obtaining Administrative approval for the appointment of M/s. Lotus Environments as Consultants for the above five projects, file was moved to Finance Department to seek concurrence and to make necessary budgetary provision in the respective fiscal year. However, Finance Department raised observations regarding the appointment of single consultant citing that the Consultant was appointed without following codal formalities. However, Finance Department opined that since it was a fact that the Consultant had prepared the DPR's for above projects which were duly submitted by the Department to Ministry of Tourism for consideration and Ministry has sanctioned 2 projects with Central funds being duly credited to the State Treasury, this Department was required to obtain Cabinet approval for regularising the appointment of M/s. Lotus Environments as Consultants without which payments cannot be released.

From the above fact, it is clarified based on records, that during the initial appointment of M/s. Lotus Environments, Pune in May 2008 for the Mega Project, the consultant was working with the MTDC but not empanelled with ITDC. However, at the time of obtaining Cabinet approval for regularising his appointment for the 5 projects mentioned above, the Consultant was empanelled with the ITDC and the same fact was placed in the Cabinet Note.

*The Committee voices its disapproval that the Consultant was chosen without following any procedure/guidelines of calling for tenders. Subsequently supporting the appointment with misinformation to the Cabinet that the Consultant was already empanelled with ITDC was false as they were empanelled only later. Therefore the Committee recommends that all such appointments be made through due process of law by calling for tenders which would offer a great opportunity to avail the services of best agency at the best rates with transparency.*

## **DELAY IN IMPLEMENTATION OF CFA PROJECTS**

The consultant, M/s Lotus, prepared (December 2008) the DPR for the project of Integrated Development of Infrastructure for Heritage and Hinterland Tourism in Goa (IDIHHT) at a cost of ₹ 74.42 crore. The GoI approved the project with CFA of ₹ 43.10 crore and the first instalment of financial assistance of ₹ 21.55 crore was released in February and June 2009. Further, nine projects costing ₹ 163.82 crore were entrusted (between July 2009 and November 2010) by the Department to M/s Lotus. The State's share of the cost of 10 projects constituted ₹106.47 crore (45 per cent) and the GoI share at ₹ 131.77 crore. The GoI released ₹73.59 crore on seven projects until July 2011.

The CFA conditions stipulated commissioning of projects within 24 months. However, any cost escalation on account of delay would have to be borne by the State. Further, as per the agreement, the consultant was to prepare the plans, specifications and drawings in connection with the works and secure all sanctions and approvals from the concerned Government departments, local or central or other authorities. The consultant was also responsible for preparing the DPR after considering the provisions of coastal zone regulation, town and country plans, available floor area ratios *etc.* Audit scrutiny revealed that the consultant and the Department were collectively responsible for delays in execution of these projects due to delay in obtaining various regulatory permissions, tendering and award of work. Three such cases are discussed below.

### **Convention Centre project**

CFA of ₹ 4 crore was released in March 2010 for the construction of a convention centre. M/s Lotus prepared the DPR

considering high Floor Area Ratio (FAR) than the permissible FAR of the location at Campal, Panaji. The Department approached the North Goa Planning and Development Authority (NGPDA) and the Chief Town Planner (October 2010) for relaxing the FAR regulations. As the NGPDA has not approved the proposals, the Department proposed (October 2011) to shift the location of convention centre to Margao. The DPR was not approved by the South Goa Planning and Development Authority as of August 2012. The preparation of DPR without considering the FAR of the location proposed for the project, thus, resulted in non-utilisation of CFA amounting to ₹4 crore for more than two years.

### **Goa Haat project**

Under the CFA scheme for destination development, M/s Lotus prepared (December 2010) DPR for construction of Goa Haat to serve as a platform to promote the handicrafts from local and other states. Goa Haat was sanctioned by the State Government at a cost of ₹ 24.76 crore with the CFA of ₹ 5 crore and the balance with State fund. The GoI approved (March 2011) the proposal of the State Government and also released ₹ 4 crore. The construction work projected to start from the year 2010-11 was yet to begin as tender schedules and drawings were not approved by various authorities.

Audit observed that the Government had approved the project on the basis of an annual revenue generation of ₹ 11 crore as projected in the DPR. The Department neither obtained any minimum guarantee for revenue generation from the consultant nor conducted any third party assessment on the feasibility of revenue generation. The consultant was paid ₹ 40.97 lakh (April 2011) at the approval stage itself.

### **Development of green belt**

M/s Lotus submitted the DPR at a total project cost of ₹ 39.72 crore for the development of green belt with a central component of ₹ 30 crore and state component of ₹ 9.72 crore. The project was approved by GoI in March 2011. Except for payment of ₹ 65.72 lakh to the consultant (July 2011), the selection of agencies or issue of work orders for execution of work was yet to be initiated. Further, NOC/approvals from Goa Coastal Zone Management Authority (GCZMA), NGPDA, Public Works Department (PWD) and Corporation of City of Panaji (CCP) were also pending.

As on September 2012, the Department spent ₹5.34 crore only on one out of the seven approved projects. In addition, the Department paid a total consultancy fee of ₹3.86 crore to M/s Lotus (October 2012) for 10 projects. Works on six out of seven approved projects remained non-starters. The second instalment of GoI funds would be further delayed due to non-utilization of the first instalment. As the fee payable to the consultant was based on the actual expenditure incurred, delays in execution of projects and consequent cost escalation would not only increase the State's share of costs but also benefit the consultant in the absence of any capping on his fees.

The Principal Secretary, Tourism admitted the delay in implementation of Centrally Sponsored projects and stated that the process of empanelling Project Management Consultants had started and the projects would commence soon.

The Department in its written reply stated that as regards to the Development of Green Belt Project, the Department proposes to hold a meeting of the concerned Departments under the Chairmanship of Principal Secretary (Tourism) in order to have detailed discussion on the components proposed by the Consultant in order to implement the project without any further delay.

The Department in its further written reply stated as follows:

**Convention Centre:** The Ministry of Tourism, Government of India had sanctioned ₹ 500 lakh to the project and released ₹ 400.00 lakh in the year 2009-10 to commence the work. The Department initiated the administrative process for commencing of the project, however same was delayed considerably owing to several reasons such as change in site, NOC/approvals from statutory agencies etc. and therefore the State Government in its High Powered Monitoring Committee meeting held on 24/01/2014 decided to drop the project and surrender the funds received from Central Ministry.

**Goa Haat:** The Ministry of Tourism, Government of India had sanctioned ₹ 500 lakh to the project and released ₹ 400.00 lakh to commence the work. Even after initiating necessary steps for undertaking the project, there was delay in implementing the same. Further, in May

2012, the then Hon'ble Chief Minister of the State directed this Department to handover the possession of its land at Patto where the Goa Haat project was proposed alongwith the drawings submitted by its Consultants to EDC Limited to execute the project at their end. Accordingly the process was initiated, however, as the funds sanctioned by the Ministry of Tourism were lying unutilised since 2011, the State Government was directed to surrender the same in the review meeting held in New Delhi. Accordingly, the State Government decided to drop the project and surrender the funds.

**Development of Green Belt:** The Government of India had sanctioned an amount of ₹ 200.00 crore under the Special Golden Jubilee package to Goa, out of which ₹ 30.00 crore was earmarked for Development of Green Belt project in Panaji city of the State. Accordingly, M/s. Lotus Environments, the Consultant appointed for CFA Projects submitted a DPR comprising of 9 components to be undertaken under the said project. The Department also initiated process of obtaining required NOCs/approval for the related Departments such as PWD, GCZMA, NGPDA, Forest and Captain of Ports. However except Forest Department, approval from other Departments are awaited. Meanwhile the High Powered Committee chaired by Hon'ble Chief Minister approved only two components of the project and decided to drop the rest of the components. Accordingly the Consultant and Project Cell of GTDC (SPV) were communicated the decision with a request to take necessary action in the matter for implementing the project. However, pending NOCs/approval from concerned Departments have delayed the project.

*Out of a total of 10 projects only one was under execution, 3 were yet to be sanctioned, and 6 were held up for want of permission/approvals. This shows a total lack of foresight expertise and professionalism on the part of the Consulting Agency which does not take a project to completion even after being paid its consultancy fees. The Government too shows a very casual approach to the situation by not obtaining a guarantee of minimum revenue generation of a project from the Consultant Agency. It sees a nexus between the Agency and the Government officials wherein the Agency benefits from the projects without any assets generation or revenue generation to the State. Dropping of projects after payment to the Consultant and returning of unutilised Central funds seems to be the norm. The Committee strongly feels that the Consultant Agency concerned should be held more responsible and accountable. To achieve this the Committee recommends a transparent and thorough research of Agencies submitting tenders for*

*Consultancy Services and reports of the same need to be signed by the competent Government officials who can then be held accountable.*

## **COLLECTION AND PUBLICATION OF STATISTICAL INFORMATION**

Goa Tourism policy, 2001 called for an action plan to strengthen the statistical machinery, reporting system and development of a comprehensive data base to quantify and evaluate the socio-economic benefits of tourism.

One of the tasks assigned to the planning section in the Department is to publish the statistical bulletin. The Department had published the statistical bulletin in the year 2009. Audit observed that after the year 2009 the bulletin was not published upto the year 2012. It was also observed that general information pertaining to tourism sector like accommodation-wise details of tourists, distribution of domestic tourist visits by state of origin, etc. which was an indicator of tourism trends and economic trends indicating earnings from tourism, foreign exchange earnings from tourism, tourism's contribution to State's GDP, average per day expenditure of a foreign and domestic tourist etc., were not being collected and published.

The Department in its written reply stated that the last Statistical Tourist Bulletin was published in 2012. The past Statistical Bulletins were published after 4 to 5 years, with the latest tourist data. However, for last few years the information from the year 1985 has been published on the Department's website [www.goatourism.gov.in](http://www.goatourism.gov.in) on regular basis in the same pattern as in the Statistical Bulletins. Secondly, the Department is in the process of preparation of new Goa Tourist Policy and the same shall be notified in near future.

***The Committee sees sheer lack of application on the part of the Government as a Department that can only go forward on the basis of statistics collected and analysed, did not publish a statistical Bulletin for 3 years. Data pertaining to foot falls arrivals, accommodation preferences destination wise arrival data etc. was not compiled. In the absence of such critical data the Committee fails to see a focused and concerted effort by the Department to further the benefits of Tourism for the State. The Committee recommends a revamping of the Department's website with up-to-date information and greater efforts by the Department to compile statistics from all State holders concerned.***

## **ADEQUACY OF PHYSICAL INFRASTRUCTURE**

The audit findings are discussed below:

### **Provision and maintenance of basic amenities at tourist places**

Audit conducted an inspection with Departmental authorities (September 2012) on the provisions of basic tourist facilities like adequacy of parking, toilets, changing rooms, cleanliness and access roads at 13 popular beaches out of total 34 beach destinations in Goa.

Audit noticed that signages were present in all the beaches except in Arambol Beach and public transport was available to all the sites. Further, scrutiny of DPR of IDIHHT showed that out of the 14 destinations considered for development, four did not have organised parking, eight did not have parking provision at all and there was a need for improved connectivity of roads in the case of 13 destinations. At the same time due to non-availability of changing rooms in beaches, the tourists were forced to change in the open.

The Department in its written reply stated that providing basic amenities at beaches has been accorded utmost priorities. Consequently, this Department has constructed 24 nos. of toilets facilities at various beaches and other locations and engaged services of M/s. Sulabh International Social Service Organization to maintain the same. In addition, this Department has constructed a pay toilet cum changing room at Calangute Beach, developed parking and toilet facilities at Baga Beach, etc. under State funds.

Besides above, the Government under Central Financial Assistance has taken up initiatives of providing much needed basic infrastructure and public amenities such as toilet blocks, changing rooms, illuminations of beaches, development of destinations, last mile connectivity by improving the road junctions, beautifications of temples and churches, development of parking areas, providing tourist information centres', CCTV, WiFi, Signages etc. at the touristic places in the State with special emphasis on coastal belt which has been the mainstay of tourism for past several years.

