

सत्यमेव जयते

Report of the Comptroller and Auditor General of India on Swadesh Darshan Scheme



SUPREME AUDIT INSTITUTION OF INDIA

लोकहितार्थं सत्यनिष्ठा

Dedicated to Truth in Public Interest



Union Government
Ministry of Tourism
No. 17 of 2023
(Performance Audit)

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Comptroller and Auditor General of India
on
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Laid on the table of Lok Sabha and Rajya Sabha on.....

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Preface

This Report of the Comptroller and Auditor General of India has been prepared for submission to the President of India under Article 151 of the Constitution. It contains the results of Performance Audit of Swadesh Darshan Scheme implemented by the Ministry of Tourism.

The Swadesh Darshan Scheme is a 100 *per cent* Central Sector flagship scheme launched (January 2015) by the Ministry of Tourism for the development of tourism infrastructure in the country. The Ministry identified 15 tourist circuits for development under the Scheme and a total of 76 projects were sanctioned under the Scheme since its inception.

The Performance Audit, covering the period from the Scheme's inception in January 2015 to March 2022, was conducted to derive an assurance that the tourist circuits were identified, prioritised and planned as per the Scheme design and objectives; the identified projects in the tourist circuits were executed in an efficient, effective and coordinated manner; and there was proper monitoring and impact assessment of the Scheme.

The Performance Audit was conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

Executive Summary

The Swadesh Darshan Scheme, launched in January 2015 with an initial outlay of ₹500 crore, is a Central Sector flagship scheme of the Ministry of Tourism for the development of tourism infrastructure in the country. The Ministry identified 15 tourist circuits for development under the Scheme, namely Himalayan circuit, North East circuit, Krishna circuit, Buddhist circuit, Coastal circuit, Desert circuit, Tribal circuit, Eco circuit, Wildlife circuit, Rural circuit, Spiritual circuit, Ramayana circuit, Heritage circuit, Tirthankar circuit and Sufi circuit. The Ministry sanctioned a total of 76 projects (15 circuits) during the period from 2014-15 to 2018-19 at a sanctioned cost of ₹5,455.69 crore.

Performance Audit of the Scheme covered the period from the Scheme's inception (2014-15) to March 2022 with the objectives to assess whether:

- (a) The tourist circuits were identified, prioritised and planned as per the Scheme design and objectives, to increase tourist potential at the sites;
- (b) The identified projects in the tourist circuits were executed in an efficient, effective and coordinated manner, to achieve integrated development of quality (world-class) infrastructure, and
- (c) There was proper monitoring and whether mechanisms were established towards impact assessment of the Scheme, in terms of achievement of its objectives viz., sustainable tourism, enhancement of tourist potential, employment generation, generating livelihoods, community-based development etc.

Performance Audit covered planning, implementation and monitoring of the Scheme by the Ministry and respective States. The relevant records were examined in the Ministry and offices of the selected States and the implementing agencies. A sample of 14 projects (related to 10 tourist circuits) from 13 States out of a total of 76 projects (15 circuits) was selected for detailed examination.

The main audit findings are as under:

Formulation of the Scheme

The Ministry launched the Scheme despite objection of the Planning Commission/Ministry of Finance and did not act upon the recommendation of the Standing Finance Committee to formulate an Umbrella scheme by merging the schemes having overlapping objectives. As a result, there was overlapping of scope across various schemes implemented by the Ministry. Most of these schemes were still ongoing in 2021-22. Thus, the objective of the Government to contain the proliferation and rationalisation of schemes was not achieved.

(Para 2.1)

The Ministry formulated the Scheme without conducting any feasibility study. Non-preparation of the feasibility report resulted in poor identification of sites and deficiencies in execution of projects, such as delay in completion of the projects and non-utilisation of funds.

(Para 2.2)

After launching the Scheme with an initial outlay of ₹500 crore, the Ministry continued to sanction projects and the amount sanctioned had exceeded ₹4,000 crore by 2016-17. The Ministry sanctioned funds without obtaining approval of the Cabinet, which was necessary for sanctioning projects costing above ₹1,000 crore.

(Para 2.3)

There was lack of proper planning on the part of the Ministry as it did not ensure preparation of National or State level Plan before launching the Scheme. After the launch of the Scheme also, it did not ensure preparation of Detailed Perspective Plans (DPP) for 14 out of 15 tourist circuits/themes, which were to form the basis of selection of projects and preparation of Detailed Project Reports. Thus, the Ministry did not have any long-term vision/policy for implementing the Scheme. Further, frequent changes were made in the modalities of the Scheme and a total of 15 revisions were made till August 2020, thus impacting effective implementation by the State Governments/Implementing Agencies.

(Paras 2.4 and 2.5)

The Ministry did not pay adequate attention to the development of the Rural circuit. As on 31 March 2022, the total expenditure incurred under Rural circuit was only ₹30.84 crore, which constituted only 0.73 *per cent* of the total expenditure incurred under the Scheme.

(Para 2.6)

The Ministry did not play an active role in the identification of projects and relied on the State Governments for identification of projects and preparation of Detailed Project Reports. However, many project proposals were submitted by the State Governments without any proper identification criteria or prioritisation. Instances were noticed where the projects did not meet the criteria of a tourist circuit.

(Paras 2.7 and 2.8)

A large number of sites and components had been chosen for the implementation of the Scheme. There were 910 sites and 6,898 components in 243 districts under 76 projects sanctioned under the Scheme, despite dropping of a large number of components. As a result, the Ministry/State Governments could not pay adequate attention to all the sites, resulting in delay in obtaining timely clearances and award of works, lack of adequate monitoring, site inspection and change/dropping of components etc.

(Para 2.9)

The Scheme guidelines envisaged convergence with other schemes of Central Government/Ministries and State/UT Governments. The Ministry, however, did not formulate guidelines for convergence of projects with other schemes. In the selected 14 projects, Audit found that there was no convergence/synergy with other schemes.

(Para 2.10)

The Ministry did not develop a formal mechanism for evaluation and approval of projects. While 18 months to 36 months had been given to the State Governments/UTs to complete the projects, the Ministry itself kept the project proposals pending for up to six years in few cases without any action as it did not have a defined timeline for approval or rejection of project proposals.

(Para 2.11)

In all the 14 selected projects, there were deficiencies in the Detailed Project Reports (DPRs), such as preparation of DPR without site survey, inclusion of sites without land and other clearances, tourist traffic survey, infrastructure gap analysis, detailed estimates and bills of quantities, operation and maintenance plan etc. Thus, the Ministry did not ensure preparation of DPRs based on gap analysis in tourist amenities and fund requirements. This resulted in hindrances in smooth execution, delays and deviations, time overrun and dropping of components.

(Para 2.12)

With reference to the Audit findings on formulation of the Scheme, Audit recommends that:

- 1. The Ministry may consider undertaking a review of its ongoing schemes to ensure that there is no overlapping of activities/objectives proposed under various schemes and rationalise the schemes by suitably merging them to avoid overlapping of objectives.*
- 2. The Ministry may formulate long-term vision for development of tourism sector and ensure its inter-linkage with National Tourism Policy, Perspective Plans and other plans prepared for projects/destinations.*
- 3. The Ministry may ensure convergence of the Scheme with other schemes of the Government of India/State Governments and may consider formulation of convergence guidelines incorporating components where funding is being provided by other Ministries/Departments.*
- 4. The Ministry may prescribe a timeline for taking prompt decision on the project proposals submitted by the States/UTs and may ensure that the deficiencies in the proposals are communicated to them within a stipulated time frame.*

Financial Management

There were large variations between the Budget Estimates and Revised Estimates for the Scheme, which was indicative of inefficient budgeting and unrealistic estimation. The Ministry had reduced the Budget at Revised Estimates stage in five out of eight years during 2014-15 to 2021-22.

(Para 3.1)

The Ministry dropped/merged components where the work had not been commenced or the clearances were pending. As a result, costs in many projects were revised, which led to excess amounts with the State Governments/Implementing agencies. The excess amount was required to be refunded by State Governments. However, the Ministry did not make concerted efforts for recovery of excess amount from the States.

(Para 3.2)

The Ministry did not issue instructions to the States for opening of separate bank accounts for more than five and half years since the launch of the Scheme. As a result, many State Governments did not open interest-bearing accounts, thus causing loss of interest to the exchequer. Further, 10 out of the 13 selected States did not remit the interest of ₹50.06 crore earned on the Scheme funds to the Ministry. Also, there was delay/non-submission of Utilisation Certificates by the State Governments in 47 out of total 76 projects.

(Paras 3.3 and 3.4)

In four out of 14 selected projects, the State Governments incurred irregular expenditure against consultancy and contingency charges such as for purchase of vehicles and other inadmissible expenditure.

(Para 3.5.1)

There was undue benefit to contractors amounting to ₹19.73 crore on account of irregular payment to contractors and grant of mobilisation advance. Further, the State Governments incurred wasteful/excess/unfruitful/inadmissible expenditure of ₹51.56 crore from the Scheme funds.

(Paras 3.6 and 3.7)

With reference to Audit findings on Financial Management, Audit recommends that:

- 5. The Ministry may prepare the budget estimates for seeking funds from the Parliament on a realistic basis after proper assessment of the requirement of funds.*
- 6. The Ministry may ensure timely submission of Utilisation Certificates by the States/UTs in respect of funds released to them under the Scheme, and remittance of interest earned by them on the Scheme funds to the Ministry.*
- 7. The Ministry may take action to recover the excess expenditure incurred by the States/UTs without prior approval of the Ministry as well as the inadmissible expenditure incurred by them.*

Implementation of the Scheme

Out of 76 projects sanctioned by the Ministry, no project was completed within the stipulated time frame. In selected 14 projects, it was noticed that eight projects were completed with delays ranging from 22 months to 47 months and six projects were yet to be completed, despite considerable delay.

(Para 4.1)

The Ministry sanctioned projects and released funds to the concerned State Governments based on an undertaking given by them in the Detailed Project Reports to provide encumbrance-free land. However, actual availability of land was not ensured before release of funds. As a result, in 13 of the 14 selected projects, the Ministry had to drop 149 components (15.07 per cent) after 35 months to 69 months from the date of sanction.

(Para 4.2)

There were delays ranging from 11 months to 58 months in the award of works by the State Governments in the selected 14 projects. Further, there were irregularities in award of works by the State Governments, such as award of work without relevant sanctions, award of work without tendering, or on nomination basis. Deviation/extra items and change in scope of work from the approved Detailed Project Report were found in six out of selected 14 projects.

(Paras 4.3, 4.4, 4.5 and 4.6)

The Ministry did not take necessary steps to ensure that the State Governments carried out proper operation and maintenance of created assets in a sustainable manner. Site inspection revealed that no arrangements for effective upkeep and maintenance of assets were made. There were instances of created facilities not being put into operation, deterioration of infrastructure due to lack of proper maintenance and other irregularities.

(Para 4.7)

With reference to Audit findings on Implementation of Scheme, Audit recommends that:

8. *Instead of relying only on the undertaking given by the States regarding availability of encumbrance free land and other clearances, the Ministry may devise an institutional mechanism in coordination with the States and the concerned Ministries so that necessary clearances can be obtained in a time bound manner prior to release of funds under future Schemes of the Ministry.*
9. *The Ministry may strengthen the mechanism to address the issues such as deviation from and changes in the scope of work in order to ensure that proper justification is provided by the States/UTs for such deviations and the approval of the Ministry thereof is invariably obtained.*
10. *The Ministry may take necessary steps to ensure that the State Governments carry out proper operation and maintenance of the assets created in a sustainable manner. The State Level Monitoring Committee may be asked to regularly monitor the operation and maintenance by the State Governments.*

Monitoring and Impact Assessment

The Scheme guidelines provided for overall monitoring through the National Steering Committee (headed by Minister, Tourism), Central Sanctioning and Monitoring Committee (headed by Secretary, Tourism) and Mission Directorate (headed by Joint Secretary/Additional Director General, Tourism). However, only six meetings of the National Steering Committee were held since inception (January 2015) of the Scheme till March 2022 as against 29 meetings required to be held. Thus, the Ministry did not effectively utilise the apex forum of the National Steering Committee, as envisaged during the formulation of the Scheme, for its effective implementation and monitoring. As there were bottlenecks during the project implementation phase due to non-receipt of timely clearances from various authorities, National Steering Committee could have played an important role in resolving these issues.

(Para 5.1.1)

There was a significant time gap between the meetings of Central Sanctioning and Monitoring Committee and the Mission Directorate. No meeting of the Central Sanctioning and Monitoring Committee and the Mission Directorate was held after November 2018 and October 2019 respectively. Effective monitoring of the progress of the projects at a higher level got necessitated after 2018-19 as all the projects were delayed. However, non-convening of meetings of the Central Sanctioning and Monitoring Committee and the Mission Directorate during this period made the monitoring ineffective at these levels. Further, the Zonal Officers (Joint Secretary level) appointed by the Ministry for monitoring did not play any role in monitoring of the projects.

(Paras 5.1.2 and 5.1.3)

The appointment and extensions of M/s Ernst & Young as the Programme Management Consultant (PMC) for the Scheme were irregular. The Ministry incurred an avoidable expenditure of ₹2.39 crore due to not following the process of open tendering for selection of PMC. More importantly, the PMC did not perform the duties defined in the guidelines/scope of the work i.e., preparation of Detailed Perspective Plan, DPRs, creation of shelf of projects, assistance in financial closure of projects, assistance to Mission Directorate in capacity building and Information, Education and Communication initiatives. The Ministry had to incur additional expenditure for preparing DPRs through the State Governments as the PMC did not prepare the same.

(Para 5.2)

There was delay in the formation of the State Level Monitoring Committees, and its meetings were also not being held by the States at regular intervals. This impacted the timely completion of the projects, besides poor monitoring of projects at the State level. Thus, the mechanism of State Level Monitoring Committee did not fulfil its intended purpose.

(Para 5.3)

Conducting an annual survey to measure the achievement of the objective of tourist satisfaction and the impact of the Scheme on the growth of local economy was a critical component of the Scheme. However, the Ministry did not conduct any annual survey to measure the outcome indicators. Thus, the Ministry did not develop a mechanism for evaluating the impact of the Scheme. Similarly, generation of employment was one of the major focus areas. However, the Ministry did not develop any outcome framework for measuring employment creation.

(Paras 5.4 and 5.8)

Capacity/skill development was one of the main focus areas of the Scheme. For this, up to 10 *per cent* of funds were earmarked for Information, Education and Communication (IEC) components such as workshops, seminars, publications, stakeholder outreach, skill development, etc. However, the Ministry did not conduct any capacity development/IEC programme under the Scheme and incurred expenditure of only ₹10.70 lakh (0.02 *per cent*) on IEC out of ₹546 crore required to be incurred on IEC.

(Para 5.5)

There was no mechanism in the Ministry to ensure the correctness of project data submitted by the State Governments/Implementing Agencies. Audit noticed instances of incorrect/inflated Utilisation Certificates, wrong progress shown in the monthly progress reports and wrong depiction of facilities created under the Scheme. Further, the Scheme dashboard did not have critical data related to employment generation, tourist traffic data, revenue generation, private investment etc., as envisaged in the Scheme. Thus, the objective of the Ministry to have an online presence of the Scheme could not be fully achieved.

(Paras 5.6 and 5.7)

The evaluation of the Scheme by the National Productivity Council was not comprehensive due to selection of a limited sample and a lack of baseline data. As a result, even after two evaluations by National Productivity Council, detailed impact assessment of the Scheme could not be conducted and the National Productivity Council did not evaluate tourist footfall, employment generation and income generation for the local population, which were the major focus areas of the Scheme. Thus, the Ministry did not exercise due diligence for evaluation/impact assessment of the Scheme.

(Para 5.9)

The Ministry did not act upon the recommendations of the Department-Related Parliamentary Standing Committee on Transport, Tourism and Culture made from time to time relating to the Scheme. Further, the Ministry agreed upon the recommendations of Expenditure Finance Committee on the Scheme but did not comply with the same. As a result, the issues raised by the Committees persisted.

(Para 5.10)

The Ministry had launched the Scheme to develop theme-based tourist circuits on the principles of high tourist value, competitiveness and sustainability in an integrated manner to enrich the tourist experience and enhance employment opportunities with a vision statement, mission and objective. However, there was no clear roadmap or strategy for the achievement of these objectives. As a result, even after seven years of launch of the Scheme, these objectives were yet to be fully achieved.

(Para 5.11)

With reference to Audit findings on Monitoring and Impact Assessment, Audit recommends that:

- 11. Mission Directorate (Programme Division) may convene the meetings of Monitoring Committees formed under the Scheme regularly, rather than on need basis, along with proper agenda, to ensure proper monitoring of implementation of the Scheme.*
- 12. The Ministry may ensure proper performance of duties by the Programme Management Consultant as per the scope of work/work order and may link terms of payment based on fixed milestones. Further, payment should be released only after certification by the Consultancy Monitoring Committee.*
- 13. The Ministry may monitor formation of State Steering Committees by the States by a prescribed date under future Schemes. The Ministry may also nominate its representatives of suitable rank to attend these meetings and keep a watch on holding regular meetings of these Committees.*
- 14. The Ministry may take appropriate action to design capacity development programmes under the Scheme in consultation with concerned stakeholders.*
- 15. The Ministry may expedite the process of making online presence of the Scheme by developing a website for disseminating information about initiatives taken and facilities provided under the Scheme.*
- 16. The Ministry may formulate a mechanism to capture baseline data (employment generation, tourist footfall etc.) so as to measure impact of the Scheme/initiatives taken there against.*

Chapter-I Introduction

1.1 Background

India's rich cultural, historical, religious and natural heritage provides a huge potential for development of tourism and job creation in the country. Tourism sector holds strategic importance in the economy of a nation. It provides several socio-economic benefits such as employment, income and foreign exchange earnings and also plays a part in the development or expansion of other industries such as agriculture, construction, handicrafts etc. Tourism is a major source of employment because of its labour-intensive nature and the significant multiplier effect on employment in related sectors.

The erstwhile Planning Commission (superseded by NITI Aayog) had identified tourism as the second largest sector in the country in terms of providing employment opportunities for low-skilled and semi-skilled workers.

1.2 Swadesh Darshan Scheme

The Swadesh Darshan Scheme is a 100 *per cent* Central Sector flagship scheme of the Ministry of Tourism for the development of tourism infrastructure in the country. Pursuant to the Union Government budget announcements for the year 2014-15, the Ministry launched this Scheme in January 2015 with an outlay of ₹500 crore after its approval by the Standing Finance Committee. As per the approved Scheme guidelines of January 2015, the Scheme was proposed to be implemented during the period 2012-17 and beyond.

The Scheme was formulated for integrated development of theme-based tourist circuits. The Ministry identified 15 tourist circuits for development under the Scheme, namely Himalayan circuit, North East circuit, Krishna circuit, Buddhist circuit, Coastal circuit, Desert circuit, Tribal circuit, Eco circuit, Wildlife circuit, Rural circuit, Spiritual circuit, Ramayana circuit, Heritage circuit, Tirthankar circuit and Sufi circuit. The Ministry obtained the approval of the Cabinet in February 2019 for continuation of the Scheme during 14th Finance Commission period (2015-20) and beyond. The Scheme guidelines, originally issued in January 2015, were revised by the Ministry from time to time.

A total of 76 projects comprising 910 sites and 6,898 components in 243 districts were sanctioned by the Ministry of Tourism under the Scheme since its inception in the year 2014-15 up to the year 2018-19. No new projects were sanctioned after the year 2018-19.

1.3 Scheme objectives

The Scheme objectives included, *inter-alia*, the following:

- (i) Positioning tourism as a major engine of economic growth and job creation.
- (ii) Developing circuits having tourist potential in a planned and prioritised manner.

- (iii) Promoting cultural and heritage value of the country to generate livelihood in the identified regions.
- (iv) Enhancing the tourist attractiveness in a sustainable manner by developing world class infrastructure in the circuits/destinations.
- (v) Creating employment through active involvement of local communities.
- (vi) Developing tourist facilitation services to enhance visitor experience/satisfaction.

1.4 Institutional mechanism for project approval

1.4.1 National Steering Committee

The National Steering Committee was chaired by the Minister of Tourism and was entrusted with the following key responsibilities:

- Enunciation of the vision and chalking out the road map for the Scheme and providing a platform for the exchange of ideas;
- Overseeing all operations, steering, reviewing and monitoring the overall performance of the Scheme and providing guidance on specific issues relating to the Scheme;
- Recommending mid-course corrections in the implementation tools; and
- Carrying out periodical oversight and review of proposed/ongoing projects

1.4.2 Central Sanctioning and Monitoring Committee

The Ministry of Tourism constituted a Central Sanctioning and Monitoring Committee under the chairmanship of the Secretary (Tourism), which was responsible for sanctioning the projects submitted by the Mission Directorate and regular monitoring of the progress of implementation.

1.4.3 Mission Directorate

The Ministry of Tourism constituted a Mission Directorate under the chairmanship of the Joint Secretary/Additional Director General (Tourism). Key responsibilities of the Mission Directorate included:

- Identification of projects in consultation with the State/Union Territory Governments and other stakeholders;
- Appointment of the Programme Management Consultant and identification of implementing agencies for the project;
- Ensuring coordination with the State/Union Territory Governments and other stakeholders, Implementing Agencies, etc;
- Seeking approvals for the identified projects from the Central Sanctioning and Monitoring Committee and reporting the progress of implementation to the said Committee at regular intervals;
- Sanction of projects and release of funds to the identified agencies; and

- Capacity development of States/Union Territories and other implementing agencies.

1.4.4 Programme Management Consultant

The Programme Management Consultant (PMC) was a national level consultant appointed by the Mission Directorate to provide technical support for the implementation of the Scheme. Key responsibilities of the PMC included:

- Preparation of Detailed Perspective Plans for the identified circuits, identifying the gaps in infrastructural amenities and related skills. The PMC could suggest suitable agencies for addressing the skill gaps;
- Identification of projects in the circuits on the basis of site visits and consultations with the respective State/Union Territory Governments, local bodies and other stakeholders;
- Preparation of comprehensive Detailed Project Reports (DPR) for each circuit after consultation with respective State/Union Territory Government, local bodies and other stakeholders;
- Vetting of comprehensive DPRs prepared by the State/Union Territory/Ministry of Tourism for circuits proposed under the Scheme (as per revised guidelines 2017);
- Liaison with States/Union Territories/other stakeholders on a periodic basis;
- Maintenance of both online and offline systems (Management Information System) for the Scheme; and
- Submission of periodical progress report to the Mission Directorate for monitoring of the projects.

1.5 Process of approval of projects

The proposal for approval of a project involved the following steps:

- (i) Concept presentation by the agency proposing the project to the Ministry of Tourism highlighting the potential, need and impact of the project;
- (ii) After in-principle approval by the Ministry, site evaluation to be done and conceptual DPR to be prepared by the State Government;
- (iii) Submission of DPR to the Ministry by the State Government;
- (iv) Review and recommendation of DPR by the Mission Directorate;
- (v) Approval of project by the Central Sanctioning and Monitoring Committee; and
- (vi) Release of the first instalment of project cost with approval letter of the Ministry.

The implementing/executing agency (generally the Tourism Department of the State Government) was responsible for timely implementation of the project/work.

1.6 Financial outlay

The Ministry of Tourism sanctioned a total of 76 projects (15 circuits) during the period from 2014-15 to 2018-19 at a sanctioned cost of ₹5,455.69 crore. The year-wise Budget Estimates, Revised Estimates and Actual Expenditure incurred by the Ministry for the years 2014-15 to 2021-22 were as under:

Table 1.1: Budget Estimates and Actual Expenditure

(₹ in crore)

Year	Budget Estimates	Revised Estimates	Actual Expenditure ¹
2014-15	500	20	20
2015-16	600	310	310
2016-17	706	972	971
2017-18	960	950	944
2018-19	1,100	1,100	1,101
2019-20	1,106	566	566
2020-21	1,200	600	561
2021-22	630	262	261
Total	6,802	4,780	4,734

(Source: Ministry of Tourism)

1.7 Audit objectives

The Performance Audit was conducted with a view to ascertain whether:

- (i) The tourist circuits were identified, prioritised and planned as per the Scheme design and objectives, to increase tourist potential at the sites;
- (ii) The identified projects in the tourist circuits were executed in an efficient, effective and coordinated manner, to achieve integrated development of quality (world-class) infrastructure, and
- (iii) There was proper monitoring and whether mechanisms were established towards impact assessment of the Scheme, in terms of achievement of its objectives viz., sustainable tourism, enhancement of tourist potential, employment generation, generating livelihoods, community-based development etc.

1.8 Audit scope and sampling

Performance Audit covered planning, implementation and monitoring by the Ministry of Tourism and respective State Governments from the period of the Scheme's inception to March 2022. The relevant records were examined in the Ministry of Tourism, New Delhi and offices of the selected States as well as the implementing agencies.

¹ The total expenditure of ₹4,734 crore incurred by the Ministry up to 31 March 2022 included expenditure on projects sanctioned under the Scheme, expenditure on professional services (such as fee for project management consultancy and third party evaluation of the Scheme), administrative expenditure on conduct of meetings related to the Scheme, etc .

A total of 76 projects were sanctioned under the Scheme and details such as sanctioned project cost, amount released, physical progress etc., of these 76 projects are given in **Annexure-I**.

The sampling technique adopted for the selection of projects for detailed audit was based on the broad criteria of sanctioned cost, amount released and physical progress of the projects. Accordingly, 14 projects (related to 10 tourist circuits) from 13 States out of 76 projects (15 circuits) were selected, as depicted in the table below:

Table 1.2: Details of the sample selected for Audit out of 76 projects

(₹ in crore)

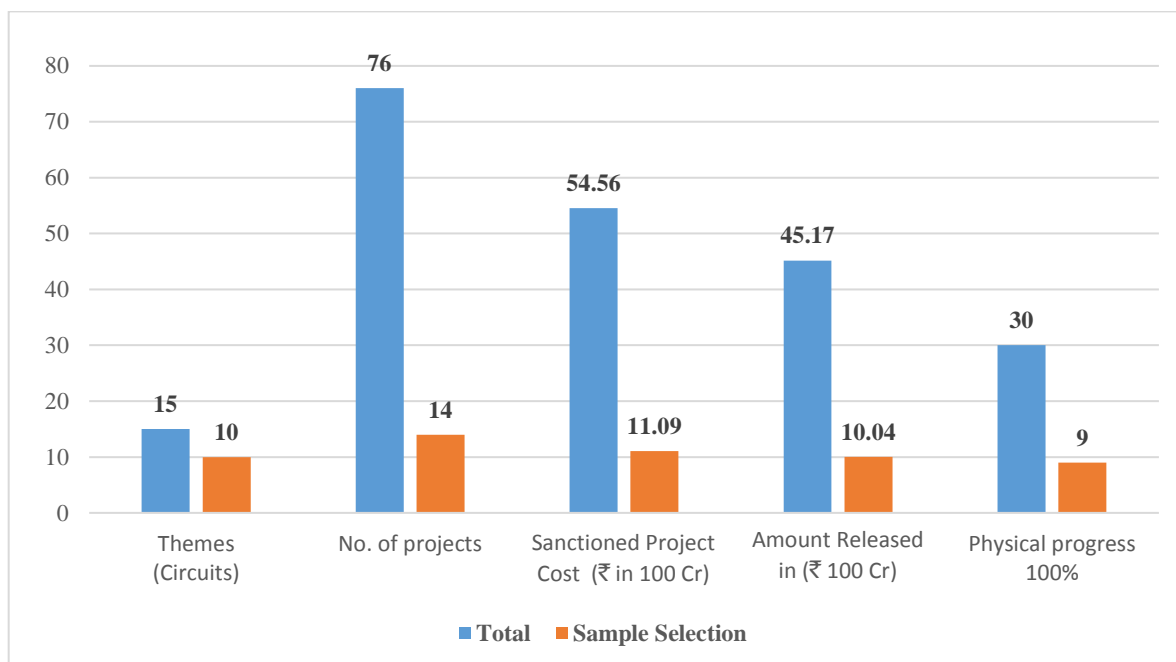
Sl. No.	State/UT (Circuit)	Project	Implementing Agency	Sanctioned cost	Amount released
1	Bihar (Spiritual)	Integrated Development of Kanwaria route: Sultanganj-Deoghar	Bihar State Tourism Development Corporation	44.76	42.52
2	Chhattisgarh (Tribal)	Development of Jashpur-Kunkuri- Mainpat-Ambikapur- Maheshpur - Ratanpur- Kurdar-Sarodadadar Gangrel-Kondagaon - Nathyanawagaon-Jagdapur Chitrakoot-Tirthgarh in Chhattisgarh.	Chhattisgarh Tourism Board	96.10	84.81
3	Goa (Coastal)	Development of Siquerim-Baga, Anjuna-Vagator, Morjim-Khund, Aguada Fort and Aguada Jail	Goa Tourism Development Corporation	97.65	92.76
4	Gujarat (Heritage)	Development of Ahmedabad-Rajkot-Porbandar-Bardoli-Dandi	Tourism Corporation of Gujarat Ltd	58.42	56.21
5	Himachal Pradesh (Himalayan)	Integrated Development of Kiarighat-Shimla-Hatkoti-Manali-Kangra-Dharamshala-Bir-Palampur-Chamba	Himachal Pradesh Tourism Development Board	80.63	64.55
6	Jammu & Kashmir (Himalayan)	Integrated Development of Jammu-Srinagar-Pahalgam-Bhagwati Nagar-Anantnag-Salamabad Uri-Kargil-Leh	Jammu & Kashmir Tourism Development Corporation	77.33	60.47
7	Madhya Pradesh (Buddhist)	Development of Sanchi-Satna-Rewa-Mandsaur-Dhar	Madhya Pradesh State Tourism	74.02	69.08

Sl. No.	State/UT (Circuit)	Project	Implementing Agency	Sanctioned cost	Amount released
			Development Corporation		
8	Puducherry (Coastal)	Development of Dubrayapet, Arikamedu, Manapet and Yanam	Department of Tourism, Government of Puducherry	58.44	61.82
9	Rajasthan (Desert)	Development of Shakambari Mata Temple-Sambhar Salt Complex-Devyani Kund- Sharmistha Sarover- Naliasar and other destinations	Rajasthan Tourism Development Corporation	50.01	51.17
10	Sikkim (North-East)	Development of circuit linking Rangpo (entry)-Rorathang-Aritar-Phadamchen- Nathang-Sherathan-Singtam (exit)	Department of Tourism, Government of Sikkim	98.05	92.77
11	Telangana (Heritage)	Development of Qutub Shahi Heritage Park-Paigah Tombs-Hayat Bakshi Mosque-Raymond's Tomb	Telangana State Tourism Development Corporation	96.90	70.61
12	Telangana (Tribal)	Integrated development of Mulugu -Laknavaram-Medaram- Tadvai-Damaravai -Mallur -Bogatha Waterfalls as Tribal circuit in Telangana	Telangana State Tourism Development Corporation	79.87	75.88
13	Uttar Pradesh (Ramayana)	Development of Ayodhya	Uttar Pradesh State Tourism Development Corporation	127.21	115.46
14	Uttarakhand (Eco-Tourism)	Development of circuit at Tehri-Chamba-Sirain around Tehri lake	Uttarakhand Tourism Development Board	69.17	65.71
			Total	1,108.56	1,003.82

(Source: Scheme Dashboard data of the Ministry as of March 2022)

The comparative position of sanctioned project cost, amount released and physical progress of the projects in respect of the selected sample vis-a-vis the total population of 76 projects is given in **Chart 1.1**.

Chart 1.1: Selected projects vis-a-vis all projects



As may be seen from the chart above, the total sanctioned project cost of the selected 14 projects was ₹1,109 crore, which constituted 20 *per cent* of the total sanctioned cost (₹5,456 crore) of all the 76 projects. The amount released for the 14 selected projects was ₹1,004 crore, which constituted 22 *per cent* of the total amount released (₹4,517 crore) for all the projects. Further, the physical progress of 30 out of the total 76 projects was 100 *per cent*, out of which the audit sample comprised nine such projects.

1.9 Sources of Audit criteria

The primary sources of Audit criteria for the Performance Audit were:

- Cabinet Note/Minutes of meetings of Standing Finance Committee/Minutes of meetings of Expenditure Finance Committee
- Scheme guidelines/instructions/circulars issued by the Ministry of Tourism and conditions of the sanctions accorded to the projects
- Instructions/circulars issued by the concerned State/implementing agency
- Minutes of the meetings of National Steering Committee, Central Sanctioning and Monitoring Committee and Mission Directorate
- General Financial Rules
- Office Memoranda/Circulars issued by the Ministry of Finance
- Third-party Impact Assessment Report by the National Productivity Council
- CPWD/PWD Works Manual.

1.10 Audit methodology

The Performance Audit commenced with an Entry Conference with the Ministry of Tourism on 13 October 2021. Similarly, Entry conferences were also held with the concerned State Governments and implementing agencies. Thereafter, examination of records of the Ministry, State Governments and implementing agencies was taken up. Besides, joint physical inspections of the sites selected from sampled cases were also carried out in coordination with the audited entities.

The draft Performance Audit Report containing audit findings was issued to the Ministry on 2 August 2022 seeking response of the Ministry. The response of the Ministry was received on 9 September 2022. Audit findings were also discussed with the Ministry in an Exit Conference held on 12 September 2022. Responses of the Ministry on the draft Audit Report have been considered and suitably incorporated while finalising the Audit Report.

The detailed audit findings based on the examination of records have been brought out in Chapter II to Chapter V of this Audit Report. Additional details on audit findings of individual selected projects (State/circuit-wise) are given in **Annexure-II**.

1.11 Acknowledgement

Audit acknowledges the cooperation extended by the Ministry of Tourism and concerned State Governments and implementing agencies during the audit.

Chapter-II

Formulation of the Scheme

2.1 Launching of new Central Sector Scheme despite objection from Planning Commission/Ministry of Finance

The Ministry of Tourism was implementing the Product/Infrastructure Development for Destination and Circuits (PIDDC) Scheme from 10th Five-Year Plan (2002-07) which was a centrally sponsored scheme for the development of tourist circuits and destinations. The Planning Commission in mid-term evaluation of PIDDC had recommended (July 2013) to continue it in the 12th Five-Year Plan.

As per the Budget speech (10 July 2014) of the then Finance Minister, an amount of ₹500 crore was earmarked for the creation of five tourist circuits around specified themes for the year 2014-15. The outlay of the Scheme being ₹500 crore, it required appraisal by the Standing Finance Committee² chaired by the Secretary of Administrative Ministry/Department and approval of the Minister of Administrative Ministry/Department. The Ministry of Tourism prepared (December 2014) the Note for Standing Finance Committee and submitted it to the Ministry of Finance and Planning Commission for comments/in-principle approval. In view of the Government's decision to contain the proliferation of a number of central sector schemes, Planning Commission objected to the proposal for formulation of a new Central Plan Scheme and requested the Ministry to consider the proposal of Finance Minister's speech (2014-15) in any of 13 ongoing central sector schemes of the Ministry and suitably modify the Scheme guidelines. Similarly, the Department of Expenditure, Ministry of Finance also objected to the proposal stressing that there was already an existing/continuing scheme viz., PIDDC with similar objectives and requested the Ministry to ensure that there was no overlapping of activities/objectives proposed under various schemes to avoid duplication in costs. The Integrated Finance Division of the Ministry also raised the same issue at the time of initiation of the Standing Finance Committee proposal.

The Standing Finance Committee chaired by the Secretary (Tourism), in its meeting held on 18 December 2014 while recommending the Swadesh Darshan Scheme proposal, discussed the above matter and recommended to merge the Swadesh Darshan Scheme with the existing PIDDC Scheme. It recommended to form a new umbrella sector scheme, along other schemes of the Ministry such as Pilgrimage Rejuvenation and Spiritual Augmentation Drive (PRASAD), National Rural Tourism Mission and PIDDC and complete the exercise within the next financial year i.e. 2015-16.

Audit, however, noticed that the Ministry did not initiate or formulate such an umbrella scheme as recommended by the Standing Finance Committee and all these schemes were continued to run separately. As a result, the Ministry was implementing various schemes

² *In terms of the instructions of Ministry of Finance, the Standing Finance Committee is chaired by the Secretary of the Administrative Ministry/Department with Joint Secretary and Financial Advisor from the concerned Ministry and representatives of NITI Aayog and Ministry of Finance as members.*

related to the Tourism sector, which had overlapping objectives with Swadesh Darshan Scheme. Most of these schemes were still ongoing in 2021-22 (details are given in **Annexure-III**). Thus, the objective of the Government to contain the proliferation of Schemes and to rationalise the Schemes was not achieved.

The Ministry, while noting the observation of Audit, stated (September 2022) that the Scheme was announced as a Central Sector Scheme after approval of the Standing Finance Committee.

The reply of the Ministry was silent on non-formulation of the umbrella scheme merging all schemes with similar objectives as envisaged by the Standing Finance Committee to avoid overlapping of schemes.

Recommendation No. 1

The Ministry may consider undertaking a review of its ongoing schemes to ensure that there is no overlapping of activities/objectives proposed under various schemes and rationalise the schemes by suitably merging them to avoid overlapping of objectives.

2.2 Non-conduct of feasibility study prior to formulation of the Scheme

For the formulation of Central Plan Schemes, the Ministry of Finance had laid down a procedure³, which required preparation of a project feasibility report by the Administrative Ministry. The feasibility report should focus on an analysis of the existing situation, nature and magnitude of the problems to be addressed, need and justification for the project in the context of national priorities, alternative strategies, initial environmental and social impact analysis, preliminary site investigations, stakeholders' commitment and risk factors. The Administrative Ministry was to send the feasibility report to the Planning Commission for 'in-principle' approval, to enable the project to be included in the Plan of the Ministry.

Audit observed that the Ministry of Tourism did not prepare any feasibility report before formulating the Swadesh Darshan Scheme. The same was also confirmed (December 2021) by the Ministry. Thus, the Ministry did not identify the gaps and address challenges for promoting tourism in a structured manner.

Non-preparation of the feasibility report resulted in poor identification of sites and deficiencies in execution of projects such as delay in completion of the projects and non-utilisation of funds, as discussed in succeeding paragraphs of the Report (*para 2.8 and paras 4.1 to 4.8*).

The Ministry stated (September 2022) that the Scheme was announced as a Central Sector Scheme in January 2015 after approval of the Standing Finance Committee.

The reply of the Ministry did not address the issue of non-preparation of feasibility report, which was a pre-requisite before launching of schemes and submission of proposals for approval.

³ *vide Department of Expenditure, O.M. No.1(2)-PF-II/03 dated 7 May 2003*

2.3 Sanction of project funds without the approval of the Cabinet

As per Office Memorandum dated 29 August 2014 issued by the Ministry of Finance, any scheme/project with a cost of ₹100 crore to ₹500 crore was to be appraised by the Standing Finance Committee chaired by the Secretary of the Administrative Department and approved by the Minister-in-Charge of the Administrative Ministry/Department. Further, project/scheme costing above ₹500 crore was to be appraised by Expenditure Finance Committee chaired by the Secretary (Expenditure) and approved by the Minister-in-Charge of the Administrative Ministry/Department and the Finance Minister (in case of project/scheme costing above ₹500 crore and up to ₹1,000 crore), and by the Cabinet/Cabinet Committee (in case of project/scheme costing above ₹1,000 crore).

In pursuance of the Union Government budget announcements for the year 2014-15, the Ministry of Tourism launched the Swadesh Darshan Scheme in January 2015 with a scheme outlay of ₹500 crore after its appraisal (December 2014) by the Standing Finance Committee and approval (December 2014) by the Minister (Tourism).

During 2014-15, the Ministry sanctioned two projects costing ₹117.61 crore. However, in 2015-16, the Ministry sanctioned 17 projects costing ₹1,304.74 crore under the Scheme, thus exceeding the approval limit of the Minister (Tourism). The year-wise details of projects sanctioned by the Ministry along with project costs are given below:

Table 2.1: Cost of Projects sanctioned under Swadesh Darshan Scheme

Financial year	Number of projects sanctioned during the year	Cost of projects sanctioned during the year (₹ in crore)	Cumulative cost of total projects sanctioned (₹ in crore)
2014-15	2	117.61	117.61
2015-16	17	1,304.74	1,422.35
2016-17	36	2,779.84	4,202.19
2017-18	11	719.03	4,921.22
2018-19	10	534.47	5,455.69
2019-20	Nil	Nil	5,455.69
2020-21	Nil	Nil	5,455.69
2021-22	Nil	Nil	5,455.69
Total	76	5,455.69	

It may be seen from the above table that the total sanctioned amount for the financial years 2014-15 and 2015-16 was ₹1,422.35 crore, which was above ₹1,000 crore and therefore, required appraisal by the Expenditure Finance Committee and approval by the Cabinet/Cabinet Committee.

Audit, however, observed that the Ministry neither got appraisal of the Expenditure Finance Committee nor approval of the Cabinet before sanctioning the projects beyond ₹1,000 crore. Rather, it continued to sanction projects and the total amount exceeded ₹4,000 crores up to the year 2016-17. The Ministry later got the Scheme appraised from the Expenditure Finance Committee in October 2017 and obtained the approval of the Cabinet (February 2019) for continuation of the Scheme during the 14th Finance Commission period (2015-

20) and for the committed liability in respect of projects already sanctioned. However, it did not seek approval for the expenditure of ₹4,065.28 crore already incurred by that time.

Thus, the Ministry in excess of its mandate, sanctioned projects and incurred expenditure above ₹1,000 crore without the approval of the Cabinet.

The Ministry, while noting the audit observation, stated (September 2022) that while sending Notes for the Cabinet/Expenditure Finance Committee, it always informed about the total outlay of the sanctioned projects including the expenditure already made. As Expenditure Finance Committee/Cabinet approved the committed liabilities, it was evident that the expenditure made under the Scheme was taken into cognisance by them.

It is clear from the above response that the Ministry did not seek approval of the Cabinet explicitly before sanctioning of funds beyond ₹1,000 crore. Further, the Ministry sought approval of committed liabilities only and not the expenditure already incurred.

2.4 Implementation of Scheme without any effective roadmap or long-term vision

The erstwhile Planning commission (now NITI Aayog) had formed a working group under the chairmanship of the Secretary (Tourism) in 2011 to review and recommend an outlay for the 12th Plan Period (2012-17) for the tourism sector. The group emphasised that earlier the focus on tourist destinations and circuits achieved only limited success and recommended for identification of tourist circuits/destinations through professional agencies to identify gaps in infrastructure/amenities, assess investment requirement including sources of funds, to evolve business models for investment and operations and capacity augmentation of States through setting up of Project Monitoring Units for undertaking various activities. The Ministry of Tourism was to bear the cost of preparation of Detailed Project Reports by the States/UTs and the setting up of Project Monitoring Unit for States/UTs. As per recommendations, the tourist destinations/circuits were to be selected based on their tourism potential and significance attached to the sites. The perspective plans, vision plans and the tourism policy of the States were to form the basis for prioritising the tourist circuits.

It was observed that the Ministry of Tourism had last prepared the ‘National Level Tourism Policy’ for tourism sector nearly two decades ago in 2002, which emphasised on the need for creating world class tourism infrastructure by identifying integrated travel circuits and developing them as international standard destinations. Later, in 2015-16, recognising that the potential of the existing policy of 2002 was not fully used and to meet the dynamic challenges including technological and global competitiveness, the Ministry prepared the draft National Tourism Policy, 2015. However, the same could not be notified. The Ministry, yet again released a draft National Tourism Policy in November 2021, which was yet to be approved (June 2022). Absence of a comprehensive Tourism Policy indicates lack of vision and road map for developing India’s tourism potential.