The Government has formed a SPV (Project Cell) under the GTDC to fast track the implementation of the basic infrastructure under the State funds Central funds under various schemes of Government of India.

Goa Tourism has been sanctioned an amount of ₹ 99.99 crore under Swadesh Darshan-I from Central Ministry of Tourism for providing toilet blocks at 10 locations in North Goa, to develop parking spaces with illumination and amenities at Ashwem, Calangute, Candolim, Anjuna and Aguada, provide tourist information centres' at 5 locations at Baga, Candolim, Aguada, Anjuna and Vagator alongwith free Wifi facilities at Calangute, Anjuna and Baga with CCTV surveillance. It is proposed to develop the Aguada jail as a destination to depict the sacrifices made by our freedom fighters with sound and light show which are under various stages of implementation.

Similarly another ₹ 99.35 crore has been sanctioned under Swadesh Darshan Scheme-II for development of coastal belt of South Goa including parking facilities, landscaping, Tourist Facilitation Centre, toilets, drinking water, Solid Waste Management, Solar Lights, GIS Mapping, CCTV & Wifi facilities etc. at the prominent beaches of South Goa and development of various destinations at Panaji such as Convention Centre, Open Air Theatre, Light and Sound Show, Jetty Terminal building etc. and Dona Paula such as promenade, viewing gallery, landscaping, parking, illumination, mini buses etc.

*The Committee recommends that not only the facilities be provided to the general tourist population but also the facilities and infrastructure be maintained and upgraded in a phased manner at an optimum cost by fully utilising the funds allotted and sanctioned by the Central Government under its Scheme.*

## **CLEANLINESS OF BEACHES**

Cleanliness of beaches is vital where beaches form the prime tourist attraction. Tenders were invited for beach cleaning in September 2008 for the period October 2008 to June 2009 extendable up to September 2009. The beach stretch was divided into seven strips for the purpose of cleaning contracts. The lowest bidders were selected and work orders were issued in November 2008 to selected bidders. The work orders for all the beach stretches were then extended six times during the period from July 2009 to November 2011. The total expenditure incurred was ₹ 1.48 crore towards beach cleaning by seven contractors. Fresh tender notice was issued in June 2011 and work orders were issued to the selected bidders in December 2011.

## **Deficiencies in appointing agencies**

Audit observed that no agreements were executed by the Department with the contractors. Extension of work for all the beach stretches was given retrospectively, between two and nine months after expiry of the validity period of the contract. The bank guarantees furnished by the contractors expired in June 2009 but no action was taken by the Department to revalidate the bank guarantees. In the absence of agreements, the Department was not in a position to safeguard its interest in the event of deficient performance by the contractor.

The Department agreed (September 2012) that the agreements were not executed with the beach cleaning contractors due to delay in administrative and financial approvals.

## **Beach inspections**

Monitoring of the performance of the beach cleaning contractors was to be carried out by the Departmental inspectors and information assistants who were to submit regular inspection reports to the Director of Tourism. The inspections were carried out on a regular basis for South Goa beaches and reported on monthly basis. However, site inspection reports for North Goa beach stretches (N-1 to N-4) comprising 16 beaches were submitted to the Head Office only two to five times during the period from July 2009 to November 2011 (40 months). The ineffective monitoring of beach cleaning resulted in dirty beaches.

The Department agreed (July 2012) that the reports of inspections had not been received and the inspections were carried out randomly.

The Department in its written reply stated that it is submitted that the Department –as taken cognizance of the Audit report and a tender was floated in the year 2013 for comprehensive management of cleanliness on the beaches of Goa which encompassed manual and mechanical cleaning with a detailed strategy for inspections and monitoring. The tender was floated on 18/07/2013 two different agencies were selected for the management of cleanliness on the beaches of North Goa and South Goa.

The Audit has observed that the inspections towards beach cleaning were carried out randomly therefore in the new tender for comprehensive management of cleanliness on the beaches a strategy was adopted by the Department wherein daily inspections were carried out through I.A's and ATO's beside having a State level monitoring Committee in order to monitor the work. A total of 2480 inspections were carried out by the Departmental officials for period from October, 2014 to June, 2017. The reports of the inspections were duly examined and the deductions were effected.

The tender was however discontinued w.e.f. 05/12/2015 as a major portion of the tender scope of work remained unexecuted. Meanwhile in an emergent situation of sudden stoppage of the beach cleaning work due to the discontinuation of the services of the two contractors the Government decided to outsource the work by choice as provided under the GFR 184. The Department will shortly float a fresh tender and will ensure that the observations raised by the Audit party are taken cognizance of.

***The Committee sees a breakdown of the monitoring task force of the Department with regards to beach cleaning. The Committee recommends that the monitoring body within the Department be held responsible for checking any procedural matters pertaining to guarantees/contracts and reports. A separate team should be held responsible and accountable for cleaning of beaches, area-wise so that there is a constant check on effectiveness of the Project.***

## **REGULATION OF BEACH SHACKS**

Beach shacks are temporary structures which are allowed to be raised on the beaches during October till May of the following year. Shacks provide tourists with food, relaxation on beach decks. They are allotted every year in accordance with the directives issued by the High Court of Bombay at Goa and with the approval of the GCZMA. The shack policy is formulated every year at the onset of the tourism season. The selection is done by draw of lots from the eligible applicants where 90 per cent of the shacks are allotted to applicants having past experience. The allottees have to obtain further clearances from other departments such as Excise, Health, Food & Drugs

Audit observed that in the year 2007-08 the GCZMA and the Department carried out a joint inspection of the site and approved allotment of 148 shacks in North Goa and 83 shacks in

South Goa. However, the Department allotted 168 shacks in North Goa and 90 shacks in South Goa. Thus, 27 shacks in 2007-08 were allotted in excess in violation of the directives. The GCZMA recommended three pairs of deck beds and three umbrellas. However, the shack policy of Department allowed five pairs of deck beds with five umbrellas in the year 2007-08. In the years 2008-09, 2009-10 and 2010-11, the deck beds allowed rose to 10 pairs with 10 umbrellas except in Calangute and Baga where five pairs of deck beds and five umbrellas were permitted. The excess allowance of deck beds and umbrellas was in violation of recommendations of GCZMA. This resulted in restricting open space on the beaches for recreational activities of tourists.

As no permanent structures are allowed in the beaches as per the Coastal Zone Regulations these shacks were to be dismantled at the end of the season. It was however noticed that many shacks were operating even after the season ended. These violations were not checked by the Department and no action was taken against the shack owners.

The inspection of the shacks at five beaches carried out by Health Officers in February 2011 revealed that out of 31 shacks, 13 shack licensees did not obtain 'No Objection Certificate' (NOC) from the Health Department, eatables were kept in the open, drinking water was provided without filtration, garbage was not collected on daily basis and sewerage was released into the sand causing environmental pollution on the beaches. There was no monitoring of garbage disposals by shack owners, although beach shack policy had provisions for maintenance of log book by the licensee to record date and time of collection of garbage. GCZMA noticed violations of coastal zone regulations by 433 shacks during the period 2007-11. The Department however blacklisted only four shack owners separately, which was independent of violations noticed by GCZMA.

The Department while admitting lack of adequate manpower, monitoring and regulatory mechanism, accepted (September 2012) that there were irregularities and violations in operations of shacks. It further stated that a Tourist Police cum Enforcement Cell of around 400 policemen would be proposed for monitoring activities of shacks and other illegalities on beaches. Two flying squads would be formed to detect and act swiftly against illegal operations in beaches.

The Principal Secretary, Tourism accepted the facts during exit conference. The Director of Tourism further informed that regulation of beach shacks had started. The beaches would be cleaned with mechanical cleaners so that environmental impact on beaches would be within the tolerable limits.

*The Committee recommends that the Department adhere to the recommendation of GCZMA concerning the number of shacks to be allowed in each area and the number of deck beds allowed per shack. This would tremendously improve the quality of the beach for the visiting tourists as there would be more free beach space available. The Committee recommends close co-ordination with Law Enforcement and Health Department to achieve the same.*

## **MANAGEMENT OF PROPERTIES**

The Department acquired 8,52,825.60 sq. mtrs. area of land through purchase and transfer from other departments during the period 1968 to 2010 for the purposes of development of parking grounds, bus stands, public amenities, wayside facilities, recreational facilities, environmental parks, tourist cottages, tourist hostels etc. Besides, it leased out 30 shops on the Colva beach. Scrutiny of records of land acquisition, its management and management of leased shops revealed the following.

### **Delay in mutation and encroachment of land**

The mutation process of 1,76,873.21 sq. mtrs. area of land was not completed from the date of taking over possession during the period 1971 to 2010 due to delay on the part of the Revenue department in identifying plots with corresponding survey numbers and non-traceable documents. The land area measuring 98,616 sq. mtrs. valued at ₹ 27.35 lakh was encroached upon and illegal structures were constructed on the land under the Department's possession.

The Director stated that notices have been served (July 2012) for eviction from the land measuring 61,116 sq. mtrs., issue of eviction notice was pending in respect of 20,900 sq. mtrs. land and in respect of 16,600 sq. mtrs. land, the party had proved tenant rights hence mutation is held up.

Thus, the Department failed to take adequate measures to secure the land in its possession.

The Department in its written reply stated that the efforts are being made to carry out the mutations in the respective Talukas of the few properties not mutated. There is delay in mutation because of various reasons like documents of some of the lands are not traceable in the file records. The properties which are acquired prior to promulgation of survey carried out, requires identification of corresponding survey numbers to the plots. However, the process for issue of identification certificate for corresponding survey numbers to the plots have been initiated with the Office of Dy. Collectors of respective Talukas. The matters are being followed up with the concerned authorities.

Re-demarcation of the lands acquired for Pilot project is being carried out. In this regard, a notice has already been issued on 06/07/2012 on local dailies directing the owners to remove the illegal structures/kiosks/huts that have come up in the said lands. Some encroachments have been removed and in some encroachments, cases are pending before Session Court in civil suit.

The land acquired for rehabilitation and parking facilities admeasuring 16600 sq. mtrs. at Dona Paula one party has proved mundcarial rights and an area of 200 sq. mtrs. have been allotted to him. Rest of the mutation is held up as other party has filed suit which is pending before the Hon'ble High Court at Goa Bench.

*The Committee recommends speedy completion of the mutation process where applicable and make greater efforts to safe guard its properties from encroachments and illegal tenants. The Court cases may be followed up and the Committee may be kept appraised of the same.*

## **NON-DEVELOPMENT OF TOURIST FACILITIES ON PROPERTIES TRANSFERRED TO GTDC**

The Government of Goa transferred five properties of the Department to GTDC during the period 2003 to 2008. The status of development of properties as on July 2012.

On being pointed out by audit GTDC demolished seven illegal structures in Baga and appointed a contractor to collect

parking fees pending completion of tender procedure which was initiated (July 2012). A proposal was also moved to the Government for utilisation of property at Vagator in July 2012.

### **Leasing of shops**

Thirty shops belonging to the Department were leased out at Colva Tourist complex since the year 1981. Three shops were selling alcoholic drinks without license from State Excise authorities. The licenses of these stalls were terminated in the year 2010 however even after lapse of two years from termination of the lease agreement the possession of the shops were not taken over by the Department. During inspections (December 2010 and April 2011) by the Departmental authorities another stall licensee was found operating illegal gambling business on two occasions.

Inspections (December 2010) by the Department further revealed that the licensees were running businesses of readymade garments gambling bar and restaurant and using the shop as a kitchen. Though the Department was aware that the shops were carrying out illegal businesses and not providing facilities to tourists yet it did not take action as per the agreement to stop irregular activities from its properties.

The Department in its written reply stated that the inspections are being carried out.

*The Committee may be appraised of the current position of the stalls after the termination of the lease and the preventive measures the Government has initiated to prevent and stop unauthorised activities at the premises. It would also like to be informed the reason for the stopping of process of taking possession of the premises by the Department of Tourism.*

### **ADEQUACY OF MEASURES TO ENSURE SAFETY OF THE TOURISTS**

GoI adopted the Code of Conduct for Safe and Honourable Tourism in July 2010. The guidelines focused on the need to promote a safe experience to tourists. Hence all parties connected with Tourism such as hotels rest houses were expected to sign the Code of Conduct for safe and honourable tourism, prevention of sex tourism and prostitution and use of drugs and social and cultural intolerance.

However, records of rising crimes especially against children and women on the contrary, were an indication of ineffectiveness of crime control mechanisms in place to implement the spirit of the code.

It was as seen that violent crimes against children and women like rape, kidnapping and abduction, immoral trafficking, sexual harassment and molestation showed an increasing trend in Goa during the period 2007 to 2009. During the years 2010 and 2011 the crimes marginally decreased. However, during the same period i.e., from 2007 to 2011, the crime against tourists had shown a continuous increasing trend except in the year 2011.

The Department stated that the issue is more pertaining to the Enforcement Agency i.e. the Police Department. The Department may at the most coordinate with the Enforcement Agency. Government has deputed the IRB personnel since beginning of Tourist Season 2012 on the beaches of the State of Goa. The deputation has been done with a purpose of maintaining law and order on the beaches of the State, maintaining the beaches clean off the unwanted elements like hawkers, vendors, torts, beggars etc. and keep vigil/check on any sort of illegalities taking place on such touristic places, infringement of by shack owners etc. Besides, of late, this Department has recruited on contract basis 3 nos. of Taluka Level Supervisors and 48 nos. of Tourist Warden and deployed at various beaches across the State of Goa to keep vigil on unwanted activities including violence by shack allottees.

### **Formation of Tourist Security Force**

Ministry of Tourism, GoI issued (March 2008) guidelines on safety and security of tourist which *inter alia* included formation of Tourist Security Force (TSF). The Department prepared a comprehensive scheme in September 2008 for formation of TSF in the State which aimed at ensuring safety and security of tourists, provide information network to facilitate smooth visit of tourists, liaison with the Police Department, Health Department and prevent illegal hawkers and traders. Personnel for the force were to be drawn from ex-servicemen and would comprise one Chief Tourist Executive and six Taluka Tourist Officers and 57 Tourist Wardens.

Audit observed that the TSF was formed in the State only in September 2011. The force was understaffed with only 24 Tourist Wardens, which adversely affected patrolling and safety of

tourists. Complaints received from shack owners, village panchayats and citizens could not be attended to due to shortage of manpower.

The Department stated that the response from ex-servicemen was not enough and all the candidates shortlisted for interview were selected.

***The Committee still sees that the objective of the TSF is not being met due to various factors. The TSF is understaffed, ill equipped and lacks proper training to be affective. The Committee recommends a proper analysis of the TSF and taking of urgent remedial measures to ensure the safety of visiting tourists and protection of Government property.***

## **FUNCTIONING OF THE FORCE**

Audit observed that the wardens were deployed only on beaches and inland locations were ignored. Basic requirements of a Force like uniforms and caps were not provided due to which there was no unique identity to the personnel of TSF, enabling tourists to distinguish/identify them. There was lack of proper monitoring system to observe the functioning of Force and incidences handled by the wardens.

The Department received 14 four wheelers and seven motorcycles in donation from World Travel and Tourism Council in May 2010 as a goodwill gesture to facilitate smooth functioning of the Force. Out of the 14 vehicles, only three vehicles were deployed on the beaches for patrolling and remaining 11 vehicles were lying idle.

The Department admitted that the force had not been given any distinct uniform and the vehicles and drivers were being deployed in rotation due to limited fuel availability.

The Principal Secretary, Tourism informed that the Indian Reserve Battalion Police Force had been deployed to ensure the safety and security of tourists and that an additional strength of 500 Policemen would be deployed after creation of such posts.

The Department in its written reply stated that in order to control over criminal incidents, harassment of tourists, illegal activities, Department of Tourism has formulated Tourist Security Force for the safety and security of Tourist and set up a tourist friendly and sensitive

organization with the approval of Government. Guidelines of Ministry of Tourism, Government of India was to engage Ex-servicemen. Therefore, the Department had approached to Welfare Sainik Board seeking names of 1) Taluka level Supervisor-3 nos. and Tourist Wardens- 48 nos.

Inland locations are monitored by local Police. All the tourist security force deployed on the beaches has been provided uniforms to make their identity unique so as to enable the tourists to distinguish/identify them and also they will be provided shoes shortly.

Tourism Industry have donated 14 four wheeler vehicles and 07 two wheelers for patrolling on the beaches. Out of these two vehicles are deployed on the beaches 7 vehicles used by staff of this Department to carry out weekly beach inspections and 05 vehicles have been condemned. With regards to 7 motorcycles 2 bikes are with IRB personnel for beach patrolling and 6 bikes are allotted to TSF staff to carry out beach inspection.

There was a proposal to recruit 500 Policemen on regular basis to deploy on the beaches to ensure safety and security of tourist however, the said proposal was later dropped by the Government and instead of them, Government has deployed India Reserve Battalion Police Force under supervision of Dy. S.P.

### **Appointment and functioning of beach safety management agency**

Tourists in Goa are drawn to the beaches. Recreational activities such as swimming and water sports are fraught with the risk of drowning. Death by drowning at beaches occurs due to lack of knowledge of sea and tide conditions, disregard of warnings and inability to cope, once in difficulty. To overcome the risks faced by the tourists, M/s Drishti Adventure Sports Pvt. Ltd. was appointed by the Department in June 2008 to provide Beach Safety Management Services. The initial agreement for coverage of 12 beaches was extended to 27 beaches in September 2009. The agency was also awarded contract for Night Safety Patrol. The total payments made to the agency during 2008-12 was ₹ 72.47 crore. The incidences of drowning touched its peak in year 2007 with 91 deaths. However, after the appointment of the agency, the numbers of deaths by drowning came down from 72 in 2008 to 22 in 2011.

The Department in its written reply stated that the Department of Tourism has awarded in the work of beach lifeguarding and water safety services to M/s. Drishti Lifesaving Private Limited, in the month of July, 2014 and contract will be for period of 5 years. Total 43 beaches across the State of Goa and two inland water bodies are covered under this tender. Since the Department has engaged services of above agency, they have saved number of lives.

### **Effectiveness of tourism promotional measures**

The Department markets Goa as a tourist destination through the print media, electronic media, road shows, travel market etc. The Department also participates at the international fora such as WTM-London, ITB-Berlin and MITT-Russia.

### **Empanelment of advertising agencies**

The Department in June 2010 called for empanelment of agencies for handling international events and road-shows. The criteria specified handling five international road-shows in the last six years. A total of 29 agencies responded for category 'A' agency and 14 were short-listed. Audit observed that out of the eight agencies finally selected for empanelment, three did not fulfil the requirement of experience in international road-shows. Further, three other short-listed agencies though fulfilling all the criteria, were rejected after presentation.

The Department in its written reply stated that the Department had shortlisted 8 agencies in the A category and 4 agencies in B category after carrying out a detailed tender process. The tender Selection Committee headed by then Principal Secretary Tourism has recommended for the selection of the agencies on the presentation made by the applicants.

It is further submitted that the Government had assigned work of promotion and marketing to Goa Tourism Development Corporation Limited designating it as Special Purpose Vehicle from the year 2013 onwards and the promotions and marketing activities were thus carried out by GTDC [SPV]. The GTDC [SPV] has further tendered out for the empanelment of the new event management agencies and seven event management agencies have been shortlisted in A category only since the year 2013.

The Department has recently taken over the promotion and marketing activities back from the GTDC [SPV] after the decision of the Government and all the aspect observed by Audit as above shall be scrupulously followed by the Department.

### **Award of contract for promotional events**

The agencies were asked to quote against a predetermined budgeted figure for any promotional event. However, the budget was not backed by detailed working of expenses. The requests for proposals were not always issued to all the empanelled agencies. Moreover, the Department did not select the agencies based on the design, concept brochures etc. No technical screening to ensure quality of presentation was conducted. The lowest quoted cost was the only criteria for issue of work orders. In 27 test-checked cases, the lowest quoted cost was only marginally lower than the budgeted cost of the event.

The Department extended 80 per cent of the amount of work order as advance to successful agencies. The deliverables were not quantified, documented and drawn. Performance criteria remained absent leading to no action capable of being taken in case of failure.

The Director of Tourism stated that quality of presentations would be ensured along with cost-effectiveness and an agency would be appointed to oversee the brand-building exercise.

The Department in its written reply stated that the brand consultant was appointed by the Department soon after the Audit observation in order to standardize the branding for Goa Tourism. The branding campaign for the promotion of Goa Tourism was accordingly standardized. The agencies were thereafter asked to make specific presentations for stall décor with two sides open, 3 side open and island stall designs, etc. as per the approved brand design of the stalls. All the publicity materials and the official fonts for Goa Tourism were standardized. The execution of the events, road shows by the selected agency was then examined as per the standardized designs provided by the consultant. The agencies were asked to submit detailed report.

### **Road-shows and International Travel Marts**

During the period 2007-12, Department participated in 38 ITMs and organised 15 road-shows worldwide. The expenditure on account of hiring services of agencies for ITMs and road-shows during the period was ₹ 19.47 crore as indicated in Table 5. Audit observed that no visitor books were maintained at ITM and Domestic Travel Marts so as to ascertain the number of visitors, their recommendations and to measure the impact of the Goa stall on the global and domestic audience. All the reports submitted by the agencies invariably included a few photographs but did not discuss how many persons/agencies were contacted and how many attended. No MoUs were signed during any of these road-shows or ITMs. Website of WTM, London, gave exclusive online access all the year to exhibiting companies to cater to WTM audience. However, after incurring an expenditure of ₹ 2.77 crore during 2007-12 for participation in the WTM-London, the Department did not avail of the opportunity to advertise Goa via website to the WTM audience.

GTDC conducted 14 road-shows incurring an expenditure of ₹ 4 crore between August 2010 to November 2011. The Event Management Companies (EMC) were expected to contact 150 major tour operators/travel planners for participation in the events and showcase Goa as a brand. The EMCs managed to ensure a mere 25 to 64 participants. The road-shows conducted by GTDC also did not result in any trade contract, business agreement or MoUs with any of major tour operators.

The Department and GTDC also did not rope in private participation in the road-shows. Participation in road shows by private players from Goa's hospitality, tour and travel, art and culture sectors would have facilitated valuable exchange of knowledge and strengthening of tourism products.

The Department admitted (June 2012) that private participation in road shows was lacking.

The Department in its written reply stated that the Audit observations raised by Audit have been taken cognizance of. A detailed DPR is prepared which gives the details of activities to be performed by the agency which are scrupulously examined by the officers of the Department and GTDC at the exhibition venue. The Department always makes it a point to write to TTAG so that the participation of the industry is increased. The participation of the industry in the events is

improving. The Department will take note of the Audit observations in all future events.

*The Committee is of the opinion that participation at World Travel Marts and Domestic Travel Shows have not resulted in any direct increase in foot falls. It also sees a very haphazard reporting of the events with regard to persons met, discussions held and follow ups made. No record of visitors was maintained during the events. The Committee recommends that a think tank of all stake holders be formed to plan and implement action plans to improve the quality of tourists and examine alternate tourism avenues for the State.*

### **POOR PLANNING FOR ELECTRONIC MEDIA**

The Department conducted an electronic campaign through M/s AMO Communications Pvt. Ltd (one of the empanelled agencies) on Zee TV and BBC in September-October 2007, November 2009 and August 2010. It was observed that the Department did not formulate its own media plan. Several deciding factors for the rates of commercials on the television *i.e.* time of the day, original broadcast, repeat broadcast, status of broadcast were not considered and the lump sum quotes were requested from the empanelled agencies and accepted. The rates charged by the agency in respect of Zee TV were compared to rates offered by the DAVP during the similar period and it was observed that for similar campaign where Central Government Departments would have spent only ₹ 1.18 crore, the Department ended up spending ₹ 6.81crore. The campaign of the Department was concentrated in few months of the year. The entire budget meant for the electronic campaign during the year was spent in one campaign (Zee TV and BBC) which was proposed by the agency (M/s AMO Communications Pvt. Ltd.).