Audit further observed that the Ministry had got prepared draft State Perspective Plans in the year 2003 by engaging consultants. However, approval of the same by the State Governments or the Ministry was not available in records.

Further, for the development of theme-based tourist circuits, the Ministry identified the need for preparation of Detailed Perspective Plan in the Scheme Guidelines for identified themes by engaging consultant. However, the Ministry did not ensure preparation of such Plans for any of the tourist circuits (discussed in para 2.4.1).

Thus, the Ministry did not prepare any vision plan and State Perspective Plans before implementation of Scheme and selection of projects which shows that the scheme lacked an effective long-term vision/policy.

The Ministry stated (September 2022) that the Scheme has now been revamped as Swadesh Darshan Scheme 2.0 and a format has been circulated (April 2022) to the State Governments for preparation of their State Perspective Plans. The Ministry has also made an online arrangement for the States for facilitating this submission.

The Ministry did not respond on the status of approval of National Tourism Policy and its inter-linkage with State Perspective Plans and Detailed Perspective Plans. Further, in Swadesh Darshan Scheme 2.0, no timeframe has been prescribed by the Ministry for preparation of above plans so that these plans can be fruitfully utilised while identifying and prioritising the projects.

2.4.1 Non-preparation of Detailed Perspective Plans

As per the Scheme Guidelines of 2015 and 2017, Detailed Perspective Plans were to be prepared for the tourist circuits. The Detailed Perspective Plans were to cover identification of gaps in infrastructure, amenities and related skills, assessment of the funds required, including sources of funds and evolving of business models for investment and operations and convergence between the different schemes of the Central Ministries, the State/UT Governments and other agencies.

The Perspective Plans, Vision Plans and the Tourism Policy of the States were to form the base for prioritising the tourist circuits. Thus, the Detailed Perspective Plans were to play a very important role in the selection of projects and successful implementation of the Scheme. For the preparation of Detailed Perspective Plans, M/s Ernst & Young was appointed as Programme Management Consultant (PMC) by the Ministry of Tourism in June 2015.

It was noticed that the Ministry identified 15 theme-based tourist circuits under the Swadesh Darshan Scheme. Thus, Detailed Perspective Plan for each tourist circuit was to be prepared by the PMC and the same was also included in the scope of work of PMC by the Ministry. However, the Ministry did not ensure preparation of Detailed Perspective Plans for these tourist circuits/themes before launching of the Scheme.

It was noticed that later PMC prepared the Detailed Perspective Plan only for the Buddhist circuit. However, date of submission of the said Plan to the Ministry and date of its approval by the Ministry were not available in records. During scrutiny of the Detailed Perspective Plan of the Buddhist circuit, it was noticed that the Plan had included sites of Buddhist heritage in India and the categorisation of sites based on importance and also included situational analysis, footfall projection, shelf of projects, SWOT analysis, gap analysis, etc.,

which could have been useful if such Plans had been prepared before selection of projects and preparation of Detailed Project Reports.

Detailed Perspective Plans for the remaining 14 tourist circuits were not prepared by the PMC and projects were sanctioned without having such Plans.

The National Productivity Council (NPC), in its mid-term evaluation of the Scheme, observed (June 2017) non-availability of Detailed Perspective Plans and recommended that the Mission Directorate/PMC should provide the Detailed Perspective Plan while sending the communication letter to State for preparing the concept plan.

During the Exit Conference, the Ministry stated (September 2022) that it was not feasible for the PMC to prepare the Detailed Perspective Plans and Detailed Project Reports and to perform all duties, and that the Ministry had now decided to engage professional consultant for preparation of Detailed Perspective Plans.

Thus, it is evident that the projects were identified and sanctioned without Detailed Perspective Plans which were essential for identification of infrastructural gap, skill gap, convergence and funding mechanism.

Recommendation No. 2

The Ministry may formulate long-term vision for development of tourism sector and ensure its inter-linkage with National Tourism Policy, Perspective Plans and other plans prepared for projects/destinations.

2.5 Frequent changes in Scheme guidelines/modalities of projects

The Ministry of Tourism launched Swadesh Darshan Scheme as new Central Sector Scheme in January 2015. While proposing this Scheme in addition to the already ongoing Product/Infrastructure Development for Destination and Circuits (PIDDC) Scheme, the Ministry had proposed that:

- (i) The new Scheme would be implemented in Mission mode unlike PIDDC Scheme.
- (ii) A Mission Directorate headed by Joint Secretary/Additional Director General would be set-up which would be responsible for overall implementation of project and reporting progress to the Central Sanctioning and Monitoring Committee at regular intervals.
- (iii) Projects identified under the Scheme would be implemented only through Government agencies identified by the National Steering Committee, in consultation with the State Government/UT.
- (iv) There would be a Programme Management Consultant (PMC) who would be appointed by the Ministry for purpose of identification, preparation of the Perspective Plans, Detailed Project Reports (DPRs), liaison with States and monitoring of projects, which was a special feature of the Scheme.

- (v) State Governments would execute Memorandum of Understanding with the Government of India indicating their commitment to the Scheme by ensuring operation and maintenance of identified and developed projects as well as providing of required land for execution of the project.

However, Audit observed that after launching of the Scheme (January 2015), the Ministry made frequent changes in modalities of the Scheme and a total of 15 revisions were made till August 2020. Out of these, nine changes had been made by the Ministry before the Scheme was got appraised by the Expenditure Finance Committee (October 2017).

Some of the major revisions were as under:

- (i) The role of the Ministry in identification of projects was relaxed and the State Governments were asked to submit projects to the Ministry for consideration (December 2015);
- (ii) For implementation of projects on Mission mode, PMC appointed by the Ministry was to prepare Detailed Perspective Plan for each tourist circuit and DPRs for each project. However, the Ministry prepared a DPR toolkit and asked the States to send proposals as per the toolkit (February 2016);
- (iii) The Ministry removed Golf Course and Convention Centres from the list of admissible components for funding under the Scheme (October 2017);
- (iv) The Ministry issued instructions for maintenance of separate interest-bearing accounts for the Scheme funds only in August 2020.

The Ministry initially allowed (January 2015) construction of golf courses and convention centres (in the projects of Mizoram, Bihar, Himachal Pradesh) under admissible components from the Scheme funds. Audit observed that these were mainly for high-end tourists and were not useful for common tourists. Later, in 2017, these were made inadmissible components.

Thus, the Ministry did not deliberate or have clarity on the implementation mechanism of the Scheme before its launch. As a result, it kept modifying guidelines from time to time, thus impacting effective implementation by the State Government/Implementing Agencies.

The Ministry, while noting the audit observation, stated (September 2022) that said modifications were operational guidelines, which were changed considering experiences/learnings made from time to time. Modification in the guidelines/processes were done with the approval of competent authority with no specific change in the spirit of the Scheme.

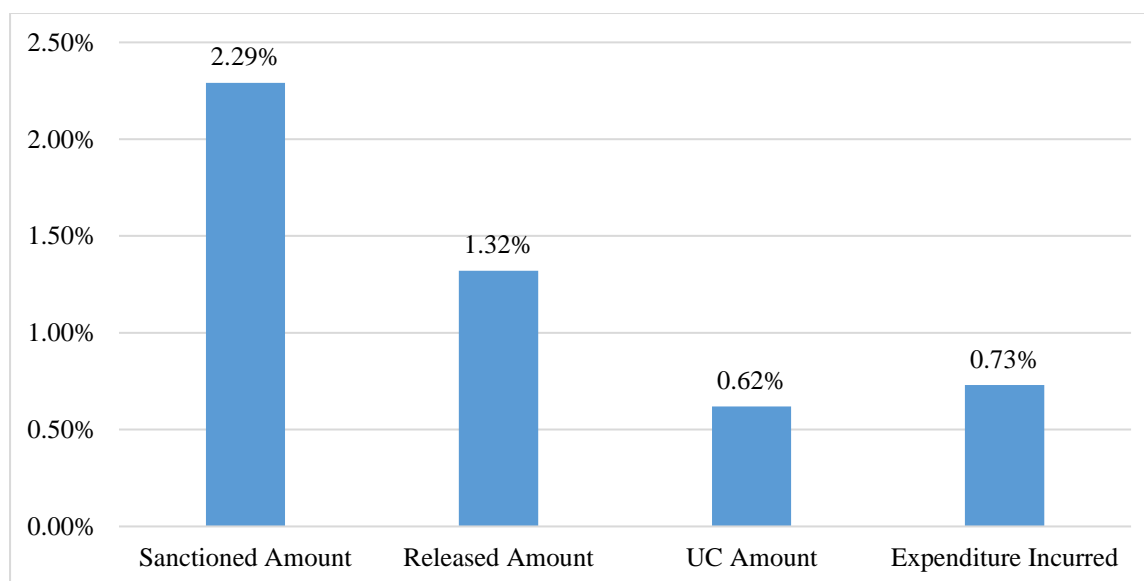
The response of the Ministry that no specific change in the spirit of the Scheme was made may be viewed in the light of the fact that the role of the Ministry/PMC in identification of circuits/projects and preparation of DPRs was passed on to the State Governments. It negated the very purpose of launching the new Central Sector Scheme and its implementation in Mission Mode.

2.6 Negligence of Rural Tourism under the Scheme

One of the major features of the Scheme was development of theme-based tourist circuits, which were to be identified on the basis of pre-dominant tourist themes considering factors such as current tourist traffic, connectivity, potential and significance attached to the sites. Accordingly, the Ministry identified Rural Circuit as one of the 15 thematic circuits for developing tourism infrastructure in the rural areas with the objective to develop facilities and provide better experience to the tourists at these sites. It was expected that better infrastructure would result in increased tourist footfall, which in turn would create better employment opportunities for the local community.

Audit noticed that the Ministry sanctioned 76 projects under 15 themes/circuits. However, the Ministry did not pay adequate attention for development of Rural Circuit. Out of total eight projects proposed by the State Governments under Rural Circuit, the Ministry returned six proposals and took up only two projects⁴ with cost of ₹125.02 crore (i.e. 2.29 per cent of total cost of projects sanctioned). As on 31 March 2022, the total expenditure incurred under Rural Circuit was only ₹30.84 crore, which constituted 0.73 per cent of the total expenditure incurred (₹4,239 crore) under the Scheme. The percentage of projects sanctioned under Rural Circuit against total projects under the Scheme is given below:

Chart 2.1: Projects under Rural Circuit against total projects under the Scheme



(Source: Scheme Dashboard data of the Ministry as on 31 March 2022)

Audit further observed that one of the aforesaid two projects i.e., ‘Development of Malanad Malabar Cruise Tourism in Kerala’, which was sanctioned in September 2018, had been stuck due to pending Coastal Regulation Zone (CRZ) clearance at multiple destinations and stay order issued for few components sanctioned at Thayyam, Kerala. On the request of the State Government, the Ministry of Tourism had requested (August 2021) the Ministry of Environment, Forest and Climate Change for expediting CRZ clearance. However, no

⁴ Development of Gandhi circuit, Bihar (June 2017) and Development of Malanad Malabar Cruise Tourism, Kerala (September 2018)

progress in this regard was found in the records and the entire amount released (i.e., ₹4.83 crore) remained unutilised (March 2022).

It may be noted that the Department-Related Parliamentary Standing Committee on Transport, Tourism and Culture in its Report No. 275 (presented in Parliament in March 2020) recommended that for better promotion of rural tourism, more rural circuit projects may be sanctioned and implemented for promotion of niche tourism and more funds may be earmarked for rural circuits under the Scheme. However, the Ministry neither sanctioned more projects nor earmarked more funds under rural circuit. Thus, the Ministry accorded low priority to rural tourism in the Scheme.

The Ministry stated (September 2022) that the themes under which a particular project is sanctioned are not very independent in nature and interdependency is often observed. The Ministry has sanctioned various projects under different other thematic nomenclatures such as Himalayan, North-East, Coastal, Tribal, Wildlife, Eco etc., which are closely linked to rural destinations, lifestyle and experiences. Therefore, it may not be appropriate to say that the Ministry did not focus on rural aspects of the country in order to promote tourism in such areas while sanctioning the projects.

The reply needs to be viewed in light of the fact that the audit observation highlights sanction of only two projects (out of 76 projects) under the Rural circuit which had been identified as a distinct thematic circuit under the Swadesh Darshan Scheme. The fact remains that only 2.29 *per cent* of the total cost of projects was sanctioned in respect of the projects under Rural circuit.

2.7 Deviation from definition of tourist circuit

As per Scheme guidelines, a tourist circuit was a route on which at least three major tourist destinations were located such that none of those were in the same town, village, or city. At the same time, it was to be ensured that they were not separated by a long distance. It should have well defined entry and exit points. A tourist, who entered the circuit should be motivated to visit all the places identified on the circuit.

It was seen that the Ministry of Tourism returned one proposal received from Bihar, namely Development of Valmiki Tiger Reserve under Eco circuit on the ground that the Scheme was for development of thematic tourist circuits and standalone destinations were not covered under the Scheme. Audit, however, observed that the Ministry did not follow the above criteria of development of tourist circuits uniformly. The Ministry sanctioned eight such projects which did not meet the criteria as discussed below:

- a) The Ministry approved the following five projects covering less than three major destinations:

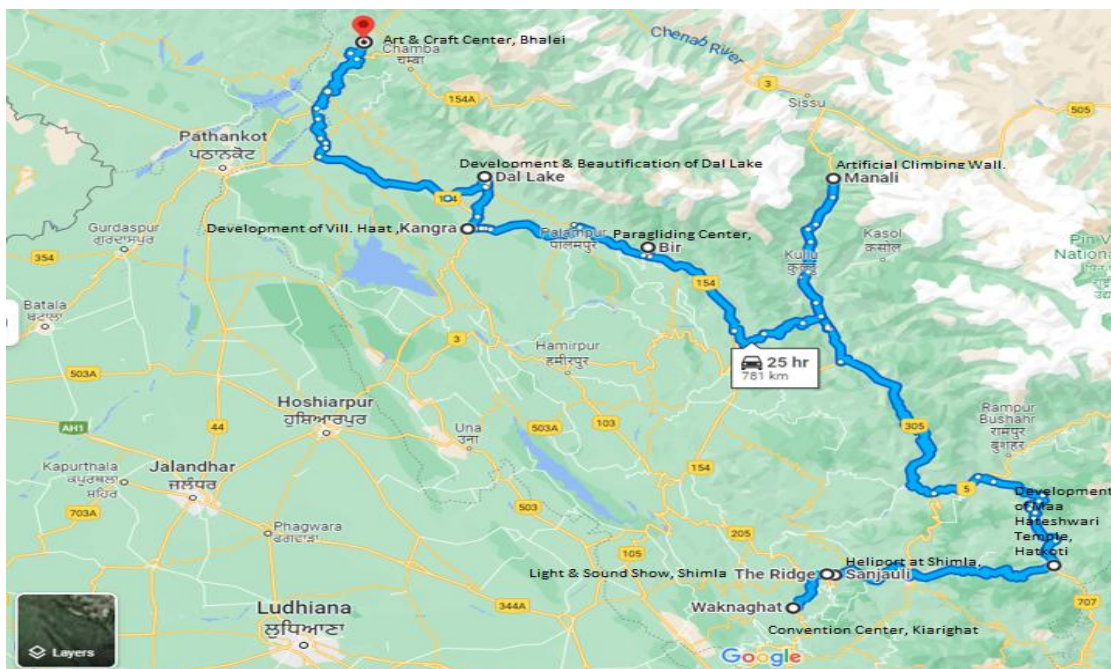
Table 2.2: Projects with less than three major destinations

S. No.	Name of the Project	Circuit	State	Number of major destinations covered
1.	Development of Circuit at Imphal-Khongjom	North-East	Manipur	2
2.	Integrated Development of Tourist facilities at Mantalai & Sudhmahadev	Himalayan	Jammu & Kashmir	2
3.	Construction of Convention Centre at Bodhgaya	Buddhist	Bihar	1
4.	Development of Ayodhya	Ramayana	Uttar Pradesh	1
5.	Development of Chitrakoot and Shringverpur	Ramayana	Uttar Pradesh	2

As a result, the objective of the Scheme to develop tourist circuits for motivating tourists to visit at least three tourist destinations was not achieved.

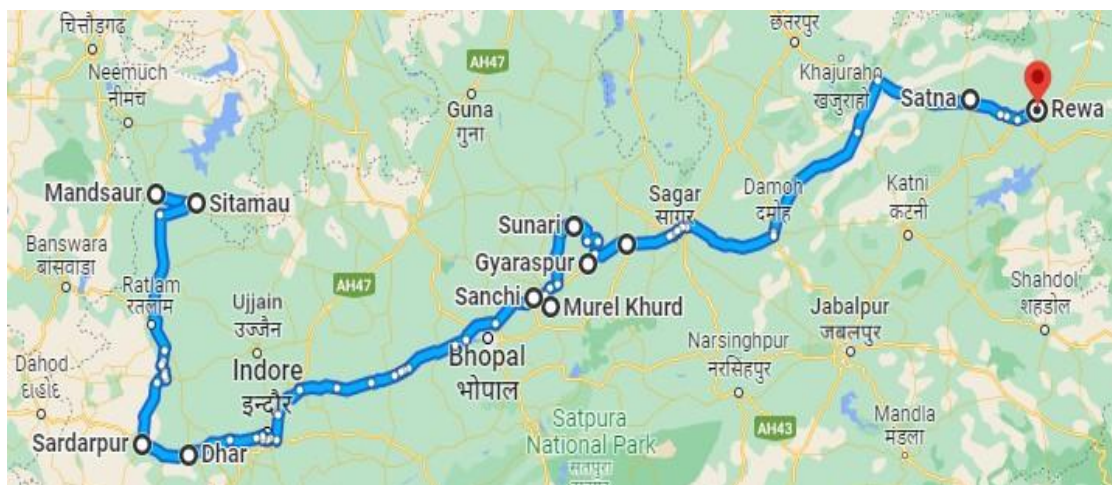
(b) In three projects, there were no well-defined entry and exit points and the destination sites were scattered:

- In case of **Integrated Development of Himalayan circuit, Himachal Pradesh**, the destination sites were scattered and spread across 781 kms (i.e. separated by long distance), with no clear entry and exit points.



Map 2.1: Himalayan circuit map, Himachal Pradesh

- **Buddhist circuit Sanchi-Dhar, Madhya Pradesh** was selected without defined entry and exit points. All major tourist destinations of Buddhist circuit were located in different parts of the State and were separated by long distance (approximately 1,200 kms; Rewa-Dhar)



Map 2.2: Buddhist Circuit map, Madhya Pradesh

- In case of **Development around Tehri Lake (Eco circuit, Uttarakhand)**, most of the components were found to be scattered at different places like New Tehri, Chamba, and around Tehri Lake which cannot be considered as one tourist circuit.

Selection of projects separated by long distances without well-defined entry and exit points was in deviation with Scheme objectives. Further, tourists would not be motivated to travel such long distances.

The Ministry, while agreeing to audit observation of selection of less than three destinations, stated (September 2022) that the destinations selected for development were part of travel circuits. For instance, Bodhgaya, Sanchi, etc., were part of Buddhist circuit; Chitrakoot, Shringverpur & Ayodhya were part of Ramayana circuit; etc. Similarly, Tehri was located in Himalayan ecological region and was a major attraction for the tourists and was also connected with the other eco-tourism destinations in the vicinity.

However, the fact remains that the Ministry did not follow the criteria of development of tourist circuits uniformly, as it returned one project of Eco-circuit in Bihar, which could have been linked with other circuits. Further, projects/circuits separated by very long distance without well-defined entry and exit points would not motivate tourists to travel such long distances.

2.8 Methodology for identification and selection of tourist circuits/destinations

As per the Scheme guidelines (January 2015), the tourist circuits/destinations were to be identified by the Ministry of Tourism in consultation with the stakeholders and the States based on a pre-dominant tourism theme, considering factors such as current tourist traffic, connectivity potential and significance attached to the sites, holistic tourist experience, etc. The theme was to include religion, culture, heritage, nature, leisure or any other theme.

The Central Sanctioning and Monitoring Committee/Mission Directorate constituted under the Scheme was to recommend the list of thematic Tourist circuits/destinations to be taken up for integrated infrastructure development for approval of the National Steering Committee. A shelf of projects was to be prepared by the Programme Management Consultant appointed by the Ministry.

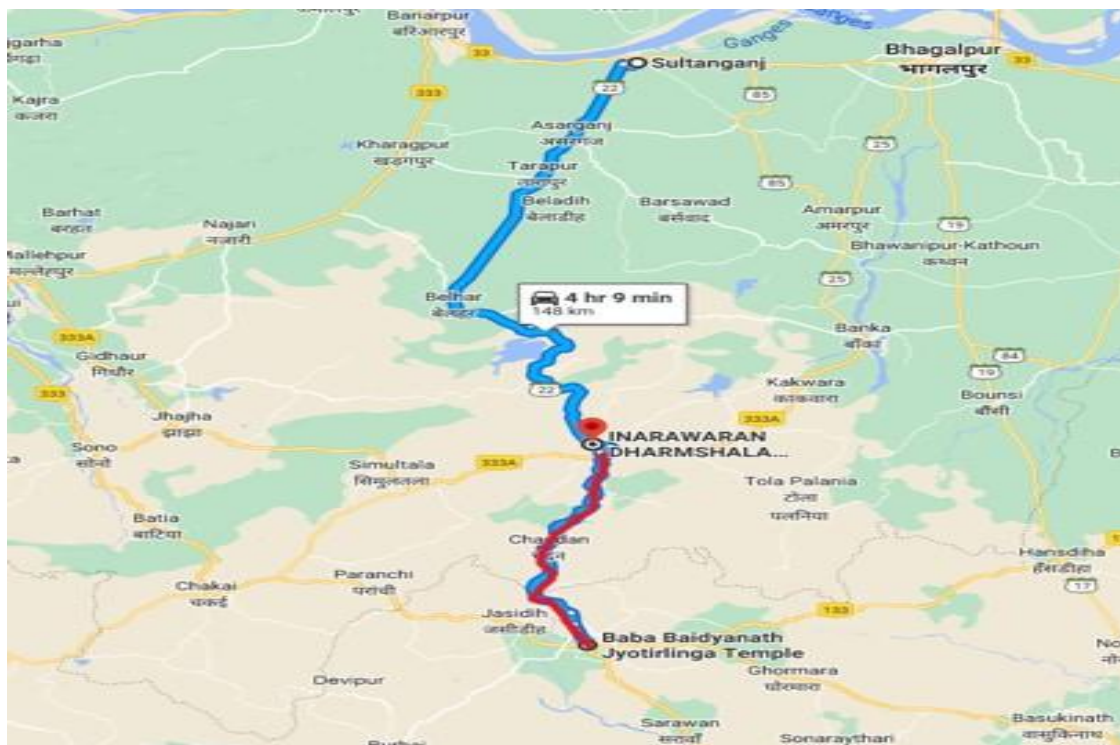
Further, as per revised guidelines (October 2017), it was decided that the projects and proposals could flow from three levels i.e., Ministry, Central Agencies and State Governments/UTs. A concept presentation was to be made to the Ministry by the Agency proposing the project, highlighting the potential, need and impact of the project and its alignment to Detailed Perspective Plan prepared by the Ministry. After in-principle approval, site evaluation was to be carried out by the States and conceptual DPRs were to be prepared.

However, Audit observed that all selected 14 projects were proposed by the State Governments, whereas the Ministry (or any other Central agency) did not play any role in the identification of circuit/destination. Audit reviewed the mechanism adopted by States in identification and selection of circuits/projects/sites/components and found that only in six projects⁵ out of selected 14 projects, the mechanism for identification of projects was followed while in the following eight projects, there were no criteria for identification and selection by the States, as discussed below:

- **Integrated Development of Kanwaria Route (Spiritual circuit, Bihar):** In the month of Shraavan (Monsoon), countless devotees undertake a rigorous pilgrimage on feet from Sultanganj (Bihar) to offer holy water to the famous Baba Baidyanath Temple at Deoghar (Jharkhand). The distance from Sultanganj (Bihar) to Deoghar (Jharkhand) is 105 kms (approximately).

Audit noticed that the Bihar State Government planned the integrated development of Kanwaria route only upto Inarawaran, Banka (Bihar), which was also approved by the Ministry without any objection/comment. No facilities, such as rain shelters, sitting shelters, cafeteria, etc, were planned and developed in the remaining distance of approximately 27 kms (13 kms up to Bihar border and 14 kms of Jharkhand) from Inarawaran (Banka) to Deoghar. Hence, development of the Kanwaria route was not planned for a notable distance of 27 kms upto Deoghar, the main temple, thus defeating the purpose of this circuit.

⁵ (a) *Development of Sinkerim-Baga, Anjuna-Vagator, Morjim-Khind, Aguada Fort and Aguada Jail (Goa)*, (b) *Development of Ahmedabad-Rajkot-Porbandar-Bardoli-Dandi (Gujarat)*, (c) *Integrated Development of Kiarighat-Shimla-Hatkoti-Manali-Kangra-Dharamshala-Bir-Palampur-Chamba (Himachal Pradesh)*, (d) *Development of Sanchi-Satna-Rewa-Mandsaur-Dhar (Madhya Pradesh)*, (e) *Development of Dubraypet, Arikamedu, Manapet and Yanam (Puducherry)* and (f) *Development of Ayodhya (Uttar Pradesh)*

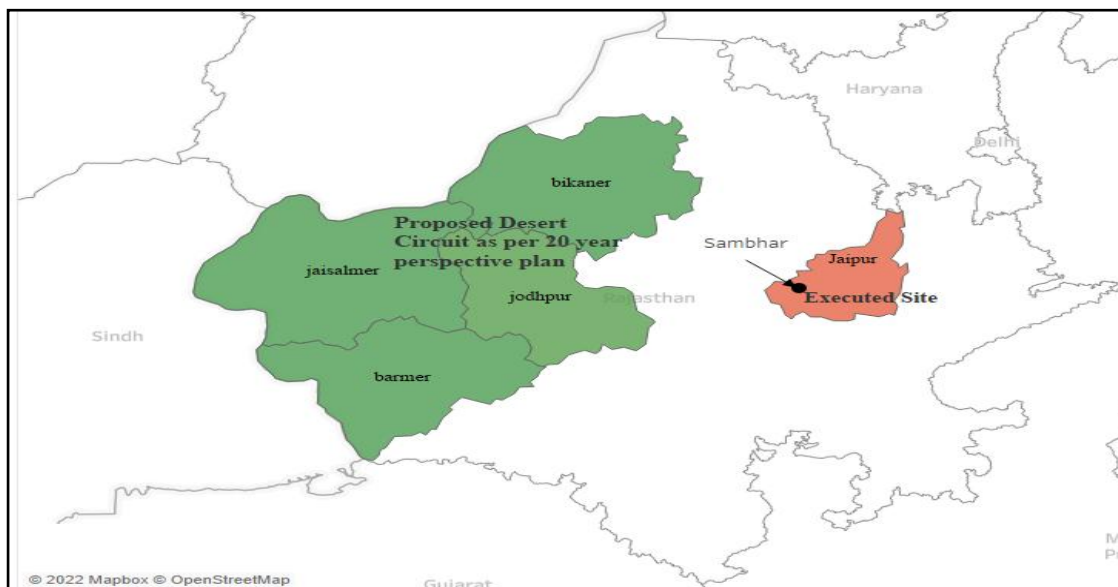


Map 2.3: Kanwaria route not planned for a distance of 27 kms (shown in red)

- **Tribal Tourist circuit (Chhattisgarh):** Initially the project had 14 destinations, including Mehtapoint (Mainpat), Ambikapur and Ratanpur. These three destinations were important tribal tourist places having beautiful springs surrounded by mountains (Mehtapoint), hot water springs and sacred spots (Ambikapur) and Mahamaya and Kalbhairava temple (Ratanpur). However, due to non-availability of land, all components for the above three destinations were shifted to Kamleshwarpur (Mainpat) as 46 acres of land was available there. The revised cost of Kamleshwarpur was equivalent to the total cost of three destinations. This indicates that the major driving force for the revised selection of the projects/components was availability of land and the intent to avoid lapse of funds, rather than tourist traffic and development of tourism in the region.
- **Integrated Development of Jammu - Bhagwati Nagar - Kargil - Leh under Himalayan circuit in Jammu and Kashmir:** No identification criteria were indicated in the DPR for the projects planned and executed. The project was taken up from existing developed tourist destinations and included the selection of sites not suitable for attracting tourism as stated below:
 - Suchetgarh was situated in a sensitive border location and despite knowing this fact, the site was included in the project and it was approved. As a result, after completion of the work, the site was occupied and used by the Border Security Force (BSF) for their operational purposes.
 - Salamabad-Uri is situated quite far away from major tourist destinations i.e., Srinagar, Gulmarg, etc. Further, this place is situated at a border location. The project was taken up without ensuring availability of land.

- Land identified for Amusement Park -Tattoo Ground (Srinagar) was already under the occupation of the Armed Forces for long and the area is highly sensitive in terms of security.
- The components Applewood Resort at Chenni Wuddur, wayside amenities (shopping arcade), Bijbehara (Anantnag) and Ice-Skating Rink at Pahalgam were planned without considering factors such as current tourist traffic, connectivity potential, stakeholder consultation and significance attached to the sites, holistic tourist experience, etc.
- **Desert circuit (Rajasthan):** As per the 20 years Perspective Plan for Sustainable Tourism in the State, the Desert circuit was identified within Jodhpur-Jaisalmer-Bikaner-Barmer districts.

However, development of Sambhar Lake Town and other destinations (Jaipur district) was approved (September 2015) as a tourist destination under the Desert circuit in deviation from the State Perspective Plan. Further, the above project did not fall within the desert, thus, defeating the purpose of developing desert circuit.



Map 2.4: Proposed Desert circuit: Green; Approved Desert circuit: Red

The State Government accepted the facts (February 2022) and stated that the development of the Sambhar Lake Town project was selected by the Ministry as per policy decision.

The fact remains that the project site approved was different from identified desert circuit under 20-year Perspective Plan and identification criteria were not based on identified theme.

The project consisted of development of destinations such as Shakambari Mata Temple, Sambhar Salt Complex, Devyani Kund, Sharmistha Sarovar, Naliasar and Naraina around Sambhar Lake Town which was famous for cultural, religious and historical tourism. It was noticed that Naliasar, one of these destinations, was selected for its archeological and cultural value, as there were 10 excavated trenches displaying

dwelling of different time periods and styles. There were possibilities of sighting spotted deer and Nilgai also. However, the same was not developed due to non-availability of land at Naliasar, and the components were shifted (June 2018) to Sambhar Lake Town and other sites without the approval of the Ministry.

- **Rangpo-Singtam (North-East circuit, Sikkim):** The State Government did not provide records regarding the basis for selection of the project/component to Audit. From the limited records available, Audit observed that the components were not integrated into a tourist circuit and not connected with any tourist destination.
- **Heritage circuit and Tribal circuit (Telangana):** Audit observed that the State Government had not prepared any Tourism Policy for the State or long-term action plan for promotion of tourism in the State. In the absence of this, the project selection was not based on any criteria such as prioritisation, stakeholder consultation and convergence with other schemes for livelihood/employment generation.
- **Integrated Development around Tehri Lake (Uttarakhand):** All the destinations taken under the circuit (Sirrain, New Tehri, Chamba) were located around the Tehri Lake. Audit observed that the development of Tehri Lake and its surroundings had been major focus of the State Government since 2011 and subsequent plans. The destination taken under the Scheme was also selected under the erstwhile PIDDC Scheme under the projects ‘Development of Eco-Tourism at Back Waters of Tehri Lake’ and ‘Development of Dhanolti-Chamba-Narendra Nagar tourist circuit’. Hence, the rationale for selecting the destinations again under the Swadesh Darshan Scheme was not found.

The State Government stated that it wanted to make Tehri Lake an international level destination in the form of water sports/adventure tourism and hence, it selected the project under the Swadesh Darshan Scheme, which was approved by the Ministry.

However, Audit observed that the State had no comprehensive roadmap for development of Tehri Lake as an international level destination.

The above instances indicate that the Ministry did not adopt any methodology for identification and selection of Tourist circuits/destinations. The role of the Ministry in the identification and selection of projects was minimal. Further, the States submitted projects without any proper identification criteria or prioritisation. It was also seen that there were deviations from Perspective Plans, and tourist traffic surveys and stakeholder consultations were not done. As a result, facilities created were lying idle at many places in the absence of tourist footfall, as discussed in the subsequent paragraphs.

Case Study 2.1: Selection of Project at Suchetgarh, Jammu and Kashmir in a sensitive location

Suchetgarh (Jammu) is situated in a sensitive border location. Despite knowing this fact, the State Government selected this location for the execution a project under the Himalayan circuit in Jammu & Kashmir and completed it by incurring an expenditure of ₹3.71 crore.

During the site visit, it was noticed that the project completed under the Scheme is occupied and used by the Border Security Force (BSF) for their operational purposes, hence defeating the very purpose of the project.



Picture 2.1: Infrastructure created at Suchetgarh, J&K occupied by BSF

The Ministry stated (September 2022) that it had referred the matter to the State Governments of Bihar, Chhattisgarh, Goa, Jammu and Kashmir, Rajasthan, Sikkim, Uttarakhand and Telangana for comments. However, the comments were awaited. The reply indicated that the Ministry had not appraised the projects and their progress adequately as it had to refer the matter to the respective State Governments.

2.9 Selection of large number of sites and components under circuits

It was observed that a large number of sites and components had been chosen for implementation of the Scheme. There were 910 sites⁶ and 6,898 components⁷ in 243 districts under 76 projects pertaining to the Scheme, despite dropping of a large number of components. The average number of sites and components per project were 12 and 91, respectively. Projects like ‘Development of Spiritual circuit II: Bijnor-Bhadohi in UP’ and ‘Development of Anandpur-Patiala in Punjab’ comprised more than 30 sites and more than 300 components. Some of the projects having large number of sites and components are given below:

⁶ Sites refer to places of tourist attractions at a tourist destination

⁷ Components refer to items of work that are carried out to enhance tourism potential at a site, such as construction of tourist facilitation center, parking, cafeteria, illumination of monuments etc.

Table 2.3: Projects having large number of sites/components

Sl. No.	Name of Circuit/Project and State	Number of Sites	Number of Components	Sanctioned cost (₹ in crore)	Average cost per site (₹ in crore)	Average cost per component (₹ in crore)
1.	Development of Spiritual circuit II: Bijnor-Bhadohi, Uttar Pradesh	39	364	67.51	1.73	0.18
2.	Heritage circuit, Development of Anandpur-Patiala, Punjab	31	301	91.55	2.95	0.30
3.	Himalayan circuit, Development of Tourist Facilities at Gulmarg-Leh, Jammu and Kashmir	31	197	91.84	2.96	0.47
4.	North East circuit, Development of Yomcha, Arunachal Pradesh	29	174	96.72	3.34	0.55
5.	Integrated Development of Jammu-Srinagar-Pahalgam-Leh, Jammu and Kashmir	27	175	84.46	3.13	0.48
6.	Heritage circuit, Development of Gwalior-Mandu, Madhya Pradesh	26	194	88.77	3.41	0.46
7.	Himalayan circuit, Construction of Assets in lieu of those Destroyed in Floods in 2014 under PM Development Package for Jammu and Kashmir	24	101	90.43	3.77	0.89
8.	North-East circuit, Development of circuit linking	24	76	98.04	4.09	1.29

Sl. No.	Name of Circuit/Project and State	Number of Sites	Number of Components	Sanctioned cost (₹ in crore)	Average cost per site (₹ in crore)	Average cost per component (₹ in crore)
	Rangpo-Singtam, Sikkim					
9.	Himalayan circuit, Integrated Development of Tourist Facilities at Anantnag- Ranjit Sagar Dam, Jammu and Kashmir	23	147	86.44	3.76	0.59
10.	Eco circuit, Development of Gandhisagar Dam- Ken River, Madhya Pradesh	17	259	94.61	5.57	0.36

From the above table, it can be seen that average cost per site of above projects varied from ₹1.73 crore to ₹5.57 crore, which was further reduced to ₹0.18 crore to ₹1.29 crore taking component-wise cost.

In their comments on the Note for Expenditure Finance Committee for continuation of the Scheme during the 14th Finance Commission cycle, the Department of Expenditure noted the large number of sites/components and recommended (August 2017) having big ticket projects instead of large number of small sized projects with thin spread of resources, to have maximum impact of tourism projects on income and employment. The Ministry of Tourism, though having agreed (August 2017) to the recommendation of the Department of Expenditure, did not act on the same. During review of the Scheme by the Prime Minister's Office, the Ministry admitted (April 2020) that having a large number of destinations and components under one project was one of the weaknesses of the Scheme.

Selection of large number of sites/components had an adverse impact on the implementation of projects as the Ministry/State Government could not pay adequate attention to all the sites, resulting in delay in obtaining timely clearances, delay in awards of works, inadequate monitoring and site inspection, change/dropping of components, etc. For instance, the change/dropping of components in respect of one of the selected projects viz., Integrated Development of Himalayan Circuit, Himachal Pradesh is shown at **Annexure-IV**.

While agreeing with Audit, the Ministry stated (September 2022) that after taking into consideration the learnings of Swadesh Darshan Scheme 1.0, the Ministry had now revamped the Scheme as Swadesh Darshan Scheme 2.0 with the objective of following a

tourist and destination centric approach. The Ministry will select 2-3 destinations of the State for development based on the State Perspective Plan and availability of funds.

The fact remains that selection of large number of sites/components adversely affected implementation of the Scheme as large number of components were dropped due to lack of clearances from various authorities.

2.10 Lack of convergence with other Schemes

The Scheme guidelines envisaged convergence⁸ with different schemes of Central Government/Ministries and State/UT Governments.

It was noticed that at the time of approval of the Scheme in December 2014, the Ministries like Shipping, Road Transport and Highways, Railways, Culture, Water Resources and Rural Development had suggested convergence of the Scheme with programmes of their Ministries/Departments.

Further, a National Steering Committee was constituted in January 2015 under the Chairmanship of Minister (Tourism) for better implementation of the Scheme, wherein representatives from Ministries of Culture, Urban Development, Civil Aviation, Environment and Forest, Rural Development, Skill Development, Road Transport and Highways, Shipping, Power and Water Resources, River Development and Ganga Rejuvenation were members. They repeatedly stressed on the need for synergy between different Central Ministries for development and growth of tourism sector in the country. The areas identified by the National Steering Committee for convergence with the Scheme were as follows:

Table 2.4: Work/scheme identified for synergy/convergence with Swadesh Darshan Scheme

Name of Ministry/Department	Work/scheme identified for synergy/convergence
Road Transport and Highways	Last mile connectivity and way side amenities on highways
Ministry of Shipping	Cruise Tourism
Culture/Archaeological Survey of India (ASI)	Work of ASI Monuments, Projects under Heritage circuit, Development of amenities and other services like illumination, beautification of the lawns/gardens, community participation etc.
Rural Development	Rejuvenation of water bodies and other works through MNREGA, development of rural circuit
Ministry of Housing and Urban Poverty Alleviation and Ministry of Urban Development (now Ministry of Housing and Urban Affairs)	Swadesh Darshan Scheme and schemes of Ministry of Housing and Urban Poverty Alleviation, Swachh Bharat Mission, Solid Waste Management, Toilets
Civil Aviation	Helipads

⁸ Convergence is a strategy to ensure optimal results with support from related Government programmes

Name of Ministry/Department	Work/scheme identified for synergy/convergence
Development of North Eastern Region	Projects under other Ministries for North-East Region, 12 thematic circuits being developed under North Eastern Tourism Development Council (NETDC) for tourism development in North East Region.
Power	Under Ground Cabling
Skill Development	Skill Development training
Inland Waterways Authority of India	Jetties

It may be seen that the Ministry of Rural Development, Ministry of Women and Child Development, Ministry of Housing and Urban Affairs have framed guidelines for convergence of their schemes with schemes of other Ministries/Departments. For example, convergence of MNREGA (by the Ministry of Rural Development), Poshan Abhiyan (by the Ministry of Women and Child Development) with other schemes, Swachh Bharat Mission with National Urban Livelihoods Mission scheme (by the Ministry of Housing and Urban Affairs).

However, Audit observed that the Ministry of Tourism did not have clear guidelines for convergence of Swadesh Darshan Scheme with other schemes. The DPR toolkit⁹ prepared by the Ministry for submission of project proposals by the States only mentioned details of funding sought from other Ministries/States, apart from the Ministry of Tourism. In the selected 14 projects, Audit found no funding details or convergence/synergy in the States as per the DPRs. At no stage during implementation of the Scheme this was pointed out by the National Steering Committee, which was constituted for the purpose of chalking out roadmap for the Scheme.

The Ministry stated (September 2022) that in order to ensure convergence, in Swadesh Darshan Scheme 2.0, the Committees (National Steering Committee, Central Sanctioning and Monitoring Committee, Mission Directorate) will include members from other line Ministries. In addition, the projects under the Scheme will also be mapped on PM Gati Shakti portal in order to ensure convergence and better co-ordination with the line Ministries.

During the Exit Conference, the Secretary (Tourism), while agreeing to the Audit observation, stressed upon the need of convergence at both the Ministry and States level and assured that a mechanism would be devised in this regard during implementation of Swadesh Darshan Scheme 2.0.

Recommendation No. 3

The Ministry may ensure convergence of the Scheme with other schemes of the Government of India/State Governments and may consider formulation of convergence guidelines incorporating components where funding is being provided by other Ministries/Departments.

⁹ DPR toolkit refers to the format for preparation and submission of DPRs by the States

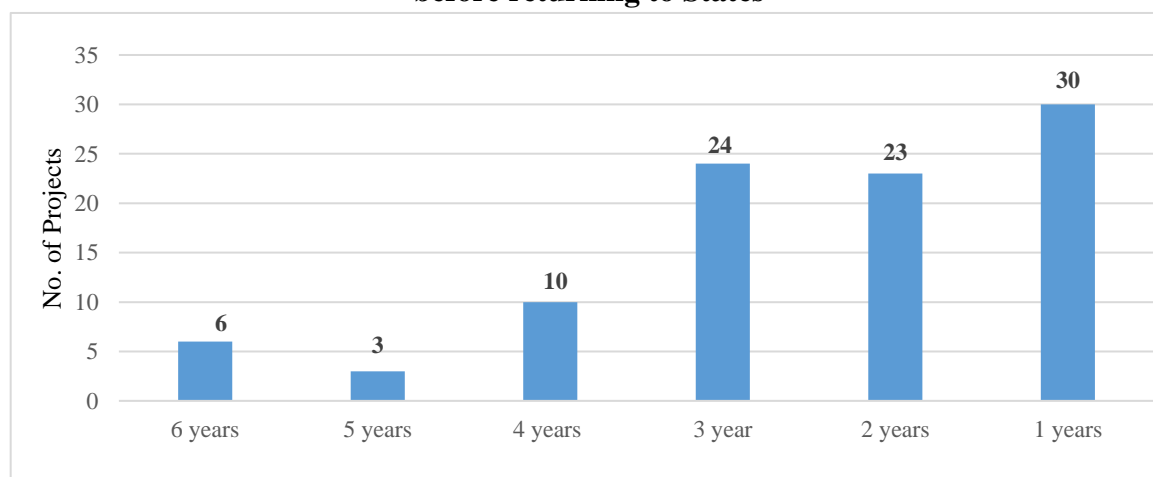
2.11 Returning of the project proposals after inordinate delay

Mission Directorate of the Ministry of Tourism was, *inter alia*, responsible for seeking approval of the Central Sanctioning and Monitoring Committee for the project proposals submitted by the State Governments.