The Department in its written reply stated that the Audit has raised the above observations after comparing the rates charged by DAVP for electronic campaigning. In these regards it is submitted that the Department had called for bids from empanelled agencies based on the open market rates. The Department however has not compared these rates with those of DAVP. The Government has now constituted a State Level Marketing and Promotions Committee in order to examine all such proposals. The Committee further recommends to the Government such proposals for acceptance. The Department has formulated a scheme for execution of promotional and marketing activities of Goa

Tourism. The observation raised by the Audit are noted in this regards and the Department will take due care while deciding on such proposals.

### **Advertisement in multimedia**

M/s Vinsan Graphics (one of the empanelled agencies) proposed in October 2010 a multimedia campaign for a total cost of ₹ 1.80 crore. The campaign centred on a micro site showcasing Goa. The micro site [www.experience-goa.com](http://www.experience-goa.com) was designed and used for three months. The website lacked sufficient information. There were only four tour operators listed in it and no list of private or GTDC hotels was displayed. The absence of a visitor's counter left the Department unable to assess the number of visitors to the site.

Audit observed that as a part of the multimedia campaign, the agency claimed ₹ 25 lakh (@₹ 8.33 per message) for sending three lakh text messages. However, the Department was totally unaware of the message recipients. Further, the agency as a part of multimedia campaign, also advertised through a TV channel, Times Now, at rates her than that offered by DAVP leading to an extra expenditure ₹ 44.37lakh

The Department in its written reply stated that the Government has constituted a State Level Marketing and Promotions Committee in order to examine all such proposals which further recommends to the Government such proposals for acceptance. The Department has formulated a scheme for execution of promotional and marketing activities of Goa Tourism. The observations raised by the Audit are noted in this regards and the Department will take due care while deciding on such proposals.

### **Website of the Department**

The Department's website did not contain updated information on hotels, packages *etc.* There was no location finder, route map. Unlike the Tourism website of other States such as Kerala and Gujarat, the website of Goa Tourism was deficient in content and lackluster. The website did not serve as a focal information point for the operators in the tourism sector such as travel agents, tour operators, hotels, chartered flight operators *etc.*

The Department admitted (June 2012) that the information was not updated and agreed that photographs and films would be uploaded. During exit conference, the Principal Secretary, Tourism also accepted that information on Department's website was deficient.

The Department in its written reply stated that this Department has uploaded documentary films on Goa and also an Ad Film promoting Goa. High resolution photographs of State festivals and other touristic places are uploaded to make the website more attractive. The Goa Registration Tourist Trade Act 1985 and Rules 2000 with its Amendments and the Goa Tourist Places (protection and Maintenance) Act 2001 have been uploaded on the website for the information of all tourism stakeholders (i.e. Travel Agents, Tour Operators, Hotels and Tourist Taxi Operators etc.).

The Government Beach Shack Policy, Private Beach Shack Policy and Water Sports Policy together with the application forms have been uploaded on the website. In order to apply for the above activities, it was made compulsory for all the applicants to download the form for the above respective activities from the website. All the tenders floated are regularly uploaded on the website.

A list of all the Star category hotels categorized by Government of India Tourism and the list of Hotels categorized by this Department have been uploaded on the website. The information provided includes address, contact details such as Tel Nos., Fax Nos., Email ID etc. all Statistics pertaining to tourists visiting Goa have been updated.

The Department has appointed a Public Relations Agency M/s. Adfactors PR Pvt. Ltd., to maintain and update all official data so that the Department website is RTI complaint. Maintain and upgrade citizen charter of the Department and its agencies as required from time to time.

The Department had also appointed a Brand Consultant who has redesigned the website; the Department has also appointed a PR agency who is responsible to update the content of the website.

A proposal received from the Department of the Information Technology for Mobile Based Service for Goa Tourism would be implemented shortly which would include making the existing tourism website mobile compliant (WAP) rather than creating a new separate mobile compliant WAP site, Payment gateway and additional services

being offered would be incorporated in the proposal and also the updation of Content Management System.

Goa Tourism Development Corporation has also made an effort to have a mobile app “GTDC-mobile App” which facilitates booking of various tourist products and gives information about the various activities carried out by GTDC.

*The Committee recommends that authenticated information may be regularly updated on the Tourism website to enable tourists to get first hand information about the State and what it has to offer.*

## **DUPLICATION OF ADVERTISING STRATEGY IN NEW MEDIA**

The Department had been publishing a monthly e-newsletter since November 2011 on a separate website [www.goatourismdept.com](http://www.goatourismdept.com) through M/s Goldmine Advertising Ltd. (one of the empanelled agencies). The idea behind publishing the newsletter was to address a targeted audience keeping them abreast of the happenings in Goa and the activities and promotions conducted by the Goa tourism. The targeted audience comprised tour agents, tour operators, officials of tourism industry and various stakeholders. The proposed amount of the project was ₹ 24lakh.

Audit observed that the newsletter included an address by the Director, news, one recipe etc., in eight pages. The newsletter was not available for subscription to any visitor of the site which meant it was only available for that set of audience which was selected by the agency. The Department's website did not provide any link to subscribe to the newsletter. Audit observed that the Department's new website was also being developed around the same period when the newsletter website was developed. The Department could have considered launching from same website which would have saved an expenditure of ₹ 24 lakh and avoided duplication of efforts.

The Department in its written reply stated that the Government has constituted a State Level Marketing and Promotions Committee in order to examine all such proposals which further recommend to the Government such proposals for acceptance. The Department has formulated a scheme for execution of promotional and marketing activities of Goa Tourism. The observations raised by the Audit are noted in this regards and the Department will take due care while deciding on such proposals.

*The Committee sees a lack of co-ordination in the working of the Department as a parallel website was created at additional costs to the Exchequer. The Committee recommends greater co-ordination efforts so as to avoid parallel working.*

#### **ADVERTISEMENTS THROUGH PUBLICATIONS OF LIMITED READERSHIP**

The Department spent ₹ 62.01 lakh during the period 2007-12 on 446 advertisements in publications of small and limited readership. On scrutiny of 40 advertisements it was observed that these publications were not registered with Registrar of Newspapers in India and did not comply with the requirements of Press and Registration of Books Act, 1867. Nature of the publications was that of house magazines, house journals and souvenirs etc. These publications were patronised by religious bodies, caste based organisations, linguistic and cultural bodies, parents teachers associations, residents associations, trusts, clubs, political parties and individuals.

Test-checked cases revealed that the publishers approached the Department with their respective proposals. The Department by using its discretion arbitrarily chose the proposals to be approved. Most of the approvals were granted either by the Minister of Tourism directly or through Officer on Special Duty or by the Director of Tourism.

The Department in its written reply stated that the Government has constituted a State Level Marketing and Promotions Committee in order to examine all such proposals which further recommend to the Government such proposals for acceptance. The Department has formulated a scheme for execution of promotional and marketing activities of Goa Tourism. The observations raised by Audit are noted in this regards and the Department will take due care while deciding on such proposals.

#### **Ineffective business tie-up with other State Tourism Development Corporations**

In order to create new revenue channels, the GTDC decided in April 2010 to tie-up with other State Tourism Development Corporations of India. GTDC entered into six MoUs with other Tourism Development Corporations. The key features of the MoUs was mutual marketing of hotel accommodation, providing marketing

space mutually at respective sale counters, providing of hyperlinks in respective websites etc.

Audit observed that none of the commitments and activities was operationalised during the period 2010-12. The websites of other Corporations did not advertise any links of GTDC and vice-versa. Free marketing counters and dedicated user-ID and passwords were not provided resulting in non-achievement of the intended benefits.

The GTDC admitted that difficulties were experienced due to non-adoption of internet booking technology, technology assimilation and constant change of management in the Corporations.

Thus, the Department's marketing efforts lacked defined strategy to promote Goa as a tourist destination. The Department also failed to measure the impact of its promotional efforts.

The Department in its written reply stated that the Government has constituted a State Level Marketing and Promotion Committee in order to examine all such proposals which further recommend to the Government such proposals for acceptance. The Department has formulated a scheme for execution of promotional and marketing activities of Goa Tourism.

The observation raised by the Audit are noted in this regards and the Department will take due care while deciding on such proposals.

*The Committee points out that the Government's marketing efforts left a lot to be desired by way of planning and strategy to promote Goa as a Tourist Destination. This is also seen in the absence of data to measure the impact of its promotional efforts in the market.*

## **PROMOTION OF OTHER TOURISM PRODUCTS**

The Ministry of Tourism, GoI had identified several tourism products which have the potential to attract more tourists. Among these are Heritage Tourism, Wellness, Wildlife, Eco-Tourism, Medical Tourism etc. Audit scrutinised the efforts made by the Department to broaden the basket of tourism products. The findings are indicated in the succeeding paragraphs.

### **Festival tourism**

The Goa Carnival is an essential part of the Portuguese heritage of the State symbolizing fun and gaiety. The Department's role has been limited to financing the local organisations who participate in the Carnival and Shigmo festivals held during February/March every year in various towns.

During 2007-12 the Department spent ₹ 7.05 crore for conducting Carnival and Shigmo festivals. The Government sponsored the entire festival expenditure barring the year 2010. The performances of local festival committees were dependent on Government funding. In 2010, the GTDC roped in an EMC to showcase the Carnival which netted the Corporation ₹ 45 lakh in sponsorship.

The employment of EMCs and aggressive marketing of Goa's Carnival and Shigmo festivals in a professional and sustainable manner would have added to Goa's tourist potential.

The Principal Secretary, Tourism stated that events like Carnival and Shigmo festivals were well advertised this year and the response was exceptional.

The Department in its written reply stated that the Department has been promoting the Festival Tourism, through its participation in various domestic and international tourism exhibitions and road shows. The festivals like Shigmo, Carnival which are State festivals are being celebrated with a lot of enthusiasm with the participation of local people and the tourists. These festivals are also portrayed as a theme of the participation of Goa Tourism Pavilion/stall at different venues. Besides the folk dances and the cultural aspects linked with these festivals are always projected in the Road shows and exhibitions during the organizations of Goa Evening. Festivals like IFFI, Heritage Festival, Grape Escapade Wine Festival, Food and Cultural Festivals are also organized. The lesser known local festivals like Pattoleanche Fest, Bondrem, San Jao etc. are celebrated and promoted by the Department at different venues of exhibitions.

The Government has constituted a State Level Marketing and Promotions Committee in order to examine all such proposals which further recommend to the Government such proposals for acceptance. The Department has formulated a scheme for execution of promotional and marketing activities of Goa Tourism.

## **Health tourism**

Health Tourism has a strong portfolio in India due to the presence of traditional alternative systems of healing and medicine such as Ayurveda, Siddha and Unani.

TMP identified health tourism to be capitalised by opening health parlours similar to those in Kerala. While FTA in Ayurveda centres has crossed 34,000 per year (2010) in Kerala and Chhattisgarh is promoted as the herbal State, Goa has been unable to make inroads in this sector. The Department had no statistics about the number of Ayurveda centres functioning in the State. The Director, however, stated (August 2012) that there were four Ayurveda centres in operation in the State by five star hotels. Ayurvedic spas and treatment centres abound in the State and are very popular among tourists. The lack of information with the Department of these mushrooming health and massage parlours leaves these centres unregulated. The Director further stated (September 2012) that the Tourist Trade Act is being suitably amended under which registration will be made compulsory for super specialty hospitals/private dental hospitals, Ayurveda centres and massage parlours and the amendment will be properly drafted to avoid illegal activities in spas/parlours.

The TMP proposed (February 2001) to set up a health tourism centre near Salaulim in Sanguem taluka and near Anjunem in Sattari taluka. The activity mix in the centres proposed were health resort on six hectare land having 200 rooms, botanical garden-cum-nature park on 100 hectare land, tourist information centre of 500 sq. mtrs. area and world class hospital of 300 bed capacity. The work of development of botanical garden cum eco-recreational park at Salaulim taken up by the Goa Forest Development Corporation in the year 2003-04 at an estimated cost of ₹ 15.47 crore was not completed as of February 2013 for want of sufficient funds. The total expenditure incurred so far had been ₹ 4.85 crore. Further, the GTDC had not utilised (October 2012) the rest house and five cottages at Salaulim valuing ₹ 1.10 crore.