It was observed that the Ministry did not have any definite timeline for approval or rejection of proposals submitted by the State Governments. The Ministry returned 202 project proposals to the States without approving the same with delays ranging from one year to six years. A total of 71 project proposals pertaining to the years 2015 to 2019 were returned by the Ministry between August 2019 and October 2019 with the request to submit the proposal in line with the Scheme guidelines of October 2017 and prioritise one or two projects due to limited availability of funds. Further, 131 project proposals were returned (November 2021) on the ground that the Scheme was under review.

Audit analysed the date of submission of these project proposals by the State Governments. From the available¹⁰ details of 96 project proposals out of 202 projects, it was noticed that the Ministry took up to six years to review and return the proposals of States, as given below:

Chart 2.2: Number of years for which project proposals were held by Ministry before returning to States



Thus, the Ministry kept 43 proposals pending for three years or more without taking any action, and nine of these proposals were returned after five to six years of submission.

It was also noticed that in case of 71 proposals returned by the Ministry in 2019, the Ministry took 22 months after issue of revised guidelines to highlight that the evaluation report in accordance with guidelines of October 2017 were not enclosed and returned the proposal to States/UTs for compliance. From the furnished records, Audit could not ascertain whether States/UTs came back with these proposals as asked by the Ministry. However, none of these projects were approved for implementation under the Scheme. Further, instances were seen where the States¹¹ had sent only one or two project proposals

¹⁰ 106 proposals where date of submission of proposal was not made available by the Ministry and the proposals returned in same year of submission have been excluded.

¹¹ One project of Tamil Nadu and two projects of Uttarakhand

for approval but the Ministry returned those projects proposals also and asked the States to prioritise one or two projects.

It is important to note that the Department-Related Parliamentary Standing Committee on Transport, Tourism and Culture in its Report No. 275 had observed (March 2020) that several proposals sent by the State Governments for inclusion under the Scheme were pending approval by the Ministry.

While the Ministry had given 18 to 36 months to the States/UTs to complete the projects, the Ministry itself kept the project proposals pending for up to six years without any action, as it did not have a defined timeline for approval of project proposals. It did not develop an effective mechanism for evaluation/approval of projects and conveying deficiencies within a definite timeframe.

The Ministry stated (September 2022) that sanctioning of projects was done on a number of parameters and only limited projects could be taken up for sanctioning subject to availability of funds, submission of suitable DPRs, adherence to Scheme guidelines and utilisation of funds released earlier, etc. The Ministry did not approve any project under the Scheme after 2018-19 since sanctioning of new projects was under review and proposals submitted by the State Governments/UTs/Central Implementing Agencies for consideration and approval were deemed returned.

The reply of the Ministry may be seen in light of the fact that the proposal of States (pertaining to 2015 to 2019) were kept pending by the Ministry for a period ranging up to six years, which shows lack of an effective mechanism for evaluation and approval of projects.

Recommendation No. 4

The Ministry may prescribe a timeline for taking prompt decision on the project proposals submitted by the States/UTs and may ensure that the deficiencies in the proposals are communicated to them within a stipulated time frame.

2.12 Preparation of Detailed Project Reports by States

As per the Scheme guidelines, comprehensive Detailed Project Reports (DPRs) for each project were to be prepared by the Programme Management Consultant (PMC), after consultation with respective State Government/UT administration, local bodies, other stakeholders. However, PMC did not prepare the DPRs despite this being within their scope of work. Later, the Ministry asked (February 2016) the States to prepare and submit DPRs to the Ministry for consideration. As a result, DPRs were prepared by the States by engaging consultants (at a fee of ₹7.54 crore in 10 projects¹² out of 14 selected projects) and the PMC was responsible for vetting of DPRs submitted by the State Governments with respect to fulfilment of evaluation criteria as specified in the Scheme, technical details, etc.

¹² Bihar (₹70.52 lakh), Goa (₹79.54 lakh), Gujarat (₹48 lakh), Himachal Pradesh (₹1.01 crore), Madhya Pradesh (₹1.72 lakh), Puducherry (₹1.11 crore), Rajasthan (₹93.98 lakh), Telangana (₹25 lakh for Tribal circuit), Uttarakhand (₹1.07 crore) and U.P. (₹1.16 crore).

Audit observed that in all the 14 selected projects, there were deficiencies in DPRs like preparation of DPR without site survey, inclusion of sites without land and other clearances, tourist traffic survey, infrastructure gap analysis, detailed estimates and bill of quantities, operation and maintenance plan, etc.

The Scheme guidelines provided that the Implementing Agency would observe all codal formalities while awarding contracts for works/material/equipment procurement and ensure complete transparency in its transactions. However, scrutiny of records revealed irregularities (awarding of work without relevant sanctions, improper tendering, tendering on nomination basis, etc.) in selection of consultants for preparation of DPRs in seven projects¹³ out of 14 selected projects. Instances were also noticed (Chhattisgarh, Goa and Puducherry) where higher consultancy charges ranging between 2.85 *per cent* and six *per cent* of the project cost were paid to the consultants, whereas the sanction letters of the projects stipulated payment of consultancy charges at the rate of two *per cent* of the project cost.

Thus, the Ministry did not ensure preparation of DPRs based on actual ground realities in terms of gaps in tourist amenities and fund requirement. This resulted in hindrance to smooth execution, delays and deviations, time overrun, dropping of components etc.

The Ministry, while noting the audit observation, stated (September 2022) that it had sought comments from the States where gaps have been observed by Audit. Further, the Ministry has now revamped the Scheme as Swadesh Darshan Scheme 2.0 and on the basis of destination master plan, DPRs would be prepared for each destination as per toolkit of the Ministry.

2.13 Summing up

There was lack of proper planning on the part of the Ministry in formulation of Swadesh Darshan Scheme. It formulated the Scheme without conducting any feasibility study which was required for analysis of the existing situation, nature and magnitude of the problems to be addressed, need and justification for the project in the context of national priorities, alternative strategies, initial environmental and social impact analysis, preliminary site investigations, stakeholders' commitment and risk factors.

The Ministry launched the Scheme despite objection of Planning Commission/Ministry of Finance on formulation of a new Central Plan Scheme despite 13 ongoing central sector schemes and did not act upon recommendation of the Standing Finance Committee to formulate an Umbrella scheme merging all the schemes having overlapping objectives. As a result, there was overlapping of scope in various schemes implemented by the Ministry. Further, contrary to Scheme guidelines and recommendations of the National Steering Committee, the Ministry made no efforts for convergence of the Scheme with other Central/State schemes.

After launching the Scheme with an initial outlay of ₹500 crore, the Ministry continued to sanction projects and the outlay exceeded ₹4,000 crore by 2016-17. The Ministry

¹³ *Chhattisgarh, Goa, Gujarat, Himachal Pradesh, Puducherry, Uttarakhand and Uttar Pradesh*

sanctioned funds without obtaining approval of the Cabinet, which was necessary for sanctioning projects above ₹1,000 crore and same was not regularised.

Further, the Ministry sanctioned projects without any National or State level Perspective Plans. After launch of the Scheme also, it did not ensure preparation of Detailed Perspective Plans for circuits, which were to form basis for selection of projects and preparation of DPRs under the Scheme. Further, frequent revisions were made in guidelines of the Scheme such as relaxation in the role of the Ministry in identification of projects, changes in admissibility of components for funding under the Scheme, issue of instructions for maintenance of separate interest-bearing accounts for Scheme funds etc.

The Ministry did not play active role in identification of projects and relied on States for implementation and other roles including preparation of DPRs. Further, it did not have any definite timeline for approval or rejection of project proposals submitted by the State Governments. As a result, it kept proposals received from the States pending up to six years and later returned those proposals without approval.

Chapter-III

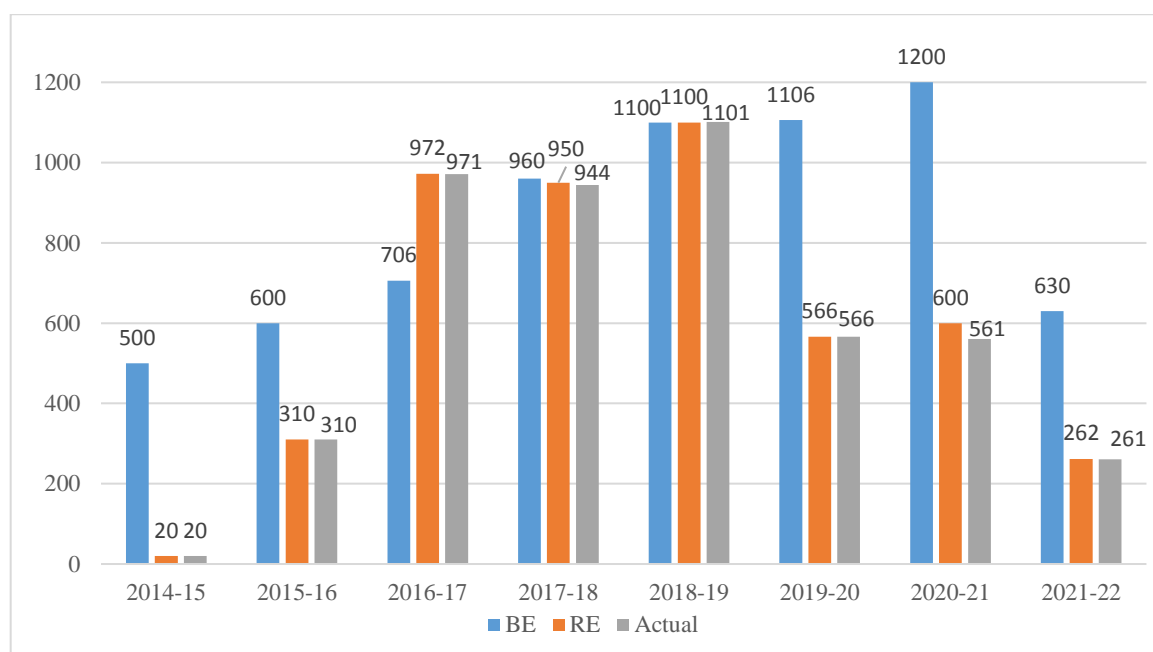
Financial Management

3.1 Unrealistic budgeting under the Scheme

Planning and preparation of budget are important for sound public expenditure management. Budget preparation is the principal mechanism for achieving efficient delivery of public services. Effective financial management ensures that decisions taken at the policy level are implemented successfully at the administrative level without wastage or diversion of funds.

The Budget Estimates, Revised Estimates and Actual Expenditure for the period from 2014-15 to 2021-22 under the Scheme are given below:

Chart 3.1: Budget Estimates, Revised Estimates and Actual Expenditure
(₹ in crore)



In 2014-15, there was drastic cut in the Revised Estimates. It was noticed that an amount of ₹500 crore was set aside for 2014-15 for creation of five tourist circuits around specified themes, after the budget speech (10 July 2014) of the then Finance Minister. However, the Ministry of Tourism prepared and submitted the Note for the Standing Finance Committee only on 2 December 2014 and launched¹⁴ the Scheme in January 2015.

As a result, ₹500 crore allocated for creation of five theme-based tourist circuits for that year could not be utilised as the Ministry could sanction only two projects during 2014-15 and released ₹20 crore to concerned States at the fag end of the financial year 2014-15, while surrendering the remaining amount of ₹480 crore. Similar instances of reduction of

¹⁴ Approved by the Standing Finance Committee on 18 December 2014

budget at the Revised Estimates stage were noticed during subsequent years, as shown below:

Table 3.1: Budget figures at Budget Estimates and Revised Estimates stage
(₹ in crore)

Year	Budget Estimates	Revised Estimates	Actuals	Savings	Percentage savings against Budget Estimates
2014-15	500	20	20	480	96
2015-16	600	310	310	290	48
2016-17	706	972	971	-	-
2017-18	960	950	944	16	2
2018-19	1100	1100	1100	-	-
2019-20	1106	566	566	540	49
2020-21	1200	600	561	639	53
2021-22	630	262	262	368	58

From the above, it may be seen that out of eight years from 2014-15 to 2021-22, there was large reduction of budget at the Revised Estimates stage in five years (i.e., 2014-15, 2015-16, 2019-20, 2020-21 and 2021-22).

During 2015-16, against the Budget Estimate of ₹600 crore, only 19 *per cent* of the budget could be spent during the first six months (April to September) on account of reasons like process of making guidelines, forming committees, delay in receipt of proposals from the State Governments, which led to a reduction at Revised Estimates stage. Similarly, in 2019-20, 2020-21 and 2021-22 there was a substantial reduction in the Revised Estimates as the Scheme was under review by the Prime Minister's Office and new projects were not being sanctioned since January 2019. Accordingly, allocation was used mainly for funding the ongoing projects. Although the Ministry was aware that the Scheme was under review, it did not assess the requirement realistically and sought higher budgetary allocations. Actual expenditure during 2019-20 and 2020-21 was only around 50 *per cent* of the actual expenditure of 2018-19.

It is pertinent to mention that the Department-related Parliamentary Standing Committee on Transport, Tourism and Culture in its 284th Report (February 2021) observed that the approach of the Ministry was casual and routine in nature. The manner in which the Budget Estimates were being prepared showed that the Ministry was not very serious about the activities to be undertaken by them.

Thus, there were large variations in the Budget Estimates and Revised Estimates which is indicative of poor budgeting and unrealistic estimation by the Ministry. As a result, there

were persistent savings during the years 2014-15, 2015-16, 2019-20, 2020-21 and 2021-22 under the Scheme.

The Ministry agreed (September 2022) with the audit observation on reduction of budget at Revised Estimates stage and stated that during 2014-15, the projects could be sanctioned only in the last quarter. Further, since review of the Scheme was ongoing in the years 2019-20 and 2020-21, the Ministry could spend the budget only on account of the projects sanctioned earlier and no new project was sanctioned in those two years.

Recommendation No. 5

The Ministry may prepare the budget estimates for seeking funds from the Parliament on a realistic basis after proper assessment of the requirement of funds.

3.2 Non-refund of excess funds released to the States/UTs

As per the Scheme guidelines, after release of the 4th instalment i.e., 95 per cent of the total project cost, the physical completion certificate of the project was to be submitted, and final cost of the project was to be frozen along with refund of the excess amount, if any, to the Ministry. The remaining five per cent of the total grant was to be released after successful operation and maintenance of toilet, tourist facilitation centre and cafeteria facilities for one year as certified by an independent agency.

Audit observed that the Ministry of Tourism dropped/merged components, where work was not commenced or clearances were pending, based on the review of progress of projects in regional review meetings held during January-July 2020 under the chairmanship of the Secretary (Tourism). As a result, costs in many projects were revised. Cost revisions led to excess funds being with the States/UTs as the grants had already been released as per the original sanctioned cost.

It was noticed that the released amount, in excess of the final cost, was required to be refunded by the States/UTs in the following four cases, amounting to ₹16.93 crore:

Table 3.2: Non-refund of excess release of funds

(₹ in crore)						
S. No	Project Name	Original Sanctioned cost	Revised Sanctioned Cost	95 % of Sanctioned Cost (A)	Released Amount (B)	Difference (B) – (A)
1.	Coastal circuit, Puducherry	85.28	58.44	55.51	61.82	6.31
2.	Development of Sambhar Salt Complex, Rajasthan	63.96	50.01	47.51	51.17	3.66
3.	Development of Buddhist	52.34	24.14	22.93	26.17	3.24

S. No	Project Name	Original Sanctioned cost	Revised Sanctioned Cost	95 % of Sanctioned Cost (A)	Released Amount (B)	Difference (B) – (A)
	circuit, Andhra Pradesh					
4.	Development of Beach circuit, Henry Island, West Bengal	85.39	67.99	64.59	68.31	3.72
Total		286.97	200.58	190.54	207.47	16.93

The Ministry requested (between June 2021 and January 2022) the concerned States to refund the excess release. However, it made no concerted efforts thereafter, and the same was yet to be realised from the States.

The Ministry stated (September 2022) that it had consistently taken up the matter with the States and had also conveyed that non-refund of unspent balance was a financial irregularity and action would be taken against the concerned officials.

The fact, however, remains that excess release has not yet been refunded by the concerned States.

Case Study 3.1: Non-surrender of savings by Gujarat and Uttar Pradesh

In case of Heritage circuit, Gujarat, Audit observed that the State Government was required to surrender ₹13.99 crore to the Ministry due to non-execution of components, execution of inadmissible components, execution of component not included in DPR and difference between actual and sanctioned cost. However, the same had not been surrendered (March 2022).

In case of Ramayana circuit, Ayodhya (Uttar Pradesh), executing agencies viz., Uttar Pradesh Rajkiya Nirman Nigam (12 works) and Irrigation Department (4 works) completed and handed over the projects to the Department of Tourism at cost lesser than the sanctioned cost. Audit observed that there were savings amounting to ₹8.20 crore against these works, but the same was not refunded to the Ministry.

The Ministry stated (September 2022) that it had referred the concerned matter to the Governments of Gujarat and Uttar Pradesh for comments.

3.3 Maintenance of separate bank accounts for projects by the States and refund of interest

As per Rule 230(8) of General Financial Rules, 2017, all interest or other earnings against grant or other advances should be mandatorily remitted to Consolidated Fund of India. In this regard, additional guidelines were issued by the Ministry of Tourism in August 2020, which stipulated that the State implementing agencies had to open a separate bank account

for each project and the interest earned on the funds was to be refunded to the Ministry at the end of financial year.

However, as the above provision was introduced only during August 2020 and was not there in the original guidelines, no instructions were issued to the States by the Ministry for opening of separate bank account for more than five and half years since launch of the Scheme (January 2015).

As a result, the following issues were observed by Audit:

- Separate Account for each project was not opened by Bihar, Gujarat, Himachal Pradesh, Jammu & Kashmir, Rajasthan, Puducherry, Uttarakhand and Uttar Pradesh and funds of other projects were kept in the existing saving bank account. This made it difficult to monitor the utilisation of funds released under Swadesh Darshan Scheme and calculation of interest earned on such funds.
- Current Account was maintained by Goa, Madhya Pradesh and Telangana (Heritage), due to which interest could not be earned on the funds, resulting in loss to the exchequer.
- There was delay of two years in opening of a separate bank account by Sikkim.

Further, in 10 States¹⁵ out of 13 selected States, interest amounting to ₹50.06 crore was not remitted to the Ministry by implementing agencies. In fact, the interest amount was utilised by some of the States without approval of the Ministry, as discussed below:

- In Himachal Pradesh, interest of ₹3.10 crore was earned on Scheme funds by the State Government. Instead of refunding the interest to the Ministry, the State Government incurred an expenditure of ₹1.14 crore.
- In Sikkim, instead of refunding the interest of ₹6.73 crore earned on Scheme funds received from the Ministry, an expenditure of ₹5.32 crore for purpose other than the Scheme was made which resulted in irregular utilisation of interest.

Audit also observed that:

- In Rajasthan and Goa, interest amounting to ₹2.21 crore earned on Fixed Deposit Receipts made from the Scheme funds was not remitted to the Ministry.
- In Uttarakhand, only one Bank account was operated for two circuits under the Scheme (Heritage and Eco circuits) and an amount of ₹1.68 crore had accrued as interest. Instead of returning it to the Ministry, the State Tourism Board (Implementing Agency) deposited interest of ₹75.97 lakh in the State Treasury and remaining interest was lying with it. In addition to this, an amount of ₹47.95 lakh of accrued interest on released project funds was lying with the executing agency (Uttar Pradesh Rajkiya Nirman Nigam).

¹⁵ Chhattisgarh (₹2.52 crore), Goa (₹0.84 crore), Himachal Pradesh (₹3.10 crore), Jammu & Kashmir (₹14.66 crore), Puducherry (₹1.22 crore), Rajasthan (₹1.37 crore), Tribal circuit, Telangana (₹16.18 crore), Sikkim (₹6.73 crore), Uttarakhand (₹2.16 crore) and Uttar Pradesh (₹1.28 crore)

Thus, due to non-accounting of interest, the Ministry could not utilise the funds properly leading to irregular utilisation and idling of funds by the State Governments.

The Ministry stated (September 2022) that it had consistently taken up the matter of refund of interest earned by the States. The States had again been requested (May 2022 and June 2022) to deposit interest amount in the Consolidated Fund of India.

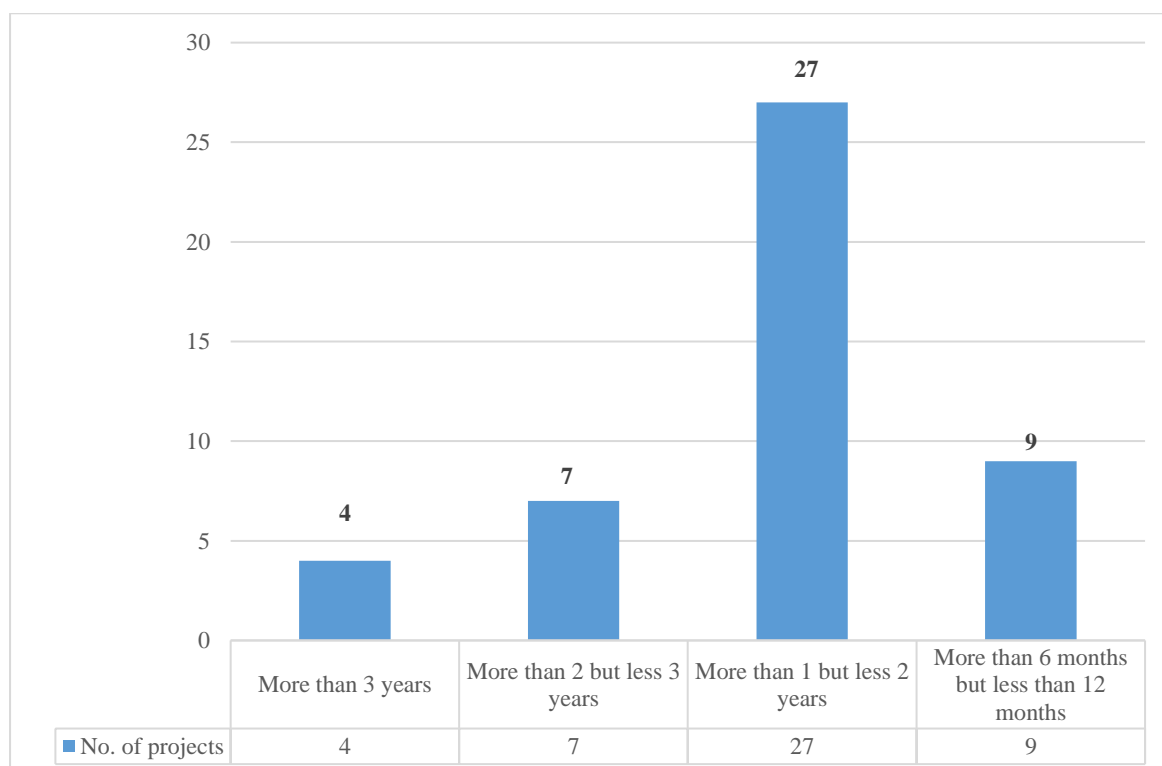
The fact remains that interest earned was not refunded by the concerned State Governments. Further, the Ministry’s reply was silent on delay in issuance of instructions to the States for opening of separate bank account resulting in loss of interest to the Government exchequer.