The Department in its written reply stated that the Department has been constantly promoting the Health Tourism at different Domestic and International events and Road-shows. The Government has also appointed M/s. KPMG as a Consultant to advise on the preparation of

the Tourism Master Plan and the Tourism Policy for the State of Goa. All these issues will be addressed in the Tourism Master Plan. The cottages at Salaulim have now been put to use by GTDC by entering into a PPP agreement with a private player.

### **Monsoon tourism**

Attracting tourists in the monsoon season, which was considered to be the lean season, was one of the objectives identified in the TMP for sustainable development of tourism in the State. The months of June to August are periods of low tourist activity. The focus of tourism in Goa being beach tourism, monsoon season attracts far less tourists.

Through innovative promotion of monsoon tourism, FTA in Kerala during the monsoon period had increased by 60 per cent and DTA increased by 28 per cent over the five year period (2006-10). The rate of growth of FTA and DTA during monsoon period over the same five year period was only 5 per cent and (-) 15 per cent in Goa. Kerala and Goa, both located on the Arabian Sea coast, share common characteristics. Apparently, the Tourism Department in Goa had not been able to capitalise on monsoon tourism unlike Kerala.

The Department in its written reply stated that the Department has been constantly promoting the Monsoon Tourism at different Domestic and International events and Road shows. The Tourist footfalls in the monsoon have therefore gone up especially in the months of June, July, August and September. The Domestic Tourist arrivals are also improved. Goa Tourism has been promoting a lot of activities like white water rafting, trekking and hiking, treasure hunt trails, etc. in the hinterland during the monsoon months through the Goa Tourism Development Corporation. The Government has also appointed M/s. KPMG as a Consultant to advise on the preparation of the Tourism Master Plan and the Tourism Policy for the State of Goa. All these issues will be addressed in the Tourism Master Plan.

### **Cruise tourism**

Cruise tourism is one of the most important facets of tourism in the State. A large number of national and international tourists enjoy the river cruise organised from the Santa Monica Jetty in Mandovi river at Panaji.

Audit observed that the Mandovi river is congested with a number of cruise boats, casinos and floating restaurants and the barges operating through the river. Besides, a number of fishing boats are also anchored in the river on the bank opposite to Santa Monica Jetty. Considering the increase in the tourists in river cruise, the Government proposed to start river cruise activities in other parts of the State in the 11<sup>th</sup> five year plan. The Government made a budgetary provision of ₹ 2 crore during 2011-12 for de-silting of river Sal. As the work of de-silting could not be completed by the Captain of Ports, the amount was surrendered and no fresh provision was made in budget 2012-13.

### **Water sports operators**

The Department issues registration certificates under GRTT Act to the water sports operators subject to furnishing of documents regarding insurance, NOCs from Captain of Ports, Fisheries Department, Directorate of Health Services, license to operate boat and printed tariff card. The registration certificate is valid for one year from the date of issue and is renewable before its expiry on payment of fees.

Audit observed that the Department issued registration certificates without obtaining copies of the printed tariff. Some operators renewed their registration certificates after one to three years of expiry of the validity period of the certificate by paying arrears. The operators carried out the business in the intervening period without valid registration with the Department. While 251 operators were registered with the Captain of Ports, those registered with the Department were only 148 during the year 2011-12.

The operators, who were operating without valid registration of the Department, were not detected and acted upon. This also indicated the lack of co-ordination between the Department and Captain of Ports.

The Department in its written reply stated that the initially Water Sports Activities in the State were registered and operated as per the guidelines issued by the Government of Goa in the year 2003 under the Goa Registration of Tourist Trade Act, 1982. Further, the Rules were framed in 2005 under the Goa Tourist Places (Protection and Maintenance) Boat Rides/Para Sailing & Water Sports Activities Rules, 2005. The Government felt it necessary to amend the existing

Registration of Tourist Trade Act in order to register all the Water Sports and Adventure Sport Operators. The Goa Registration of Tourist Trade Act, 1982 was further amended accordingly in the year 2011. Water sports and Adventure Sports Operators are now being registered under Section 19A & 19B of the Goa Registration of Tourist Trade (Amendment) Act, 2011.

Further this Department has framed its Water Sports Policy in 2012. The Policy specifies safety norms and life savings equipments to be used in the conduct of Water Sports.

The Policy provides for consolidation of all the legal provisions with respect to water sports and violation of the clauses and ensures that no illegal means are resorted to by the water sports operators and finally aims to bring in a systematic and integrated approach in the conduct of the water sports and allied activities in the State of Goa and make water sports activities in Goa rational and more transparent. In order to ensure proper coordination and transparency in queue system a proper terminology will be worked out by amending the Goa Registration of Tourist Trade Act, 1982.

This Department is working together with Captain of Ports to bring permanent solution and more enforcement in systematic and integrated approach in regulation of water sports activities. Also guidelines for Water Sports Associations have been approved by the Government which will curbed illegalities in water sports activities. In order to regulate water sports activities in the State the Department had decided to constitute 4-5 members Committee for demarcating water sports zones and safe bathing zones and has requested Captain of Ports, NIO, Department of Fisheries, Water Resources Department, Dy. Superintendent of Police and Coastal Security, Panaji to nominate technical person to carry out the demarcation.

### **Sustainable tourism and environmental impact**

Tourist activities must be managed in a responsible manner. Otherwise, it can have socio-cultural consequences and negative environmental impact on soil, water and air due to solid waste accumulation, contamination of soil and water due to absorption of sewerage water, lowering of ground water table, degradation of air quality due to vehicular/speed boats emissions etc.

Audit attempted to ascertain the impact of tourism on the environment on account of the inadequate management of tourist traffic, creation of infrastructure facilities for tourism and some external factors such as grounding of a ship, mining and tar ball deposits on beaches. The audit findings are discussed in the succeeding paragraphs.

### **Lack of sewerage networks in coastal belt**

The North Goa coastal belt covers beaches of Baga, Candolim, Calangute and Sinquerim. As a focal tourist centre, a large number of hotels and restaurants are concentrated in this coastal belt. There is no underground sewage system or any waste water disposal arrangements in the area. Due to sandy soil and high water table in the beach areas the effluent of septic tanks is not adequately absorbed in the soak pits and overflows to open spaces.

The Calangute and Baga beaches of North Goa coastal belt was identified as the first priority project for implementation of the sanitation projects. Accordingly, the waste water collection and treatment system for Mapusa town and North Goa coastal belt of Calangute and Baga area was taken up (September 2007) with the loan assistance of ₹ 268.80 crore from Japan International Co-operation Agency (JICA). The project aimed to cater a population of 30,358 with the sewerage treatment plant capacity of 5.60 million litre per day. Though the agreement with JICA for loan assistance was executed in September 2007 and the administrative approval for the project was accorded by the Government in March 2008, the works for sewer network were awarded for ₹ 152.79 crore only in September 2012. The sewer treatment plant was not tendered as of October 2012.

### **Lack of solid waste management in coastal belt**

In view of numerous petitions filed by individuals regarding solid waste disposal sites, the High Court of Bombay at Goa, on 18 April 2012 passed an order directing the Goa State Pollution Control Board (GSPCB) to conduct inspection of all Municipal Councils and 26 coastal Village Panchayats (VP). Accordingly, the GSPCB conducted inspections in May 2012 and submitted its report to the High Court. According to the report, two VPs of coastal belt of North Goa viz., Candolim and Calangute-Baga having three beaches together had a population of 18,033 with an estimated waste generation capacity of 6.3 tonnes per day.

In order to cater to a large number of tourists visiting these three beaches, 426 hotels and restaurants and 1,114 other commercial establishments were operating within the limits of two VPs. Due to the concentration of tourist activities, these two VPs together were generating approximately 97 tonnes of solid waste per day (80 tonnes in Calangute-Baga, 17 tonnes in Candolim). The waste, thus, generated by tourism related establishments in these two VPs worked out to 90.7 tonnes per day (97 tonnes- 6.3 tonnes) which was much higher than the waste generated by the most populated municipal towns (Margao, Panaji, Vasco) in the State.

It was further observed that due to inadequate and non-operative composting units, the Calangute-Baga VP dumped un-segregated waste at the garbage disposal site in the adjoining Saligao plateau which is the catchment area of Salmona spring in Saligao. The GSPCB conducted (July 2009) an analysis of the water in Salmona spring and found the spring water to be contaminated and unsuitable for drinking. The Water Resources Department (WRD) also confirmed (September 2009) that dumping of garbage in the catchment area of the spring resulted in contamination along the drainage line to the location where the spring was located. Further, water testing by WRD hinted at the presence of biodegradable organic and oxidisable inorganic matters.

As most of the VPs in the State have limited staff and resources, the Government should have taken immediate steps to mitigate the situation.

The Department in its written reply stated that the Government has now constructed a State of the Art facility for Solid Waste Management Plant at Saligao. The dumping of garbage by Saligao, Calangute and Candolim Panchayats has now stopped as the garbage is now being sent to the Solid Waste Management facility. The sewerage treatment works of Baga Calangute are also understood to have been completed as these works are being carried out by the Sewerage Corporation separately.

### **Diminishing ground water level in coastal villages**

The provision of more infrastructure like hotels, restaurants etc., to cater to large number of tourist arrivals is fraught with the danger of drawal of excessive ground water by these

establishments. It was observed from the records of the PWD that water consumption of the hotels situated in some of the villages of North Goa beaches showed decreasing trend despite increase in the number of tourists.

The decrease in the consumption of water despite increase in tourists was an indication that these hotels were drawing water from sources other than PWD such as, open wells, tube wells etc. A further scrutiny of the ground water table/data generated by the WRD in 11 coastal area villages revealed that ground water level in Calangute village had gone down to 8.97 meter below ground level in May 2009 from the level of 8.30 meter recorded in May 2008 and in Anjuna village to 7.74 meter in May 2012 from 6.69 meter recorded in May 2010. In respect of other nine villages, the change of ground water level was within the range of -0.21 meter to +0.17 meter.

The Chief Engineer, WRD attributed (August 2012) the depletion of ground water table in Calangute and Anjuna to the tourism infrastructure development. He further stated that the ground water in coastal areas had been stressed. In view of the pressure on ground water, some areas in the coastal belt had been declared as Scheduled Areas under Section 4 of the Ground Water Regulation Act, 2002 in November 2007 itself, and in April 2012, the entire State had been declared as Scheduled Area. The declaration of scheduled area would result in restrictions on digging new wells and drawing and transporting water from the existing wells. The WRD, however, did not have any statistics of the number of wells dug and number of violations etc.

The Department in its written reply stated that the figures reported are provided by the WRD and the Audit reply has invited attention of the Department for a convergence with the WRD while deciding on the development of tourism infrastructure at different places to be done with sustainability. The observations of the Audit in these regards have been noted and Department will ensure a better co-ordination with the Department like WRD.

*The Committee recommends that there should be better co-ordination with other Departments specially WRD while deciding on the development of infrastructure at various places of Touristic importance.*

## **POOR MONITORING BY REGULATORY AGENCIES**

Under the provisions of Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, the State Directorate of Food and Drug Administration (DFDA) conducts annual food safety inspection of the registered establishments. Audit observed that the State DFDA failed to conduct annual inspections and there was shortfall to the extent of 85%.

Despite requirement of mandatory clearances from GSPCB, only 432 hotels, resorts and spas were registered with the GSPCB. The remaining 2,219 hotels were functioning without obtaining required permissions from the GSPCB. The GSPCB stated (January 2013) that the enforcement was hampered due to shortage of staff.

The Department in its written reply stated that the issue is pertaining to GCZMA, Goa State Pollution Control Board and DFDA.

### **Violations of coastal regulation zones**

The GoI under the provisions of Environment Protection Act, 1986 issued (February 1991) Coastal Regulation Zone (CRZ) notification imposing restrictions on industries, operations and processes within the coastal stretches of seas, bays, estuaries, creeks, rivers and backwaters which are influenced by tidal action up to 500 meters from the High Tide Line (HTL) and the land between the Low Tide Line (LTL) and the HTL. During 2007-12, total 1,172 coastal zone violations were reported, of which, the GCZMA removed/demolished the encroachments in 105 cases and in six cases, action was pending due to court stay orders. The remaining 1,111 violations related to repairs and reconstruction works carried out by the traditional coastal community without the prior approval of GCZMA.

The High Court of Bombay at Goa issued (March 2008) directions to identify the open plots in CRZ-III zone which were available for construction of hotels and to frame appropriate policy/regulation for utilisation thereof before they were being allowed to be utilised for such construction activities. Audit observed that the work of identifying and delineating the open vacant plots in CRZ-III zone along the coastline of the State was already entrusted to M/s. Remote Sensing Instruments (RSI), Hyderabad in March 2007 by GCZMA at a cost of ₹ 1.92 crore. RSI carried out the task of identification of structures existing as on 1991 when the CRZ notification came into force and the structures that came up

subsequently between 1991 and 2006. RSI submitted its report in April 2011. In the meanwhile, the Ministry of Environment and Forests (MoEF), GoI issued the new CRZ notification, 2011 in January 2011, defining the requirements and guidelines for development of beach resorts or hotels in the designated areas of CRZ-III and CRZ-11 for occupation of tourists or visitors, with prior approval of the Ministry. However, even after a time lapse of two years from the issue of the new notification and an expenditure of ₹ 1.92 crore incurred on the remote survey, the GCZMA has not framed any policy/regulation for utilisation of CRZ-III zones along the coastline of the State of Goa.

The Department in its written reply stated that the Audit Para is mainly applicable for GCZMA and its actions for prevention of violations under the notifications issued by Ministry of Environment and Forests.

### **Non-conduct of environment impact assessment**

Environmental Impact Assessment (EIA) procedures are designed to identify environmental problems which may be caused by a development project and determine the magnitude of change in the environment. With reference to the tourism projects, the TMP of February 2001 recommended that environmental analysis had to be integrated with all stages of the tourism project life cycle to facilitate incorporation of the findings into selection of sites, designs and implementation plans. Further, in most cases, an EIA should form part of the overall feasibility study for a project.

Audit observed that 10 tourism infrastructure projects sanctioned by the Department with CFA at a total cost of ₹ 238 crore involving construction of jetties, development of tourism circuits, recreational facilities, construction of viewing towers etc., did not have an integrated EIA. As the tourism projects were aimed at development of hinterland, EIA was essential as the Western Ghats is ecologically sensitive and development of tourism in these areas should have taken this factor into account. The Director admitted that no EIAs were made by the Department.

Further, despite the fact that pressure on river Mandovi was increasing due to cruise operations, casinos, floating restaurants and barges, the Department did not take any action to conduct any

study to ascertain the carrying capacity of the river for sustaining such operations.

The Department in its written reply stated that the Department of Tourism identifies the places having tourism potential and proposes facilities, which could influence to entice tourists to said places. However, in order to outline detail project reports, the services of the Project Management Consultants (PMC) are engaged. The PMC undertaken various parameters of the places proposed for development like availability of land, feasibility facilities, etc. and then submit the compressive report to the Department for consideration and approval.

### **Lack of community participation in planning for projects**

One of the policy proposals envisaged in Goa tourism policy, 2001 was to ensure that the local community was involved and the benefits of tourism accrue to them. Audit however, observed that the Department did not ensure community participation in the process of planning of various projects undertaken by them. Three such cases are highlighted below:

- The Department initiated a project (February 2011) for establishment of PG standard Golf course and allied tourism and hospitality related activities through a consortium or as an individual entity. The project involved acquisition of 300 acres of land at Tiracol village in Pemem Taluka and an investment of ₹ 707 crore. The land purchased by the selected company (M/s Leading Hotels Pvt. Ltd.) in 2007 for the Golf course was a tenanted property and the owner of the land sold it to the company without taking permission of the tenants. Consequently, the tenants opposed setting up of Golf course fearing that the land under cultivation by them would be lost and the VP also passed a resolution (April 2009) opposing the development of Golf course.
- The initial location at Bandora village, Ponda selected for setting up of State Institute of Hotel Management and Catering Technology (SIHMCT) did not materialise due to objection by VP and agitation by local people. The Government decided (April 2011) to shift the institute to Farmagudi plateau on the land belonging to Goa Engineering College. The change in the location was necessitated on account of the concerns raised by surrounding residents about the institute preparing non-vegetarian food.

- The work on extension of jetty in Mandovi river under the IIDHT could not be started due to agitation by the cruise operators due to fear of losing business owing to change in location to the opposite side of the river where business was minimal.

The Director stated (June 2012) that since the company constructing the Golf course had made huge investment into the project, ensuring participation of local community as well as EIA and mandatory public hearings was the responsibility of the company. The Director did not furnish any specific replies in the other two cases.

The reply is not acceptable as being the nodal agency for the tourism sector development in the State, the Department was accountable for addressing the citizens' concerns.

The Department in its written reply stated that the Department of Tourism undertakes various tourism related infrastructure projects in the State and identifies various locations/places which are feasible for the said projects. Accordingly, Project Management Consultants are appointed for preparation of DPR. The PMC undertake various parameters of the places proposed for development like availability of land, feasibility of facilities, etc. and then submit the comprehensive report to the Department for consideration and approval. In two of the projects of Department, there was agitation of people/Stakeholders. However, queries of the people have been successfully resolved and the projects have commenced.

### **Environmental degradation caused by mining**

Harvalem in North Goa with its waterfall, caves, ancient temple and scenic view attracts a number of pilgrims and tourists both domestic and foreign. Audit observed that the local residents and villagers represented (April 2010 and February 2011) to the Department that due to rigorous iron ore mining activity in the vicinity, the Harvalem waterfall was running thin day by day besides causing noise and dust pollution round the clock. As a result, few tourists visit the waterfall and the place was losing its identity as a religious and tourist spot.

Audit further observed that the representations of the locals and villagers were simply forwarded, without highlighting the

seriousness of the matter, to the Director of Mines (May 2010) and the Director of Mines and Geology (February 2011).

The Department in its written reply stated that the issue raised by Audit needs to be studied properly and the findings if any leading to consequential corrective action should be resolved with by co-ordinating with the local people. Directorate of Mines and other related Department.

### **Degradation of beaches due to tar ball deposits**

The Goa coast is always congested with many merchant ships coming to Mormugoa Port, vessels of Indian Navy, Coast Guard and the barges operating in the rivers and sea. Tar ball deposits are seen on beaches every year after the high tide during the beginning of the monsoon season. The illegal pumping of polluted oily water from the segregated tank and bilges of the ships into the sea, and pumping of polluted water by offshore casinos are the cause for the tar deposits.

Tar ball deposits were noticed in a number of beaches between July 2004 and December 2008. In 2006, the Department removed 20 truckloads of tar balls from the Cavelossim-Cansaulim beaches and buried them near the beach. An exceptionally large quantity of tar ball deposits were also noticed in August 2010 on various beaches of South Goa district which were removed by the fire and emergency services personnel, local panchayats and the beach cleaning contractors.

The State Disaster Management Authority (SDMA) requested (May 2011) the Department of Science, Technology and Environment, Government of Goa to ascertain the root cause of the tar ball deposits and the GSPCB also collected samples for analysis. Reports from both the agencies were still awaited.

Tar ball deposits affect beach tourism. The inability of the State to determine the root cause of tar ball deposits for so long and book the offenders was a matter of concern.

The Department in its written reply stated that the Department has been collecting the tar balls from the beaches as and when they are noticed from time to time and is disposing off the same by way of deep burial as suggested by the Goa State Pollution Control Board. The

Department however does not have exact details of the quantity of the tar balls collected which again is reported back to the Audit party. As such the figures reported by the Audit party in the performance Audit report needs re-verification for its correctness and the source from which the same are reported. The matter of concern raised by the Audit party is however agreed to and the Government through Goa State Pollution Control Board has already prepared a contingency plan for oil spill response which covers the tar balls menace.

The Committee observed that the facts and figures reported by Audit were taken from the affidavit filed by the then Director of Tourism in the Hon'ble High Court of Bombay, at Goa against write petition number 276/2003. The Department should have ascertain this from the Audit before submitting its reply.

### **Environmental impact of prolonged grounding of a ship**

A carrier ship named "River Princess" chartered by M/s Salgaocar Mining Industries Ltd., Goa got stranded at Sinqerim beach in June 2000. The stranded vessel was considered an environmental hazard affecting the beach stretch from Sinqerim to Calangute (Approx. 6 kms). Audit scrutiny of the handling of the issue of removal/breaking of the ship by the Department and the environmental impact on account of prolonged grounding of the ship revealed the following:

- Though the ship was stranded since June 2000, yet it took nine years for the SDMA to declare the grounded ship as a State disaster (March 2009);
- Though the ship was forfeited by the State Government in January 2002, the Department could not arrange to tow away the ship despite awarding the related work thrice between March 2001 and October 2006;
- After three failed attempts to tow away the ship, the ship could be finally broken and removed from the beach in 2012 at a cost of ₹ 99 crore with CFA of ₹ 70 crore;
- During the intervening period of 12 years, the natural process of sand formation in monsoon was blocked by the grounded 250 meter long ship. As a result, the shoreline of Sinqerim beach was severely eroded by constant bashing of the waves due to which sand dunes had been washed away;

- As the sand dunes, which formed a protective cover to the land, were washed away, the land measuring 5,000 sq. mtrs. along the beach stretch valuing approximately ₹ 21 crore was eroded;
- The Sinqerim beach became almost desolate for beach tourism during the intervening period and the reported financial losses on account of reduced occupancy in hotels and reduction in tourist arrivals was estimated at ₹ 17 crore.

As a permanent measure to protect the land from sea erosion, the PWD finalised a tender for construction of revetments at a cost of ₹ 38.87 crore which was not awarded as of August 2012. The revetments consisting of heavy boulders, concrete blocks and tetrapods would kill the aesthetic beauty of Sinqerim beach and there is a possibility of it becoming unsuitable for tourism.

The Principal Secretary, Tourism stated that steps would be taken to mitigate the effects of damage caused due to stranding of ship.

The Department in its written reply stated as below:

A) The Audit has observed that it took 12 years for the Department to finally break and remove the ship in 2012 at a cost of ₹ 99 crore with CFA of ₹ 70 crore. The delay on account of this is not due to the inefficiency or non-performance of the Department however there were many technical aspects linked with the removal of the vessel as also many other factors like, the inability of the earlier chosen contractor to tow away the vessel, floating and re-floating of the fresh tenders on repeated occasions, Court and Arbitration matters which the Department has faced were responsible for the delay.

The sequence of the events contained clearly speak that the Department had not delayed the removal however the delay has been attributable for various reasons which can be seen from above.

The grounding of the vessel at Candolim and its removal to the final remnants were both equally important for the Department and for the Government. The issue of the removal of the ship was therefore a matter of importance, concern and caution for the State and therefore it was necessary that the issue was to be resolved to its final end exercising a precise level of care, caution and concern which the Department and the State Government has rightly exercised. The vessel

was finally removed to its last remnants on 22/10/2014 and after exercising precise caution by forwarding the technical reports generated towards the removal of the vessel to different reputed agencies for examination and after receiving their expert opinion the Monitoring Committee has issued a completion certificate to the contractors on 18/11/2015. The Department has therefore taken every caution and dealt with every concern while executing the work of removal of M.V. River Princess.

B) The Audit has observed that it took 9 years to SDMA to declare the vessel as State Disaster since June 2000 as it was declared as a State Disaster in March 2009. It is submitted that the Authority is competent to declare it as a State Disaster owing to the magnitude of the damaged caused due to erosion and other natural and economic damage. This could be because the damaged caused by the grounding of the vessel is not immediate and is a result of passage of time. The Government in this regards has also carried out a study to assess the extent of damage due to erosion through the Central Water, Power & Research Station, Pune which mentions that the erosion was severe during the year 2008-09. It is therefore right on the part of the SDMA to declare the vessel as a State Disaster as a substantial damage due to erosion was noticed only in the year 2009 and the matter became a cause of concern thereafter.