3.4 Delay/non-submission of Utilisation Certificates

Administrative approval and financial sanction accorded by the Ministry of Tourism for projects under Swadesh Darshan Scheme stipulated that the Implementing Agency would not keep the amount released by the Central Government unutilised for more than six months. In case funds could not be utilised by such time, the same were to be surrendered to the Ministry with interest or formal approval should be taken to transfer/adjust the amount against other Central financially assisted projects.

Audit observed that (as on 31 March 2022) in 47 out of total 76 projects, there was either delay in submission of Utilisation Certificates (UCs) or the UCs were not submitted despite lapse of more than six months, as shown below:

Chart 3.2 : Time taken in submission of Utilisation Certificates



(Source: Scheme Dashboard data of the Ministry of Tourism)

Audit observed the following:

- i. **Utilisation Certificates submitted with delay:** In 36 out of 47 projects, Implementing Agencies submitted UCs after taking more than six months from the date of release of funds. Out of these, UCs in respect of 4 projects¹⁶ were received after three years of release of instalment.
- ii. **Utilisation Certificates not submitted:** In respect of 11 projects, Implementing Agencies did not submit UCs even after more than six months of release of last instalment. Out of these, in 10 projects, UCs were not received despite a lapse of more than 12 months. It is pertinent to mention that in one project¹⁷, UC had not been submitted even after lapse of 23 months.

On being asked, the Ministry stated (December 2021) that only ₹27.65 crore unutilised in three projects had been surrendered by the Implementing Agencies.

Audit further observed that out of 14 selected projects, in seven¹⁸ projects, the States did not submit UCs or submitted with delays which ranged from one month to 33 months. However, despite pending UCs for long duration, the Ministry neither insisted on States to send UCs timely nor made any effort to get refund from the States.

- iii. **Incorrect/inflated UCs:** Audit compared the Utilisation Certificates furnished by the States with the actual status of works and expenditure incurred thereon and it was found that out of the 14 selected projects in 13 States, in the following five States, incorrect/inflated UCs amounting to ₹76.38 crore had been submitted by the States:

Table 3.3: Incorrect/Inflated Utilisation Certificates submitted by the State Governments

S. No	Name of the State	Amount of Inflated UCs
1.	Rajasthan ¹⁹	₹44.49 crore
2.	Telangana	₹21.67 crore
3.	Uttar Pradesh	₹85.82 lakh
4.	Uttarakhand	₹1.64 crore
5.	Gujarat	₹7.72 crore

Thus, the Ministry did not enforce the condition provided in the sanction order that in case of funds remaining unutilised for more than six months, the same were to be surrendered to the Ministry with interest.

¹⁶ *Development of Vaishali-Champapuri-Bihar, Bhalukpong-Bomdila & Tawang circuit-Arunachal Pradesh, PM Development Package 2014 for Jammu & Kashmir and Development of Karaikal, Yanam and Puducherry*

¹⁷ *Malanad Malabar Cruise Tourism, Kerala*

¹⁸ *Bihar, Chhattisgarh, Himachal Pradesh, Madhya Pradesh, Puducherry, Sikkim and Telangana*

¹⁹ *Four UCs were submitted. First UC inflated by ₹11.51 crore, second by ₹20.85 crore, third by ₹4.14 crore and fourth by ₹7.99 crore. Running Account Bill of one component viz., Development of Naraina was not made available*

In this context, the Department-Related Parliamentary Standing Committee on Transport, Tourism and Culture in its 298th report had also recommended (August 2021) that the Ministry should develop an effective and efficient mechanism for timely submission of UCs. This would not only speed up execution of all the projects well within the approved cost, but also help in prevention of cost overruns in the projects.

Thus, the Ministry did not have a proper mechanism in place for ensuring timely submission of UCs and for refund of unutilised funds. In absence of UCs, it could not be ascertained how the Ministry was obtaining assurance on the regularity of expenditure.

The Ministry stated (September 2022) that it had revised the procedure for release of funds and tracking of utilisation of funds through Central Nodal Agency. The Ministry would further take up the matter with the State Governments of Rajasthan, Telangana, Uttar Pradesh, Uttarakhand, Gujarat and Himachal Pradesh on the audit observations.

While the Ministry did not give status of surrender of unspent funds lying with the State Governments, the fact remains that timely submission of UCs and refund of unutilised funds was not ensured by the Ministry.

Case Study 3.2: Himachal Pradesh- False undertaking about non-pendency of UC

As per conditions of the sanction letter issued under Swadesh Darshan Scheme, the State Government had given an undertaking that no utilisation certificate was pending in respect of grant-in-aid released by Central Government in respect of all the schemes/projects/programmes of the Ministry of Tourism.

It was noticed that in the project 'Integrated Development of Solan District' under Product/Infrastructure Development for Destination and Circuits Scheme, the Ministry had sanctioned (August 2008) ₹1.60 crore for Kiarighat and released ₹1.28 crore to the Department of Tourism, Himachal Pradesh. The above amount was not utilised by the State Government, as the work could not be started due to non-availability of land. However, the State Government had shown above amount as utilised in the utilisation certificate submitted to the Ministry (January 2013).

Later under Swadesh Darshan Scheme, the Ministry sanctioned (March 2017) a component viz., construction of Convention Centre at Kiarighat at the same location for ₹25 crore. It was noticed that the Department of Tourism, Himachal Pradesh transferred ₹1.28 crore (of Integrated Development of Solan District) lying with it, for the project at Kiarighat as additional funds.

This shows that the State had given false undertaking about non-pendency of any utilisation certificate at the time of seeking funds under Swadesh Darshan Scheme.

The Department of Tourism, Government of Himachal Pradesh did not furnish the reasons for the lapse.

The Ministry stated (September 2022) that it would take up the matter with the Government of Himachal Pradesh.

Recommendation No. 6

The Ministry may ensure timely submission of Utilisation Certificates by the States/UTs in respect of funds released to them under the Scheme, and remittance of interest earned by them on the Scheme funds to the Ministry.

3.5 Irregular payment of consultancy and contingency charges

The Ministry of Tourism, in the guidelines for Swadesh Darshan Scheme 2.0, approved (April 2022) five *per cent* of funds for consultancy and contingency charges (renamed as Professional, Administrative and Office Expenses) for States/Implementing Agencies. The amount would be utilised for the purpose of:

- Hiring of Project Development and Supervision Consultants, other professionals, and support teams on contract basis to support the implementation of Mission at State/destination levels after following fair and transparent procedures.
- Institutional arrangements that support Mission Implementation.
- However, the funds were not to be used for purchase of vehicles, construction and maintenance of buildings, creations of posts, payment of existing staff and purchase of furniture and fixtures, etc.

Audit observed that there was no mention/approval of consultancy and contingency fee for States/Implementing agencies in the approval (January 2015) of Standing Finance Committee, the approved Notes of Expenditure Finance Committee/Cabinet Notes (October 2017 and February/December 2019) or in the original Scheme guidelines issued by the Ministry. However, implementing agencies of Swadesh Darshan Scheme projects were paid consultancy and contingency charges of ₹225.84 crore at the rate of five *per cent*²⁰ of project cost for implementation of projects up to March 2022.

The Ministry stated (September 2022) that sanctioning of consultancy and contingency charges was approved by the Central Sanctioning and Monitoring Committee. In the guidelines for Swadesh Darshan Scheme 2.0, provision for three *per cent* funds for professional, administrative and office expenses by the Ministry and five *per cent* funds for States/Implementing agencies has been approved.

The reply of the Ministry that consultancy and contingency charges were approved by the Central Sanctioning and Monitoring Committee is not tenable as there was no specific approval in the Scheme or guidelines for the above charges by Standing Finance Committee/Expenditure Finance Committee/Cabinet or any other Committee under Swadesh Darshan Scheme i.e., National Steering Committee, Central Sanctioning and Monitoring Committee or Mission Directorate. Moreover, the Integrated Finance Wing of the Ministry had also raised issue of above charges not being part of Scheme guidelines.

²⁰ *The Ministry of Tourism was paying centage charges up to seven per cent (inclusive of contingency and service taxes) for CPSUs implementing the projects under Swadesh Darshan Scheme. However, centage charges at the rate of five per cent have been taken for calculation.*

However, the Ministry had stated in its response that it was paying these charges as per norms.

Audit, however, noted the remedial action taken by the Ministry by incorporating the above charges in the guidelines for Swadesh Darshan Scheme 2.0.

3.5.1 Irregular expenditure against consultancy and contingency charges by States

While launching the Swadesh Darshan Scheme in January 2015, the Ministry had not defined the purposes for which consultancy and contingency charges could be utilised by State Implementing agencies. However, as per para 3.1.1.3 (3) of CPWD Works Manual, 2019, contingencies could be utilised for construction of site office, engagement of watch and ward staff, job works, hiring of inspection vehicle and any other field requirements directly related to work. Further, in the guidelines for Swadesh Darshan Scheme 2.0, it was stated that the consultancy and contingency charges shall not be used for purchase of vehicles, construction and maintenance of buildings, creations of posts, payment of existing staff and purchase of furniture and fixtures, etc.

Considering the above criteria, Audit observed that in four out of 14 selected projects, State Governments incurred irregular expenditure against consultancy and contingency charges, as given below:

- In case of North-East circuit, covering Rangpo-Singtam, Sikkim, Implementing Agency procured 10 vehicles from contingency charges for an amount of ₹1.28 crore²¹ for use of officials of State Tourism Department.
- In case of Tribal circuit project, Telangana, the Implementing Agency procured 2 vehicles for an amount of ₹57.55 lakh from contingency charges for use of officials of State Tourism Department.
- In case of Heritage circuit project, Telangana, the Implementing Agency utilised an amount of ₹54 lakh out of contingency charges towards non-plan/operation and maintenance expenditure.
- In case of Coastal circuit, Puducherry, the Implementing Agency booked ₹38.16 lakh from contingency charges on operation and maintenance and office expenses, even though operation and maintenance was the responsibility of State Government.

Thus, due to not defining the purpose of contingency and consultancy charges by the Ministry, irregular expenditure amounting to ₹1.96 crore was incurred by the State implementing agencies from the Scheme funds.

The Ministry stated (September 2022) that settlement of bills of sub-agencies was the responsibility of State Government/Implementing Agencies. Therefore, the Ministry was seeking comments from concerned State Governments.

The reply is not tenable as in addition to the responsibility of the State implementing agencies, the Ministry was also responsible for pointing out the incorrect/ineligible

²¹ *Incurred from contingency provision of two projects of Swadesh Darshan Scheme, out of which ₹46.29 lakh was incurred from selected project.*

expenditure shown in the Utilisation Certificates submitted by the State implementing agencies. However, the Ministry did not point out the said incorrect/ineligible expenditure.

Case Study 3.3: Undue benefit to Hindustan Prefab Limited due to award of contract on lumpsum basis

The Ministry awarded (June 2018) the project of 'Development of wayside amenities' to Hindustan Prefab Limited, New Delhi (HPL), at six sites of NH-2/NH-28 in Buddhist and Ramayana circuits in Bihar and Uttar Pradesh. The project cost was ₹18.10 crore (including centage²² charge of ₹1.57 crore for HPL), which was later revised (June 2019) to ₹17.93 crore (including centage charge of ₹1.57 crore).

Audit observed that the Ministry was paying centage charges (including consultancy and contingency) of five *per cent* of the project cost. However, in the instant case, instead of the rates already being paid to other Central Public Sector Undertakings, the Ministry used Rule 133(3) of General Financial Rules, 2017 (awarding contract on lumpsum basis) and awarded the work to HPL on lump sum centage charge of ₹1.57 crore (9.60 *per cent* of the project cost of ₹16.36 crore), which was on the higher side. Audit found no justification for awarding contract with lumpsum charges in this case.

Audit further observed that later, the Ministry dropped three sites (January 2022) and revised the project cost to ₹13.50 crore. However, it did not reduce centage charges of HPL proportionally. As a result, centage charges came out to 11.63 *per cent* of the revised project cost.

The Ministry stated (September 2022) that since centage charges in this case were fixed, the same were not revised.

Thus, due to non-following of uniform criteria and awarding of contract to HPL on fixed/lump sum service/centage charges, the Ministry had to incur avoidable expenditure of ₹89.50 lakh²³.

3.6 Wasteful/excess and inadmissible expenditure

During execution of projects by the State Governments, Audit observed the following:


- (a) Instances of wasteful/excess expenditure of ₹30.50 crore in implementation of 7 out of 14 selected projects were observed, as shown in the table below:

²² Centage charges are percentage charges (on estimated cost) paid to Central Public Sector Undertakings for execution of work/project.


²³ ₹1.57 crore – 5% of ₹13.50 crore = ₹89.50 lakh


Table 3.4 Wasteful/excess expenditure

Sl. No.	Name of the Circuit/ State	Brief of irregularities noticed	Amount (₹ in crore)
1.	Himalayan Circuit, Himachal Pradesh	After incurring expenditure of ₹97 lakh on components Saurav Kalia Van Vihar (Palampur) and Dal lake (Dharmshala), these were dropped by the Ministry due to faulty planning and bottlenecks by the State Government resulting in wasteful expenditure.	0.97
2.	Coastal Circuit, Puducherry	The Ministry sanctioned (December 2015) a project for development of tourism amenities at Island No.5 at Yanam. The selected site was situated in a flood prone area. Government of Andhra Pradesh objected to the work since it was obstructing free flow of the Godavari River and approval for construction activities had also not been obtained from the Yanam Planning Authority. Subsequently, the amenities created were washed away in flood resulting in unfruitful expenditure of ₹5.26 crore in Yanam due to injudicious planning. (Refer Case Study 3.4)	5.26
3.	Coastal Circuit, Goa	(i) The work of supplying, installing and commissioning of Sound and Light Show at Aguada Jail, Goa was awarded for ₹3.94 crore in June 2017 with date of completion of July 2018. Later, it was decided (September 2018) to shift the equipment of Sound and Light Show to another site, Baga Beach (not approved under the Scheme), until the work at Aguada Jail project was completed. However, instead of shifting the Sound and Light Show equipment back to Aguada Jail after completion of work, the Implementing Agency again procured new Sound and Light Show equipment at Aguada Jail for ₹3.25 crore in February 2021. The Sound and Light show equipment purchased for Aguada Jail, however, remained idle up to the year 2022 and it was only in the year 2023 that the Show was made operational as observed (May 2023) during the Joint physical inspection of site. It was further observed during the joint inspection that the Sound and Light Show at Baga was still lying unutilised resulting in unfruitful expenditure of ₹3.94 crore. (ii) Four buses purchased at a cost of ₹99.27 lakh for circuiting around Fort Aguada, Aguada Jail, and Tourist Information Centre, were not utilised for tourist purpose but for plying staff and for private	6.58

Sl. No.	Name of the Circuit/ State	Brief of irregularities noticed	Amount (₹ in crore)
		<p>bookings (such as plying school students, wedding functions etc.).</p> <p>(iii) Tourist Information Centre (TIC) along with public amenities were constructed at a cost of ₹1.65 crore at Terekhol Fort which was not among the sites approved in the DPR for construction of TIC. The TIC was constructed behind Terekhol Fort and was not even visible while entering the Fort. No signages were found either for the TIC or public amenities to indicate the presence of the facility there. As a result, the facility created was closed and not in use. Thus, it did not serve any purpose leading to wasteful expenditure of ₹1.65 crore.</p>  <p style="text-align: center;">Picture 3.1: Deserted Terekhol TIC, Goa</p>	
4.	Himalayan circuit, Jammu & Kashmir	<p>(i) Eco Log Multipurpose Hall with Cafeteria and Souvenir Kiosks was executed at a cost of ₹1.83 crore at Apple Resort Chenni Wuddur, Anantnag. The project was completed in August 2018 and shops and cafeteria were outsourced in 2019.</p> <p>However, till date²⁴ (November 2022), no allottee had started business there and thus the project could not be put to use, rendering the expenditure unfruitful.</p> <p>(ii) Expenditure of ₹1.50 crore was incurred on construction of an Ice-skating Rink at Nunwan-Pahalgam. However, the facilities could not be used as the detailed project report did not have the essential elements i.e. water freezing arrangements, boundary railing, rooftop, sitting place for spectators and yet the State Government went ahead with the project execution and presently, only a cemented platform has been</p>	3.33

²⁴ The cafeteria was gutted in fire in the year 2020 and the same was reconstructed by the Tourism Department of the State.

Sl. No.	Name of the Circuit/ State	Brief of irregularities noticed	Amount (₹ in crore)
		<p>constructed at site, which does not serve the intended purpose.</p>  <p>Picture 3.2: Ice Skating Rink cemented platform, Pahalgam, J&K</p>	
5.	Tribal circuit, Telangana	<p>The component for upgradation of trekking pathways up to Megalithic burial at Mallur (sanctioned cost: ₹2.20 crore) was dropped (January 2020) by the Ministry of Tourism due to non-obtaining of forest clearance by the State. However, the State Government had incurred ₹1 crore on laying of gravel road without ensuring forest clearance, thus making the expenditure unfruitful.</p>	1.00
6.	Development of circuit around Tehri, Eco circuit, Uttarakhand	<p>(i) Three approach roads (costing ₹4.34 crore) remained unutilised as parts of the roads remained submerged in water during increase in the water level of the lake (February 2022) due to which the ultimate benefit could not be delivered to the tourists.</p> <p>(ii) Adventure climbing wall (₹79.74 lakh) constructed for tourists was being occupied by ITBP to train their staff (Refer Case Study 4.13).</p>	5.14

Sl. No.	Name of the Circuit/ State	Brief of irregularities noticed	Amount (₹ in crore)
7.	Development of Ayodhya, Ramayana circuit, Uttar Pradesh	<p>(i) The State Government failed to exercise due care in assessment of actual amount payable towards centage, GST and Labour cess. Thus, excess amount of ₹6.07 crore was sanctioned due to considering incorrect cost (estimated cost instead of actual cost) of the works carried out by Implementing Agencies and out of this, ₹3.98 crore was also released (Irrigation Department: ₹1.18 crore and Uttar Pradesh Rajkiya Nirman Nigam: ₹2.80 crore), resulting in excess payment.</p> <p>(ii) Executing agency (Uttar Pradesh Rajkiya Nirman Nigam) did not reduce the cost of the works by five <i>per cent</i> towards departmental savings in the estimates being Government work in terms of State Government orders. Thus, the sanctioned cost of the works was found overestimated by ₹3.86 crore.</p> <p>(iii) 900 tree guards amounting to ₹37.70 lakh purchased in April 2021 for plantation works proposed at Guptar Ghat, Ayodhya were lying unutilised in open area (January 2022), as the trees were not planted (sanctioned in May 2021).</p>  <p>Picture 3.3: Tree guards lying unutilised at Guptar Ghat, Ayodhya</p>	8.22
		Total	30.50

The Ministry, while noting the audit observations, stated (September 2022) that it would seek comments from concerned State Governments in this respect.

(b) Inadmissible expenditure of ₹21.06 crore was incurred in eight out of 14 selected projects, as shown in the table below:

Table 3.5: Irregular/Inadmissible expenditure

Sl. No.	Name of the Project/State (theme)	Brief of irregularities noticed	Amount (₹ in crore)
1.	Kanwaria route, Bihar (Spiritual)	<p>i) Granular Sub-base with graded material not included in Bill of Quantities was booked in the Measurement book²⁵ and ₹94.50 lakh paid to the contractor in deviation from approved items resulting in irregular payment.</p> <p>ii) The consultant engaged for DPR preparation was paid service tax of ₹9.20 lakh without provision in the sanction letter. Though State Government had agreed to recoup it from the consultant, the same was not yet done.</p>	1.04
2.	Himalayan circuit, Himachal Pradesh	Expenditure on operation and maintenance of Light and Sound show at Shimla (₹95 lakh), external electrification and external water supply at Art and Craft Centre, Chamba (₹13 lakh), renovation of existing temple at Dharamshala, demolition and dismantling expenses on existing structure at Kiarighat, foundation stone ceremony etc., (₹23.72 lakh) were incurred by the State from Scheme funds. However, as per scheme guidelines, expenditure on the above works was to be borne by State Government from its own funds.	1.32
3.	Coastal circuit, Puducherry	<p>(i) Expenditure of ₹52 lakh was incurred on external electrification (Chinnaveerampattinam and Arikamedu beaches), which is an inadmissible expenditure and to be borne by the State/UT Government.</p> <p>(ii) Water sports equipment, Boat jetty and Beach Safety equipment sanctioned with cost of ₹61.41 lakh for Chinnaveerampattinam Beach and Manapet Beach were diverted to a boat house (Chunnambar), which was not covered under the Scheme.</p>	1.13
4.	Development of circuit linking Rangpo-Singtam, North-East circuit, Sikkim	<p>(i) Construction of approach road (₹3.22 crore), external electrifications, external water supply and sewerage lines, furniture, etc. (₹0.71 crore) were undertaken from Scheme funds instead of being borne by the State Government out of its own funds.</p> <p>(ii) Instead of constructing wayside amenity for tourists, a pavilion and a building in the gumpa complex were constructed at a total cost of ₹1.67 crore and used as hostel for nuns of the Gumpa, which was not related to tourism. Expenditure of ₹79 lakh was incurred on</p>	6.95

²⁵ In components- Rain Shelter at Suiya and Lulha Shivlok, Cafeteria at Chihutjor, Way-side amenities at Suiya and Jilebia, Bihar

Sl. No.	Name of the Project/State (theme)	Brief of irregularities noticed	Amount (₹ in crore)
		boundary/fencing of Jurassic Park at Makha, away from tourist infrastructure and not covered under the Scheme. (iii) State Government utilised ₹56 lakh on restoration and maintenance of Tourist Infrastructure developed under the Scheme from interest accrued on Scheme funds which was inadmissible as the Scheme guidelines stipulates that the maintenance of the created assets was to be done by State Government from its own funds.	
5.	Heritage circuit, Telangana	An amount of ₹6.26 lakh was paid towards maintenance of lawns, individual shrubs etc., at Hayat Bakshi Mosque and at Raymond's Tomb from Scheme funds, which was an inadmissible expenditure and was to be borne by the State Government.	0.06
6.	Tribal circuit, Telangana	(i) Expenditure of ₹61.01 lakh was incurred (January 2021) on repairs and renovation works relating to old suspension bridge to Island-1 at Laknavaram (Mulugu) and ₹3.35 crore on items (such as purchase of vehicles, car hire charges of employees), which were inadmissible. (ii) Even after the component 'Upgradation of trekking path up to Megalithic Burials' was dropped (January 2020) by the Ministry, an amount of ₹68.71 lakh was incurred by the State Government on approach road, septic tank etc., which was inadmissible.	4.65
7.	Development of Sambhar Lake and other destinations in Desert circuit, Rajasthan	Mini Desert Night Safari (₹1.59 crore) and approach road along the bicycle track (₹2.58 crore) were not found constructed (originally to be constructed at Naliasar) at Sambhar Lake during joint physical verification of sites along with the State Government officials though the State Government had shown utilisation of funds on the same.	4.17
8.	Integrated Development of Theme based tourist circuit in Gujarat	(i) Under the component 'Development of activity centre on south-east side of campus at Kochrab Ashram', 10 rooms on second floor of the activity centre for the purpose of accommodation were constructed from the Scheme funds, which was inadmissible as per the Scheme guidelines. Implementing Agency did not provide the exact expenditure incurred for the inadmissible activity. (ii) Implementing Agency utilised ₹13.34 lakh for external electrification and ₹94.50 lakh for approach road from Scheme funds instead of State Government funds.	1.74

Sl. No.	Name of the Project/State (theme)	Brief of irregularities noticed	Amount (₹ in crore)
		(iii) Implementing Agency constructed another approach road at a cost of ₹1.29 crore from the savings of ₹65.89 lakh of Scheme funds and the remaining ₹63.11 lakh from State funds.	
		Total	21.06

The Ministry, while noting the audit observations, stated (September 2022) that it would seek comments from the concerned State Governments in this respect. In respect of Rajasthan, the Ministry endorsed (November 2022) the reply of the State Government which stated that due to non-availability of land at Naliasar, the Night Safari was constructed at another site.

The reply of State Government of Rajasthan is not acceptable since the project closure report of July 2021 had shown the utilisation of funds at Naliasar.


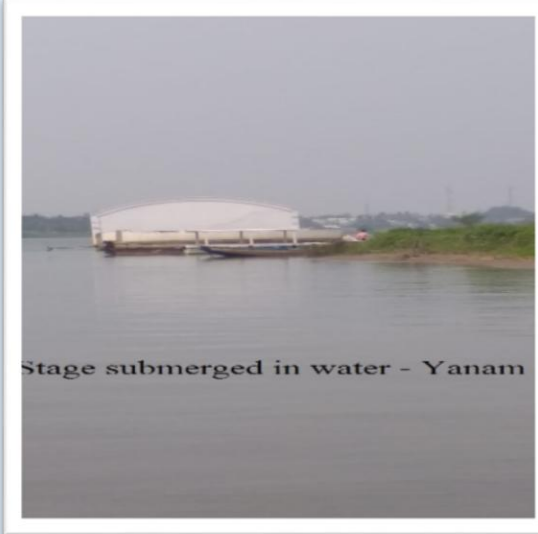

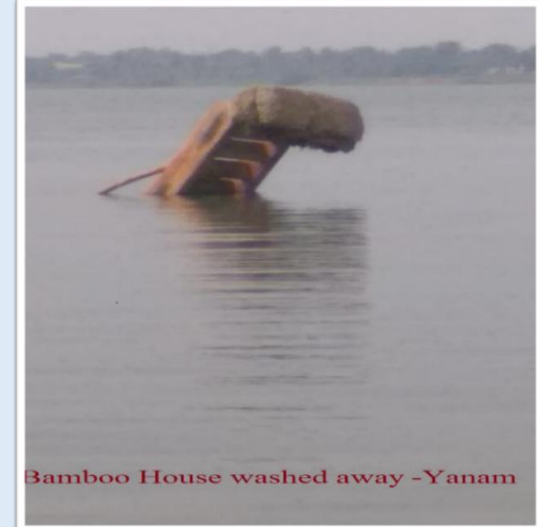
Case Study 3.4: Development of Tourism amenities at Yanam (Coastal circuit, Puducherry) - Unfruitful expenditure of ₹5.26 crore

The DPR for development of tourism amenities at Island No. 5 at Yanam, as submitted by the Department of Tourism, Puducherry, was sanctioned (December 2015) by the Ministry under the project 'Development of UT of Puducherry as Tourist circuit'. The selected site was situated on a sand dune in mid-stream at the junction point of Coringa river and Gowthami Godavari river in Yanam. This was in flood prone area and highest flood level was faced in Yanam in August 2013. Government of Andhra Pradesh objected to the work since it was obstructing free flow of the Godavari River. Also, approval for construction activities was not obtained from the Yanam Planning Authority.

Despite the above fact, the project was commenced after Ministry's sanction (December 2015). Works were awarded between March 2017 and June 2018 and expenditure of ₹5.26 crore was incurred by Puducherry Tourism Department on components of walkway, fencing, bamboo house, rainwater shelter, solar lights etc.

However, during the flood in August 2018, amenities created on the site i.e., walkway, fencing, RCC benches, water body, bamboo house, stage and solar lights (valued at ₹1.33 crore) were damaged and another flood in August 2020 washed away the remaining structures (valued at ₹3.93 crore) completely.

Picture 3.4: Infrastructure washed away at Yanam, Puducherry

	
<p>Infrastructure (before floods): Stage before submerging in water</p>	<p>Infrastructure (after floods): Stage submerged in water</p>
	
<p>Infrastructure (before floods): Bamboo house</p>	<p>Infrastructure (after floods): Bamboo house washed away</p>

Audit observed that the Ministry did not make any effort to assess feasibility and ground reality before sanctioning the project. The Programme Management Consultant visited the site only in December 2018, when works had already been executed and washed away in August 2018.

Thus, despite being aware of the fact that the island was flood-prone, infrastructure was created thereon, which was washed away in flood, thereby resulting in unfruitful expenditure of ₹5.26 crore.

The Ministry, while noting the audit observations, stated (September 2022) that it would seek comments from Government of Puducherry in this regard.

Recommendation No. 7

The Ministry may take action to recover the excess expenditure incurred by the States/UTs without prior approval of the Ministry as well as the inadmissible expenditure incurred by them.

3.7 Undue benefit to contractors

Audit observed instances where undue benefit of ₹19.73 crore was made to contractors in six projects/circuits, as given below:

(a) Development of Ayodhya, Uttar Pradesh:

- The contractor engaged by the Implementing Agency viz., Uttar Pradesh Rajkiya Nirman Nigam was required to submit performance guarantee at the rate of five *per cent* of the contract price of ₹62.17 crore which worked out ₹3.11 crore. However, the contractor submitted lesser amount of performance guarantee i.e., ₹1.86 crore only, at the time of its renewal (September 2021) without citing any reason on record.
- Work at Guptar Ghat, Ayodhya was split into 14 lots of equal sizes and works were awarded to different private contractors. However, the Executing Agency (Irrigation Department) did not take due care in making comparative analysis of the financial bids/rates offered by the contractors and awarded works of similar nature and sanctioned costs to the same contractors but at varying rates resulting in failure to save ₹19.13 lakh²⁶.
- GST registrations of three contractors were cancelled by the State Government *suo-motu* after awarding of works to them. Thus, they were no more registered contractors and were not entitled to collect GST. However, a total of ₹19.57 lakh was irregularly paid to one contractor against his GST registration and in case of other two contractors, it was pending for payment, whereas full amount of GST was liable to be deducted and deposited by the Executing Agency (Irrigation Department) itself.

**Case Study 3.5: Irregular payment to contractors for works not executed
(Guptar Ghat, Ayodhya, Uttar Pradesh)**

The work of development of the Guptar Ghat included work of 23,767 sq.mtr ‘supplying and fixing of stone patia’ at the rate of ₹1,447.50 per sq.mtr. This work included cost of MS clamp (supply and fixing) at ₹216.88 per sq.mtr. (₹136.88 for supply and ₹80.00 for fixing). The work was executed and payment was made to the private contractors at the rates quoted by them in their respective agreements.

²⁶ Calculated on the basis of difference between the rate at which the contract was awarded to a contractor and lowest of the rates offered by the same contractor for all similar nature of works.

Picture 3.5: MS Clamps not fixed at Guptar Ghat, Ayodhya, U.P.



During site inspection, it was observed that no MS clamps were fixed. However, work was measured including supply and fixing of MS clamps against which an amount of ₹51.55 lakh (excluding GST at 12 per cent) was paid to the contractors. Since no work of supply and fixing of MS clamps was done at site, the cost of the same should have been deducted from the bills of the contractors. Thus, non-deduction thereof resulted in excess payment of ₹57.73 lakh (including GST at 12 per cent) to contractors in the final bill.

During the Exit Conference held (July 2022) with the Tourism Department and Irrigation Department (executing agency), Government of Uttar Pradesh, the State Tourism Department accepted the audit observation and directed the executing agency to initiate recovery of excess payment.

(b) Development of Sinquerim-Aguada Jail, Goa: Labour Welfare Cess amounting to ₹15.65 lakh was not deducted from bills of contractor in respect of three sites (Anjuna, Terakhol and Calangute) in violation of Goa Building and other Construction Workers' (Regulation of Employment and Conditions of Service) Rules, 2008. On being pointed out by Audit, the State Government stated (March 2022) that it has recovered ₹6.33 lakh from running account bills of the contractors and the remaining amount of ₹9.32 lakh would be recovered from next running account bills.

(c) Himalayan circuit, HP: In five works, performance guarantee of ₹1.99 crore was not obtained (in three cases, performance guarantee was not obtained from the contractors, and in two cases the performance guarantee was not extended after its expiry).

Further, in one case²⁷, though the Request for Proposal contained provision for 10 per cent performance security, the State Government, in letter of award, fixed performance security at the rate of 5 per cent, resulting in short receipt of ₹0.38 crore. The Department of Tourism, while accepting the audit observation, stated (January 2022) that remaining 5 per cent performance security would be deducted from running bill of the contractor.

(d) Heritage circuit, Telangana: Though the Scheme guidelines did not envisage payment of advance to the contractor, the State Government, without approval of the Ministry, granted (July 2021) advance of ₹4.99 crore to contractors, which not only

²⁷ Light and Sound Show project at Shimla

resulted in deviation from the Scheme guidelines but also in losing the opportunity of getting interest of ₹13.31 lakh²⁸.

(e) Development of Rangpo-Singtam, Sikkim: The Department did not deduct 5 per cent storage charges from the Running Account Bills/Final Bills of any of the contractors till the date of Audit (January 2022) though State Works Manual and approval by State Government envisaged it, thereby causing undue benefit to the contractors and loss of ₹0.28 crore.

**Case study 3.6: Irregular expenditure and undue benefit to contractor
(Buddhist circuit, Madhya Pradesh)**

The work 'Construction of approach road to Sonari' was undertaken (April 2013) by the State under deposit work from the funds provided by the State Archaeology Department under 13th Finance Commission.

Audit observed that a work 'last mile connectivity' was proposed (July 2016) on the same site (Sonari Stupa) for ₹1 crore in Buddhist circuit under the Swadesh Darshan Scheme and the work was allotted (March 2017) to the same contractor who was implementing the earlier project, only on the basis of a consent letter from him, without any tendering. During site visit, it was seen that there was only one approach road to Sonari. However, an amount of ₹1.73 crore (₹73 lakh more than the original sanction) was charged on Scheme funds.

Although the work of 'last mile connectivity' was already in progress, the same work was again awarded to the same contractor without tendering process, resulting in irregular expenditure out of the Scheme funds. Further, undue favour to contractor could not be ruled out.

The Ministry, while noting the audit observation, stated (September 2022) that it had sought comments from the States.

Further, in four States²⁹, there were irregularities amounting to ₹7.25 crore in the grant of mobilisation advance, as stated below:

- **Development of Rangpo-Singtam, Sikkim:** The State Government, vide its decision of February 2016, had withdrawn the practice of grant of mobilisation advance to the contractors. However, contrary to this, mobilisation advance amounting to ₹5.76 crore was granted by the State Government.
- **Development of Ayodhya, Uttar Pradesh:** Interest amounting to ₹36.51 lakh was recovered by the State Government on the mobilisation advance amounting to ₹3.10 crore granted to the contractor, but the same was treated by the State Government as its own income instead of refunding to the Ministry.

²⁸ Calculated at the rate of 4 per cent simple interest for eight months from August 2021 to March 2022

²⁹ Sikkim (₹5.76 crore), Goa (₹41.96 lakh), Bihar (₹70.62 lakh) and Uttar Pradesh (₹36.51 lakh)

- **Development of Sinqerium-Aguada Jail, Goa:** The State Government recovered interest amounting to ₹41.96 lakh on mobilisation advance granted to the contractor but did not refund the same to the Ministry.
- **Integrated Development of Kanwariya route, Bihar:** Mobilisation advance amounting to ₹70.62 lakh was not recovered by the State Government from the contractor.

The Ministry while noting the audit observation, stated (September 2022) that it had sought comments from concerned State Governments.

3.8 Recovery at the instance of Audit

Recovery of ₹71.16 lakh was made by State Government in Goa at the instance of Audit, in respect of three items under the project ‘Development of Sinqerim-Baga, Anjuna Vagator, Morjim Keri Aguada Fort and Aguada Jail’ in Goa, as given below:

Table 3.6: Recovery at the instance of Audit

Sl. No.	Name of the item	Brief particulars of the issue	Amount Recovered (₹ lakh)
1	Centrifugally cast, ductile iron pressure pipes with cement mortar	The rate of the said item as per Goa Schedule of Rates, 2012 was ₹2,443 per meter and payment was approved by the Department at the rate of ₹2,333.85 per meter whereas actual payment was made at ₹24,443 per meter for this item resulting in excess payment of ₹65.22 lakh. On this being pointed out, the Department made recovery of ₹65.22 lakh in December 2021.	65.22
2	Water ATM plant installed at Baga parking, Baga Titos and Anjuna	Said item (3 Nos) at Baga parking, Baga Titos and Anjuna was procured for ₹9,53,348 (each), whereas same item (1 No.) was installed at Candolim for ₹12,11,040. Adopting of two different rates for same item resulted in excess payment of ₹2.58 lakh. On this being pointed out, the Department recovered ₹2.58 lakh from the contractor.	2.58
3	Split type room AC unit	Eight Nos. of the said item earlier executed at ₹48,693.67 (each) were executed as extra items at higher rates of ₹75,465 (11 Nos) by same contractor. This resulted in excess payment of ₹2.94 lakh. On this being pointed out, the Department admitted the audit observation (December	3.36

Sl. No.	Name of the item	Brief particulars of the issue	Amount Recovered (₹ lakh)
		2021) and recovered ₹3.36 lakh from the contractor along with interest.	
Total			71.16

Audit acknowledges the prompt action taken by the State Government.

3.9 Summing up

There were large variations in the Budget Estimates and Revised Estimates of the Scheme which is indicative of inefficient budgeting and unrealistic estimation as the Ministry had reduced the Budget at Revised Estimates stage in five out of eight years. Besides, as the Ministry did not issue instructions to the States for opening of separate bank account for more than five and half years since launch of the Scheme, many State Governments did not open interest-bearing accounts, thus causing loss of interest to the exchequer. Further, nine States did not remit interest amounting to ₹50.06 crore to the Ministry. There was delay in submission or non-submission of Utilisation Certificates (UCs) by the State Governments in 47 out of total 76 projects as on 31 March 2022.

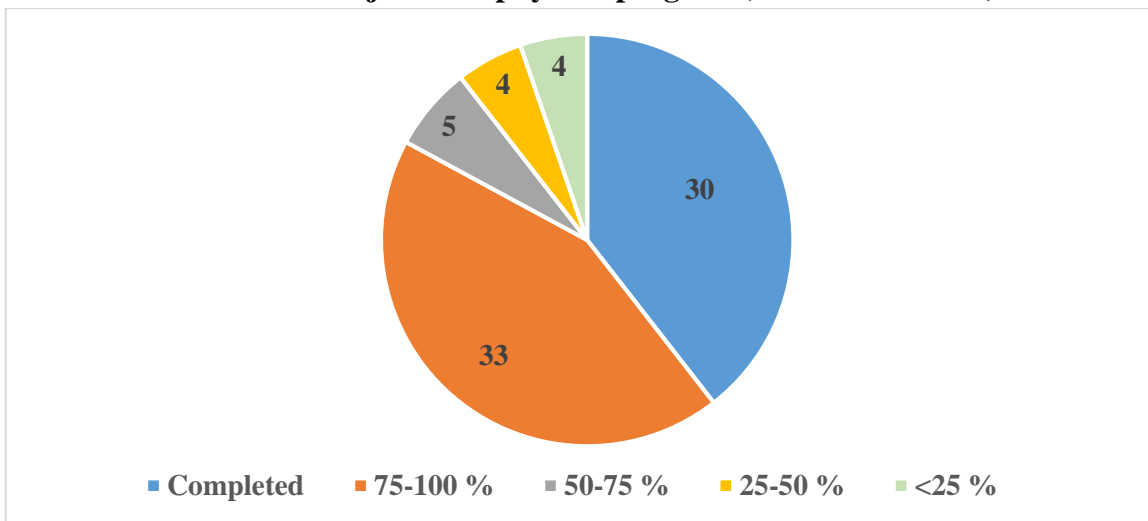
The Ministry had not defined the purpose of utilisation of consultancy and contingency charges released by it to the State Implementing agencies. In four out of 14 selected projects, State Governments incurred irregular expenditure such as purchase of vehicles or other inadmissible expenditure against contingency charges. There was undue benefit of ₹19.13 crore to contractors on account of irregular payments and grant of mobilisation advance. Further, State Governments incurred wasteful/excess/ unfruitful/ inadmissible expenditure of ₹51.56 crore from the Scheme funds.

Chapter-IV Implementation of the Scheme

4.1 Delay in completion of projects

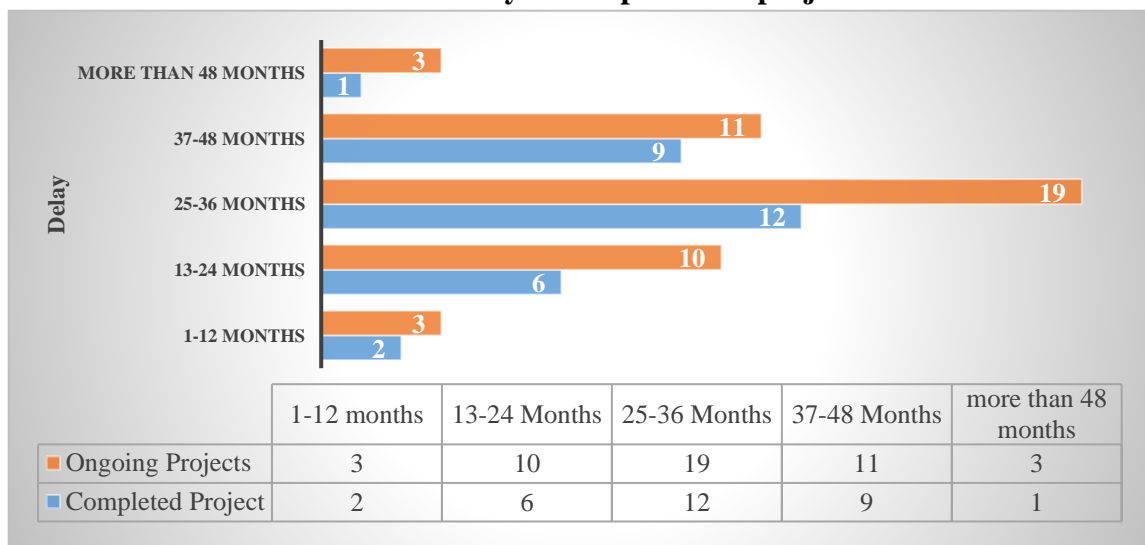
After launching of the Scheme in January 2015, the Ministry of Tourism sanctioned a total of 76 Projects based on 15 tourism themes under Swadesh Darshan Scheme during 2014-15 to 2018-19. No project was sanctioned after 2018-19. All these 76 projects were to be completed on or before September 2021. However, no project was completed within the stipulated time frame. As of March 2022, only 30 out of 76 projects had been completed and 46 projects were still ongoing. The physical progress of projects (March 2022) is given below:

Chart 4.1: Project-wise physical progress (as of March 2022)



Audit analysed the delay in respect of 30 completed and 46 ongoing projects, which is given below:

Chart 4.2: Delay in completion of projects



From the above, it may be seen that:

- Even after taking considerable time, only 30 projects were completed as of March 2022 and the delay in completion of these projects ranged from 7 months to 53 months.
- There was inordinate delay in remaining 46 ongoing projects. As of March 2022, delay from the scheduled date of completion ranged from 6 months to 54 months.