C) The Department has not carried out any consolidated study for assessment of damage due to erosion of land and the loss of business and other establishments as such the Department is unaware of the figures reported by the Audit party. The figures in these regard needs to be verified for its correctness and the source by which they have been reported by. It is however agreed that substantial damage has been done by the grounding of the vessel by way of damage to the nature, economic and other aesthetic losses. The Department would claim these losses from the owner of the said vessel or the charterer of the vessel as per the provisions of the Goa Tourist Places Protection and Maintenance Act, 2001. Action in these regards is already initiated and a file has been moved by this Department to Law Department for appointment of an Advocate and for filing a proper suit for recovery. It is however necessary to mention here that the entire Goa Tourist Places Protection and Maintenance Act, 2001 has been challenged by the charterer of the vessel before the Hon. High Court of Bombay at Goa and a Writ Petition No. 111/2003 is still pending disposal before the Hon. High Court of Bombay at Goa. The Department will therefore

initiate action in these regards accordingly after seeking the opinion of the Law Department.

It is further submitted that after the complete removal of the vessel M.V. River Princess a substantial beach accreditation has been taken place at the grounded site and the beach has come back.

*The Committee observed that the figures reported by Audit are taken from the report prepared by the North Goa Collector for submission to Planning commission for seeking financial assistance. Hence there is no dispute on the figures reported by Audit.*

*The Committee is appraised of the fact that there is considerable damage and loss to the State and Tourism activities due to the grounding of the ship for 12 years. The Committee would like to be informed of the status of recovery of the amount of loss suffered from the owners. The Committee recommends a contingency plan be prepared and kept in readiness with co-operation from other Departments to avoid delays in redressal of such issues in future.*

## **CHAPTER-II**

### **RURAL DEVELOPOMENT AGENCY**

#### **IRREGULAR UTILISATION OF FUNDS ALLOTTED FOR SAMPOORNA GRAMEEN ROJGAR YOJANA.**

The Government of India lunched the Sampoorna Grameen Rojgar Yojana (SGRY) Scheme in September 2001. The Primary objectives of the Scheme was to provide additional and supplementary wage employment and thereby provide food security and improve nutritional levels in all rural areas. The work to be taken up under the Scheme was to be labour intensive. The secondary objective was the creation of durable community, social and economic assets and infrastructural development in rural areas. The SGRY Scheme was later replaced by the National Rural Employment Guarantee Act, 2005. However, the Scheme continued in Goa till 31<sup>st</sup> March 2008.

The District Rural Development Agency (DRDA) South, the implementing agency for the Yojana/Act in South Goa, placed funds received from the Government of India with South Goa Zilla Panchayat (SGZP) for implementing the scheme in a South Goa. The amounts so received were deposited by the SGZP in a separate account (A/c. No. 1800) in the Corporation Bank, Arlem branch, opened in October 2002. As per the pass book furnished to audit, the opening balance as on 1<sup>st</sup>

April, 2007 was ₹ 92,07,393. After accounting for bank interest amounting to ₹ 3,10,667, the total availability of funds at the beginning of March 2008 was ₹ 95,18,060.

The Committee observed that the Sampoorna Grameen Rojgar Yojana funds amounting to ₹ 94.74 lakh (out of ₹ 95.18 lakh available) were expended in the month of March 2008 by payments to individuals instead of as wages to labourers. No evidence of utilisation of ₹ 27.04 lakh drawn through self-cheques for distribution of wages was available.

The Government of India (GOI) launched Sampoorna Grameen Rojgar Yojana (SGRY) in September 2001. The primary objective of the scheme was to provide additional and supplementary, wage employment and thereby provide food security and improve nutritional levels in all rural areas. The works to be taken up under the scheme was to be labour-intensive. The secondary objective was creation of durable community, social and economic asset and infrastructural development in rural areas. SGRY scheme was later replaced by National Rural Employment Guarantee Act-2005. However, SGRY continued in Goa till 31.03.2008.

SGRY scheme was funded by the Central and State Governments in the ratio of 75:25 basis. The funds released by the State and Central Governments were allotted to the Zilla Panchayat South Goa and Village Panchayat from South Goa District in the ratio of 80:20 basis as provided in the SGRY guidelines.

Accordingly in the year 2006-2007, Z.P. South Goa was having ₹ 95.18 lakh balance. However, in the year 2007-08 Zilla Panchayat South Goa has spent ₹ 94.74 lakh and balance ₹ 0.44 lakh was returned to DRDA South.

However, while auditing the accounts of SGRY funds allotted to DRDA South Goa, CAG has made observations towards the irregularities in utilizing the funds to the tune of ₹ 27,03,578/- of which the required proper vouchers were not available in the records.

In this regards the preliminary inquiry was conducted by the Chief Executive Officer Z.P. South Goa which has not recommended or concluded properly and hence the same was not accepted by the Resident Audit Office (RAO).

And therefore now the decision is taken to ask once again Chief Executive Officer Z.P. South Goa to inquire into the matter thoroughly

and submit the report with conclusion for appropriate action. Hence it is submitted to grant a six months of time to complete the above exercise.

*The Committee sees a total lack of responsibility on the part of the officials in the matter. It points out the total casual approach to the fixing of the responsibility for the misappropriation of the amount. Hence the Committee recommends that the Department may follow up with the concerned authorities regarding the status of the disciplinary action to be taken and the mode of recovery of the amount from the concerned person. The Committee may be kept updated in the matter.*

### **CHAPTER-III**

#### **FINANCE DEPARTMENT**

##### **SHORT RECOVERY OF CENTRAL SALES TAX.**

Section 8(i) of the Central Sales Tax Act, 1956 provides that if the selling dealer in the course of Interstate trade or commerce furnishes to the prescribed authority in the prescribed manner a declaration duly filled in and signed by the registered dealer to whom the goods are sold, tax is leviable at the reduce rate of 4% for the year 2005-06 and 3% for the year 2007-08 failing which tax will be applicable at full rate of 10% for the year 2005-06 and @ for the year 2007-08.

M/s. Teracom Ltd., Ponda Goa a manufacturer of optical fibre cables and other IT products was levied tax at reduce rates on the sale of goods worth ₹ 6.59 crore and ₹ 6.85 lakh to Bharat Sanchar Nigam Ltd., Jammu and Kashmir during the years 2005-06 and 2007-08 respectively on the production of 'C' forms which were issued in the name of M/s. Teracom Ltd., Noida. As the 'C' forms were issued in the name of M/s. Teracom Ltd., Noida and not in the name of M/s. Teracom Ltd., Goa, the levy of tax at reduced rates was irregular. Tax should have been levied at

the applicable rate of 10% for the year 2005-06 and @ 4% for the year 2007-08. This resulted in short realisation of tax of ₹ 66.15 lakh.

The Department stated in November 2011 that Interstate sales made against 'C' form referred in the Audit observation were made by M/s. Teracom Ltd., Goa only and that the mistake was with the records of the purchasing dealer. The reply is not tenable as the benefit of reduced rate tax should have been granted only if the 'C' forms were issued in the name of the dealer claiming the benefit. The failure of the Assessing Authority to verify the correctness of the claim made on 'C' forms submitted by the dealer resulted in non-realisation of revenue of ₹ 66.15 lakh.

The Committee observed that short levy of tax under Central Sales Tax (CST) on invalid declaration forms resulted in loss of revenue to the tune of ₹ 66.15 lakh.

The Department in written reply stated that the dealer was issued show cause notice and the dealer has subsequently made corrections in the 'C' Forms of 2005-06 and for 2007-08, the dealer has paid ₹ 35,000/- towards ₹ 20,000/- as tax and ₹ 15000/- as penalty.

The dealer manufactures for sale of the optical fibre cable and the major sales are affected only to the Government companies such as "Bharat Sanchar Nigam LTD." in the instant case for the year 2005-06 and 2007-08, dealer has obtained the declaration Form 'C' under No. 04V-626522 from "BSNL LTD." Jammu for ₹ 6,58,71,992/- and form No. 04V790213 for ₹ 6,84,875/- respectively.

However, the purchasing party M/s. BSNL, Jammu has mentioned the name of the supplying dealer as M/s. Teracom Ltd., Noida. The fact of case is that the dealer is having the corporate office at Noida wherein orders are placed for supply of goods from Noida corporate office. However, all the supplies are made from "M/s. Teracom Ltd.", Goa as there is no manufacturing unit in 'Noida'. Only Negotiation and Finalization of order are made at Noida Corporate Office and same are forwarded to make the supply to Goa office.

In pursuance to the Audit Para raised, the dealer was issued with a show cause notice vide No. 30530201852/783 dated 29/05/2012 asking as to why the said declaration form should not be rejected and case should not be re-opened. The dealer has filed his reply confirming that the supply is made from Goa however the purchasing dealer has erroneously

mention the address as Noida instead of Goa. Further the dealer made a request to return the said declaration forms so as to get it corrected from the purchasing party.

The forms were return back to the dealer at his request vide letter dated 11/06/2012 and asked to furnish the same immediately after making necessary correction.

The dealer has return the said declaration form duly corrected from the purchasing party putting their signature and stamp wherever applicable.

The copies of the declaration forms "C" under No. 04V-626522 and No. 04V-790213 along with the other documents such as purchase order, copies of invoices and statement of account submitted to the office.

As the declaration forms are duly corrected by the purchasing party and that too supplies are made from M/s. Teracom Ltd., Goa the Para raised may be closed.

## **APPENDIX-I**

### **MINUTES OF THE MEETING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON 11<sup>th</sup> SEPTEMBER 2017.**

Meeting of the Public Accounts Committee was held on 11<sup>th</sup> September 2017 at 2.30 pm in the PAC Room, Assembly Complex, Porvorim, Goa to examine the para 2.1 pertaining to Forest Department, Para 2.2 pertaining to Corporation of City of Panaji reflected in the CAG's Report for the year 2011 and Para 2.1 pertaining to Tourism reflected in the CAG's Report for the year 2012.

Following were present:

#### **CHAIRMAN**

Shri Pratapsingh Rane

## **MEMBERS**

1. Shri Churchill Alemao
2. Shri Nilesh Cabral
3. Smt Jennifer Monserrate
4. Shri Rajesh Patnekar

## **GOA LEGISLATURE SECRETARIAT**

1. Shri N.B. Subhedar, Secretary, Legislature
2. Smt. Celiza, Under Secretary, Legislature

## **AUDIT DEPARTMENT**

1. Shri Ashutosh Joshi, Accountant General
2. Shri Murlidharal Sr. Audit Officer (Report)

1. At the outset the Chairman of the PAC welcomed the Committee Members. The Committee mentioned that the forest area is about 2,000 hectares and wanted to know how much was disposed. The Committee also wanted to know whether there was any Rule or Law regarding the distance to set up Wood Working Industry and inquired whether Forest Officers/Guards are staying in the Forest Buildings and the number of them lying vacant.

2. The Committee examined the Secretary, Forest in relation to para 2.1 for the year 2011 regarding the State Forest Policy. The Committee inquired whether there was a State Forest Policy. For which the Officer informed that there was no State Forest Policy because of issues like private forest but there was a National Forest Policy.

3. Further the Committee discussed about the Cashew plantation being totally neglected. Under growth not being cleared, whether prophylactic measures were used and restoration of cashew plantation was done.

4. The Committee inquired about the number of forest guards, the number of vacant posts and the state of affairs of those assets that were created there for the forest guards and foresters to stay.

5. The Committee mentioned about the underutilization of funds of Management Action Plan on mangroves because mangroves are growing wild. Bunds were broken, people find it difficult to cultivate.

6. Regarding the delay in utilization of funds under Integrated Development of wildlife Habitats the Committee made a mention that a compound wall is built for wild animals. If it was built for wild animals it should have been around the Wildlife Sanctuaries some sort of obstruction so that the wild animals don't go and destroy the paddy fields of the farmers

7. The Committee also pointed out the failure of plantations carried out in Comunidade lands wherein a lot of money was utilized.

8. The Committee further examined the Secretary (UD) and the Commissioner CCP on Non Levy of Property Tax on Government land and building. The Committee was informed that enhancement of Municipal Taxes and GIS mapping all the properties in the Panaji were through Smart City

9. Regarding Government buildings, the Officer also informed that as per section 108 of CCP Act, there was a certain procedure to be followed by the Corporation.

10. Lastly the Committee examined the Director Tourism regarding appointment of a single consultant for the preparation of the Project Report and wanted to know why no tenders were floated and on what basis the appointment was made.

11. The Committee further wanted to know about the amenities in Tourist place like parking lot, toilets, changing rooms being inadequate and poorly maintained wherever they existed. It stated that the Department's control over irregularities by beach shack owner was found to be inadequate and weak

12. The Committee also wanted to know the mechanism for collecting statistics of tourists by roads and rails and those that are staying in unregistered accommodation.

13. On inspection of beach shacks, the Officer informed that the Tourist Force and the Police Force were present in case of any disputes between tourists and hawkers or any condition of beach policy that were violated by the shack owner.

14. The Committee wanted to know about the Tourist Policy which was formulated in 2001 and which has not been revised subsequently, despite the fact that the tourism in Goa has been the major economic activity having direct and indirect co-relation with all other sectors.
15. The Committee also questioned about other requirements i.e. the sewerage network in Coastal Belt, Golf Course and Hotel Management and Catering Technology.
16. The Chairman mentioned that Rural Development and CST/Finance may be called for the meeting on 25<sup>th</sup> September as the relevant paras would be taken up.
17. Digital and verbatim records of the proceedings of the meeting were kept.
18. The Committee adjourned its sitting at 4.45 pm.

## **APPENDIX-II**

### **MINUTES OF THE MEETING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON 17<sup>TH</sup> JULY 2018.**

Meeting of the Public Accounts Committee was held on 17<sup>th</sup> July 2018 at 11.00 a.m in the PAC Room, Assembly Complex, Porvorim, Goa to further examine Para 5.2 reflected in the CAG's Report for the year ending 2010-11 and para 4.4 reflected in the CAG's Report for the year ending 2011-12 pertaining to Finance. Para 3.6.3. pertaining to Rural Development and para 2.1 pertaining to Tourism Department reflected in the CAG's Report for the year 2011-12

The following were present:

**CHAIRMAN**

Shri Pratapsingh Rane

**MEMBERS**

1. Shri Churchill Alemao
2. Shri Rajesh Patnekar
3. Shri Dayanand Sopte
4. Shri Glen Ticlo
5. Shri Nilesh Cabral

**GOA LEGISLATURE SECRETARIAT**

1. Shri N.B. Subhedar, Secretary, Legislature
2. Smt. Celiza Fernandes, Under Secretary, Legislature

**AUDIT DEPARTMENT**

1. Shri Ashutosh Joshi, Accountant General
2. Shri Muralidharan Sr. Audit Officer (Report)

2. At the outset, the minutes of the meeting held on 11<sup>th</sup> December 2017 were circulated to the Members. The agenda for the day included further examination of Para 5.2 reflected in the CAG's Report for the year ending 2010-11 and paras reflected in the CAG's Report for the year ending 2011-12 4.4 pertaining to Finance, Para 3.6.3. Pertaining to Rural Development and Para 2.1 pertaining to Tourism Department.

3. The Committee examined the officers of Finance Department in relation to Para 5.2 of the year 2010-11 regarding Utilization of declaration forms in Inter-State Trade and Commerce. The Committee wanted to know the action taken on TINXSYS website.

4. The Committee further examined the officers of Finance Department in relation to para 4.4 of the year 2011-12 relating to Short recovery of Central Sales Tax. The Committee was informed that instead of Telecom Goa it was put Gurgaon and the same was corrected and counter

signed by officers of BSNL and also verified other transfer documents had been verified.

5. The Committee also examined the officers of RDA in relation to para 3.6.3 regarding irregular utilization of funds allotted for Sampoorna Grameen Rozgar Yojana. The Committee went through the inquiry report of the misappropriation of funds and the action that would be taken in the matter.

6. The Committee further examined the Officers of Tourism Department in relation to Para 2.1 of the year 2011-12 regarding Performance Audit of promotion of tourism in Goa. The Committee informed that the idea of having a Government Organization is basically not to complicate things.

7. Digital and verbatim records of the proceedings of the meeting were kept.

8. The Committee adjourned its sitting at 12.33 p.m.

### **APPENDIX-III**

#### **MINUTES OF THE MEETING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON 10<sup>TH</sup> AUGUST 2018.**

Meeting of the Public Accounts Committee was held on 10<sup>th</sup> August 2018 at 3.30 p.m in the PAC Room, Assembly Complex, Porvorim, Goa

to further examine Paras reflected in the CAG's Report for the year 2011-12, 2012-13 and 2013-2014.

The following were present:

**CHAIRMAN**

Shri Pratapsingh Rane

**MEMBERS**

1. Shri Rajesh Patnekar
2. Shri Nilesh Cabral

**GOA LEGISLATURE SECRETARIAT**

1. Shri N.B. Subhedar, Secretary, Legislature
2. Smt. Celiza Fernandes, Under Secretary, Legislature

**AUDIT DEPARTMENT**

1. Shri Ashutosh Joshi, Accountant General
2. Shri Muralidharan Sr. Audit Officer (Report)

2. At the outset, the minutes of the meeting held on 17<sup>th</sup> July 2018 were circulated to the Members. The agenda for the day included further examination of Para 2.1 pertaining to Tourism and Para 3.6.3 pertaining to RDA reflected in the CAG's Report for the year ending 2011-12. Para 3.1.3 pertaining to PWD, Para PA-4.2 pertaining to Law and Para 3.1.5 pertaining to Women & Child reflected in the CAG's Report for the year ending 2012-13. Para 3.4 pertaining to Public Health GMC reflected in the CAG's Report for the year 2013-14.

3 The Committee examined the Officers of Tourism Department regarding Para 2.1 Performance Audit of promotion of Tourism in Goa. The Committee wanted to know about the 10 infrastructure projects proposed for execution with Central financial assistance at a total estimated cost of Rs 238.24 crores, out of which only one was under execution, three were yet to be sanctioned by GOI and execution of the remaining six projects were held up for want of various approvals/permissions.

4 In regards to Para 2.1.6.2 and Para 2.1.7.2, the Committee brought to the notice of the Officer that the Tourism Policy in 2001 was formulated without amending it and a single consultant was appointed without calling tenders.

5 Para 2.1.9.1 and Para 2.1.9.3 the Committee was informed that whatever the Regulations, Norms and SOP's of Tourism Department the audit felt that they did not have an enforcement mechanism. Under the Beach Shack Policy certain conditions were put that they should have toilets and cameras. If any violations are noticed, show-cause notice is issued immediately. Security deposits are also kept.

6. In regards to Para 2.1.11.1, 2.1.11.2 and 2.1.11.4 the Committee was informed that marketing was carried out by the GTDC. It tendered out the empanelment of new event agencies and seven event management agencies were short listed in 'A' category only for the year 2013. The Department has recently taken over the promotion and marketing back from the GTDC.

7. In regards to Para 2.1.12 the Committee brought to the notice of the Officer Tourism that new tourism products like festival tourism, health tourism were not adequately promoted. The Government did not make any additional arrangements to start cruise activities in other parts of the State. A number of water sports operators carried out business without valid registration with the Department.

8. In regards to Para 2.1.13.2, 2.1.13.3 and 2.1.13.8 the Committee was informed about Salmona spring and the beach cleaning activities that Solid Waste Management Plant had been constructed at Saligao and it is in operation. Most of the requirements of ground water which is getting damaged because of this pollution have been handled.

9. Regarding Para 2.1.13.10 the Committee was informed that the Department is going to claim the money lost on account of prolonged grounding of ship, once the arbitration is done including the loss of land washed away amounting to 21 crore and due to reduced occupancy in hotels amounting to Rs 17 crores.

10. The Committee also examined the Officers of RDA in relation to Para 3.6.3 in which the Officer informed the Committee that an inquiry Committee was formed and the responsibility has been fixed on the concerned Officers and the file has been sent to the Government.

11. The Committee examined the Officers of Public Works Department in relation to Para 3.1.3 regarding extra cost due to re-alignment of pipeline. The Committee was informed that the point which was chosen for tapping the water line was changed and therefore there was extra expenditure. The tender which was called was 20% below the estimated rate.

12. The Committee further examined Para 3.1.5 pertaining to Women and Child Development Department and was informed that the procurement of wheat and rice was made through the Goa marketing Federation which had resulted in a higher procurement cost which could have been avoided if it was procured through Wheat based Nutrition Programme of the Govt. of India. The reason was the rice and wheat was found to be of substandard quality.

13. The Committee also examined Public Health Department in relation to Para 3.4. The Committee was informed that the owner of the private firm who ran the pharmacy went to court. The same was challenged by him before the District Court and since 2011 matter had been pending and in 2017 the order was finalized. He was evicted and whatever had to be paid for that period has been collected and there are no dues.

14. The Committee examined the Officers in relation to Para 4.2 pertaining to Revenue/Law the Committee was informed that all the cases have been verified and the people claimed the remission and was implemented under the notification. Remission upto 80% was allowed in case of huge areas.

15. Digital and verbatim records of the proceedings of the meeting were kept.

16. The Committee adjourned its sitting at 5.49 p.m.

## **APPENDIX-IV**

### **MINUTES OF THE MEETING OF THE PUBLIC ACCOUNTS COMMITTEE HELD ON 2<sup>ND</sup> NOVEMBER 2018.**

Meeting of the Public Accounts Committee was held on 2<sup>nd</sup> November 2018 at 3.30 p.m. in the PAC Room, Assembly Complex, Porvorim, Goa, to further examine Paras reflected in the CAG's Report for the year 2014-15.

The following were present:

#### **CHAIRMAN**

Shri Pratapsingh Rane

#### **MEMBERS**

1. Shri Churchill Alemao

#### **GOA LEGISLATURE SECRETARIAT**

1. N.B. Subhedar, Secretary, Legislature
2. Smt. Celiza Fernandes, Under Secretary, Legislature

#### **AUDIT DEPARTMENT**

1. Shri Ashutosh Joshi, Accountant General
2. Shri Murlidharan Sr. Audit Officer (Report)

2. The minutes of the meeting held on 7<sup>th</sup> September 2018 were circulated to the Members. The agenda for the day included further examination of Para 1.5 (P.A.) pertaining to Public Health, Para 1.11 pertaining to Education Department and Para 2.2 (P.A.) pertaining to Revenue Department reflected in the CAG's Report for the year 2014-15.

3. The Committee examined the Secretary Revenue in relation to Para 2.2 regarding Performance Audit on Management of Alvara Lands. The Officer concerned informed the Committee that the reply needs the finance audit approval from the Finance Department. The Committee asked the Officer to submit the Alvara Land reply in the next meeting.

4. The Committee further examined the Secretary Education in relation to Para 1.11 regarding Faulty tendering under Laptop e- scheme. The Officer agreed to the fact that the tender was badly drafted. Further informed that the cyber age Scheme would be modified and the redrafting of the Scheme was under submission.

5. The Committee also examined the Secretary Health in relation to Para 1.5 regarding Performance Audit of functioning of Goa Medical College. The Committee was informed that the common point which was highlighted was the undue delay in processing and finalizing the tender process. It starts in one financial year and by the time it is completed it goes to the next financial year. Here the purpose of the price, which should have been procured for and making the services and product available to the public was defeated. Taking stock of the observations made by the Audit a circular had been issued recently in the month of October, whereby it was stated that all the purchase companies should keep in mind, that whenever the tender is processed the time gap between the opening of the technical and the financial bid should not exceed beyond two months so that within 2 to 3 months period from the date of opening of the tender, the tender should be finalized and send from their end. Secondly undue or unnecessary queries should not be raised which delays the processes.

6. Draft Reports for the year 2010-11, 2011-2012, 2012-2013 and 2013-2014 were circulated to the Members of the Committee and adopted.

7. Digital and verbatim records of the proceedings of the meeting were kept.

8. The Committee adjourned its sitting at 4.46 p.m.