Audit observed that eight³⁰ out of the 14 selected projects were completed with delays ranging from 22 months to 47 months. Remaining six projects were yet to be completed, despite considerable delay of 21 months to 42 months. The major reasons for delay were delay in availability of encumbrance free land and clearances, delay in finalisation of tenders and commencement of work, etc., as discussed in the subsequent paragraphs.

The National Productivity Council (NPC) in its mid-term evaluation of the Scheme in July 2019 also pointed out the delays in completion of projects. Further, the Department related Parliamentary Standing Committee on Transport, Tourism and Culture in its 298th report (August 2021), not being satisfied with the progress of projects under Swadesh Darshan Scheme, stated that the Scheme had not shown remarkable achievements due to delay in completion of projects. The Committee recommended to take stringent measures for expediting the completion of projects in a time-bound manner. However, no effective steps were taken by the Ministry in this regard.

The Ministry, while agreeing to the issue of delay in implementation of projects, stated (September 2022) that Covid-19 pandemic, non-availability of labour, floods and other natural calamities, non-availability of permissions, etc., were some of the reasons for delay in completion of projects. Various steps were being taken for completion of projects such as regular review meetings, regular communication with State Governments and monitoring through dashboard. Further, in Swadesh Darshan Scheme 2.0, all clearances would mandatorily be part of the Detailed Project Reports.

4.2 Sanction of projects without ensuring availability of encumbrance free land and necessary clearances

As per the Scheme guidelines, the implementing agency was to ensure that land to be used for the project must be free from all encroachments. The funds were to be released only after submission of all the necessary clearances from various agencies (viz., Forest, Archaeological Survey of India and local bodies etc.) and issuance of work orders.

Audit observed that the Ministry of Tourism sanctioned projects and released funds to the concerned States, based on undertaking given by the State Governments in the DPRs to provide encumbrance free land, without ensuring actual availability of land.

In the 14 selected projects, the Ministry sanctioned 982 components at a cost of ₹1,150.15 crore. Audit observed that in 13 out of the 14 selected projects, the Ministry had to drop 149 components (15 *per cent*) with a sanctioned cost of ₹146 crore (13 *per cent*),

³⁰ *Chhattisgarh, Sikkim, Gujarat, Telangana (Tribal), Goa, Madhya Pradesh, Rajasthan and Uttarakhand*

after 35 months to 69 months from the date of sanction. The reasons were non-availability of land or lack of clearances from different authorities (Forest, Archaeological Survey of India, Coastal Regulatory Zone). In addition, in eight³¹ selected projects, land/clearances were made available with significant delay in many components, resulting in cascading delay in commencement and completion of projects.

The Ministry, while noting the audit observation, stated (September 2022) that they had referred the observations pertaining to the States for their inputs. It was further stated that ensuring availability of encumbrance free land as well as necessary clearances is the responsibility of the concerned State Governments. The components where such hindrances were observed were dropped from the projects.

The reply is not tenable as the Ministry did not devise any mechanism for ensuring encumbrance free land and other clearances before release of funds but relied on the undertaking given by the State Governments, which resulted in delay in completion of works and other hindrances. Further, dropping of components due to hindrances resulted in only partial completion of the projects sanctioned under the Scheme.

Case Study- 4.1: Unfruitful expenditure due to non-ensuring availability of land at Salamabad-Uri (Jammu & Kashmir)

The component ‘Integrated Development of Border Tourism at Salamabad-Uri’ under Swadesh Darshan Scheme was entrusted to J&K Projects Construction Corporation (JKPCC) by State Tourism Department. The land belonged to National Hydro Electric Power Corporation (NHPC) and despite knowing this fact, the Implementing Agency went ahead with project execution. During physical inspection, it was seen that NHPC had constructed a wall around the land and work³² had been stopped after incurring an expenditure of ₹1.27 crore for earthwork for basement and foundation columns, etc., which thus proved to be unfruitful.



Picture 4.1: Component executed on the land belonging to NHPC at Salamabaad-Uri, J&K, hence the work was stopped and boundary wall was constructed by NHPC

³¹ Bihar Kanwaria route (29 months), Coastal circuit, Goa (33 months), Himalayan circuit, Himachal Pradesh (8 months), Development of Sanchi-Satna-Rewa-Mandsaur-Dhar, Madhya Pradesh (11 months to 37 months), Coastal circuit, Puducherry (2 months), Sambhar Lake Desert circuit, Rajasthan, Tribal circuit, Telangana (5 months) and Development of Tehri-Uttarakhand (18 months)

³² A Multipurpose hall with cafeteria, gender-based toilets, parking, airconditioned amphitheatre, security cabin etc., were to be constructed at the site.

Case Study 4.2: Selection of destination site without ensuring forest clearance resulting to non-development of tourist amenities at Megalithic Burials, Damaravai, Telangana

The Ministry of Tourism approved (June 2016) development of site of Megalithic Burials at Damaravai, Telangana under Tribal Circuit of the Swadesh Darshan Scheme, as these burials stand testimony to existence of pre-historic men here 10,000 years ago. As per approval, 11 components covering cultural interpretation centre, pathways around burials, gazebo, solar lighting, sitting benches, drinking water, solid waste collection bins, public convenience etc., were to be executed at the site for convenience of tourists.

Audit observed that despite the land being in forest area, no clearances were obtained from the Ministry of Environment Forest and Climate Change. As permission for development was not given by Forest department, State failed to commence work at the site and could only partially execute the sub-base road of one component i.e., last mile connectivity of 1.5 kms with two culverts (sanctioned cost: ₹2.93 crore), with expenditure of ₹75 lakh. In view of non-progress, the Ministry of Tourism in its Regional Review Meeting held in January 2020, dropped the remaining 10 components.

As a result, tourist amenities as proposed could not be developed at megalithic burials, thus defeating the purpose of inclusion of the site under Tribal circuit.



Picture 4.2: Due to lack of forest clearance, no work was executed at Megalithic Burials at Damaravai, Telangana

The Tourism Department stated (March 2022) that during the Regional Review Meeting held in January 2020, the cost of the last mile connectivity was reduced to ₹75 lakh as incurred by the Corporation.

However, reply of the Management was silent about the reasons for selecting the destination site in Reserve Forest area without obtaining permission for development from Forest Department.

Case Study 4.3: Wasteful expenditure of ₹12.41 crore due to improper planning

The Ministry sanctioned (March 2017) a project 'Development of Eco-Adventure circuit covering Aizawl - Hmuifang' for ₹99.07 crore in Mizoram on Eco circuit theme after site visit conducted by Programme Management Consultant (October 2016). The project consisted of 10 sites and Durtlang was one of major tourist destinations on the circuit due

to its strategic advantage, which *inter-alia* comprised cable car component from Durtlang to Chaltlang with cost of ₹24.82 crore. It was envisaged that proposed cable car would provide the memorable experience of the natural bounty that Mizoram has to offer. It was also to cater tourists and other locals to commute between Durtlang and Chaltlang as both locations were very close to Aizawl and the connectivity via road took longer time.

The State Government of Mizoram informed (August 2018) the Ministry that five high tension cables belonging to the Power Grid Corporation of India Limited (PGCIL) existed at the site of the cable car between Durtlang & Chaltlang and PGCIL did not give clearance for removal of cables. The State Government proposed that stations for the cable car may be shifted between Hmuifang Peak and Hmuifang Tourist Resort. However, the Ministry did not agree (December 2018) to shift the site on the grounds that the proposed new site at Hmuifang was 60 kms away from Aizawl and received very low tourist footfall.

Later, the Ministry dropped (November 2019) the originally approved cable car from Durtlang to Chaltlang due to the State Government having initiated the work without necessary clearance from PGCIL and directed the State Government to bear the expenditure incurred. However, the State Government informed (May 2020) the Ministry that it had already released 50 *per cent* of the sanctioned amount i.e., ₹12.41 crore to the contractor and the said amount had already been utilised for the initial works. The State expressed its inability to bear the above cost.

Audit observed that the Ministry did not ensure encumbrance-free land before releasing funds as the Programme Management Consultant of the Ministry did not point out existence of cables belonging to PGCIL at the site of cable car at the time of site visit in October 2016.

The Ministry replied (September 2022) that the State Government had utilised ₹12.41 crore without getting the clearance for shifting of high-tension wires. Therefore, the Ministry dropped the component and the expenditure incurred was to be borne by the State Government and amount utilised on this component was not included by the State in the utilisation certificate being submitted to the Ministry. Further, the Ministry endorsed (October 2022) the reply of the State Government which stated that the State Government took all possible initiatives with due diligence including consultation with Mizoram Power and Electricity Department and PGCIL for making the sites available for the project with necessary clearances.

However, the fact remains that the State Government utilised ₹12.41 crore without getting the clearance for shifting of high-tension wires which was a pre-requisite for setting up of cable car.

Thus, not only the expenditure of ₹12.41 crore was wasteful and not recovered from the State Government, but the tourists and locals were deprived of the benefits arising from that cable car.

Recommendation No. 8

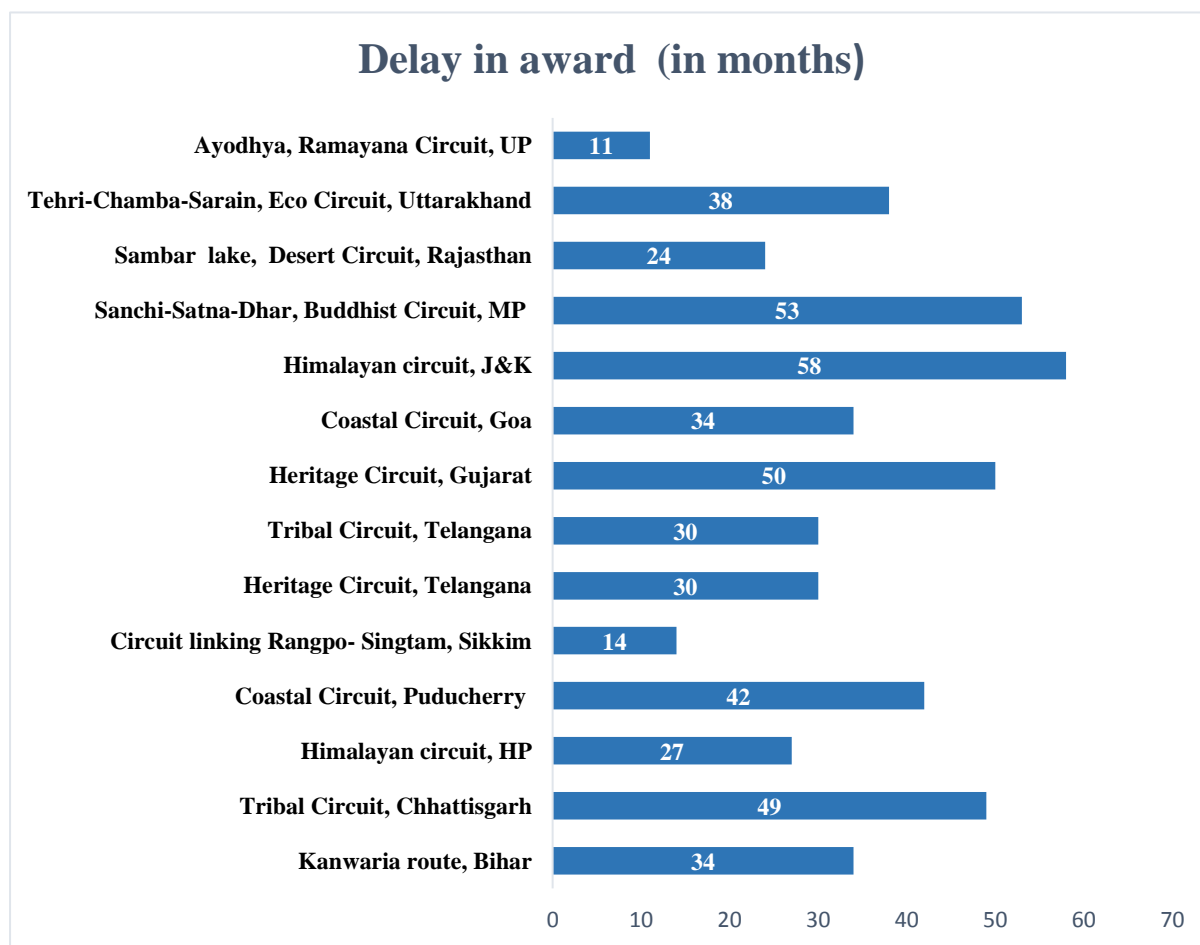
Instead of relying only on the undertaking given by the States regarding availability of encumbrance free land and other clearances, the Ministry may devise an institutional mechanism in coordination with the States and the concerned Ministries so that necessary clearances can be obtained in a time bound manner prior to release of funds under future Schemes of the Ministry.

4.3 Delay in award of works under projects by the States

For timely completion of projects, work contracts for projects needed to be awarded within the stipulated time frame. As per the Scheme guidelines, invitation and finalisation of all tenders for the projects was to be completed by the States, within three months from the date of sanction of the project.

Audit observed that the prescribed timelines were not adhered to by the State Governments and there was delay in award of works ranging from 11 months to 58 months in all 14 selected projects, as depicted below:

Chart 4.3: Delay in award of works under the projects (in months)



While noting the audit observation, the Ministry stated (September 2022) that it was seeking comments of the respective States.

4.4 Tendering process for award of work

Audit observed issues in process of tendering such as award of work without relevant sanctions, improper tendering, award of work on nomination basis, etc., as given below:

Table 4.1: Irregularities in tendering and award of works

Irregularities	States
Works awarded without Administrative Approval/Expenditure Sanction/Technical Sanction	Himachal Pradesh, Puducherry, Rajasthan, Sikkim, Uttarakhand
Works awarded without tendering	Gujarat, Rajasthan ³³ , Madhya Pradesh ³⁴ , Sikkim, Uttarakhand
Award on nomination basis without proper justification	Madhya Pradesh, Telangana ³⁵
Selection of Architect through draw system	Gujarat ³⁶
Non-entering into Agreement	Gujarat
Delay in execution of agreement after issue of letter of acceptance	Madhya Pradesh

Case Study 4.4: Development of Rangpo-Singtam, Sikkim Splitting of work to avoid sanction from higher authority and e-tendering

State Government vide its notification (July 2015) stipulated that tenders for civil work valuing up to ₹2 crore can be awarded by Gram Panchayat without calling of tenders and work above ₹2 crore and up to ₹7 crore within the district would be awarded by Divisional Engineer/Superintending Engineer through e-tendering.

It was noticed that Tourism Department split the work ‘Development of Eco Log Huts (6 Nos.) at Aritar’ with sanctioned cost of ₹5.78 crore under Aritar-Rhenock-Rongli component in three parts, i.e. (i) Construction of 3 Nos. of Log Huts: ₹2.63 crore, (ii) Construction of 2 Nos. of Log Huts: ₹1.75 crore and (iii) Construction of 1 Log Hut & Staff accommodation: ₹1.45 crore. The works were awarded through the Gram Panchayat which awarded all the three works to a single contractor.

It is pertinent to mention that even after splitting, the cost of one work was ₹2.63 crore. However, all three works were awarded at the Gram Panchayat level instead of e-tendering by the appropriate authority.

Thus, the works were split to evade financial sanction by higher authorities as well as the process of e-tendering.

³³ Solar Street lighting work at Naraina and Naliasar

³⁴ Additional components amounting to ₹12.40 crore

³⁵ Three works valued at ₹36.38 lakh (Heritage circuit) and Bogatha waterfall valued at ₹2.36 crore (Tribal circuit)

³⁶ Implementing Agency randomly allocated 12 projects among six Architects by drawing chits.

The Ministry, while replying that undertaking tendering for the works is the responsibility of the Implementing Agency, stated (September 2022) that it had invited comments of the concerned States/UTs on the audit observation.

4.5 Execution of project components on the land/property owned by private individuals or Trusts

As per the Scheme guidelines, one of the conditions for sanction of the projects was that no portion of the sanctioned project should be executed/implemented on the land/property owned by a private individual or Trust.

The Ministry, however, approved projects without ensuring ownership of land/property. Audit observed that:

- (i) Out of selected 14 projects, four projects were executed on land belonging to Trusts/Temple/Church, as shown in the table below:

Table 4.2: Projects executed on Trust land

Sl. No.	Name of the Project	Ownership of the land	Expenditure incurred (date)	Status of the Project
1.	Development of Sinquerim-Aguada Jail, Goa	Shri Devi Morjai and Affiliates Devalaya (Temple Committee)	₹6.48 crore (till 05.04.2022)	Completed
2.	Development of Porbandar-Dandi, Gujarat	Trust/Gujarat Vidyapeeth	₹9.20 crore (till 03.01.2022)	Completed
3.	Development of Ayodhya, Uttar Pradesh (Digambar Akhada)	Trust	₹3.06 crore (till 05.05.2022)	Completed
4.	Development of Qutub Shahi Heritage Park, Telangana	Waqf Board had claimed ownership. The matter was sub-judice since 2007	₹9.01 crore (till 30.05.2022)	Work was halted

Thus, the expenditure incurred on the above projects was inadmissible.

Case Study 4.5: Interpretation Centre at Qutub Shahi Heritage Park, Telangana

The Ministry sanctioned (June 2017) 14 components valued at ₹82.43 crore at Qutub Shahi Heritage Park (QSHP), out of which construction of Entrance Plaza and Building and Interpretation Centre were some of the important components. QSHP was on the tentative list of UNESCO's World Heritage Sites. The work of design and construction of Entrance Plaza and Building and Interpretation Centre was awarded for ₹40.03 crore. However, due

to litigation, the work had to be stopped (23 January 2021) after incurring expenditure of ₹9.01 crore, on the orders passed by the Telangana Waqf Tribunal (January 2021) restraining any construction.



Picture 4.3: Work of Interpretation Centre stopped due to Court case on land title, Qutub Shahi Heritage Park, Telangana

Audit observed that the site selected for execution of this component was under litigation since 2007 as Waqf Board had laid claim to this parcel of land. The State Government selected this component despite knowing that the matter was sub-judice. Thus, an amount of ₹9.01 crore spent for execution of these works had become unfruitful.

Since the QSHP is also on the tentative list of UNESCO's World Heritage Sites, the sites offer immense potential for tourists. Stopping of the works midway had serious impact on this destination getting the tag of UNESCO's World Heritage Site.

Case Study 4.6: Development of tourist amenities at Morjim Khind (Coastal circuit, Goa)

The Ministry sanctioned (June 2016) development of tourist amenities at Morjim Khind, Goa for ₹6.48 crore consisting of development of parking area, cycle track, cafeteria, seating, toilet, landscaping, etc. Audit observed that the component was carried out on the land belonging to a Trust (Devi Morjai Devasthan & Affiliates Devalaya, Pernem Taluka, Goa) and State Government had no ownership rights of the said land. The Trust had given No-Objection Certificate (April 2015) on the condition of no change/alteration in the original title of the property in favour of the lessee and after expiry of lease period of 20 years, the structure with fixtures would stand transferred to the Devalaya without any compensation. Further, as per agreement (July 2019) between the Temple Committee and Goa Tourism Development Corporation (GTDC), the Committee was entitled to receive 40 *per cent* share of the monthly rent on leasing out the premises for operation and maintenance for a period of 20 years till the year 2039 and GTDC was to bear all the existing and future taxes and all other financial liabilities including paying electricity charges, water charges and payment of other taxes. However, no revenue has been generated from the site (January 2022) and GTDC was bearing all liabilities.

- (ii) Scrutiny of projects under Spiritual circuit revealed that out of 13 projects under the Spiritual circuit, four projects were executed on land owned by private trust/temples, as given below:

Table 4.3: Work executed on private land in spiritual circuit

Sl. No.	Name of the Project	Ownership of the land	Expenditure incurred till April 2022 (₹ in crore)	Status of the Project
1.	Development of Spiritual circuit, Puducherry	Church	2.06	Completed
2.	Development of Gorakhnath Temple (Gorakhpur), Devipattan Temple (Balrampur) and Vatvashni under Spiritual circuit, Uttar Pradesh	Trust	11.46	Work in progress
3.	Development of Jewar- Dadri- Sikandrabad- Noida- Khurja- Banda in Uttar Pradesh under Spiritual circuit theme under Spiritual circuit, Uttar Pradesh	Temple	2.38	
4.	Development of Waki- Adasa- Dhapewada- Paradsingha- Chota Taj Bagh- Telankhandi- Girad under Spiritual circuit, Maharashtra	Temple/ Trust	22.44	

Thus, the Ministry did not adhere to its own guidelines that no portion of the sanctioned project should be executed/implemented on the land/property owned by a private individual or trust. It did not carry out due verification and only relied on undertaking given by the State Governments, which resulted in irregular expenditure/blockade of funds.

The Ministry, while noting the audit observation, stated (September 2022) that despite the land not being State owned in some cases, the asset was open for public and was put in use for the general visitors and tourists. Furthermore, providing land for development of projects was the responsibility of the State Governments. Further, clarifications had been sought from the States on the audit observations.

The reply of the Ministry is not acceptable as the Scheme guidelines and sanction letters for the projects clearly mentioned that no portion of the sanctioned project should be executed/implemented on the land/property owned by a private individual or Trust. Execution of sanctioned projects on private land resulted in irregular expenditure/blockage of funds.

4.6 Deviation/extra items and changes in scope of work

Audit observed that in six out of 14 selected projects, there were deviation/extra items and changes in scope of work from the approved DPRs, as briefly discussed below:

- (i) **Himalayan circuit, Himachal Pradesh:** During physical verification, Audit observed that Implementing Agency executed less work³⁷ in many components. However, it claimed full sanctioned amount by showing all the work as completed as per scope.
- (ii) **Development of Sinkerim-Aguada Jail, Goa:** State Government constructed Public Amenities-toilet blocks at 5 locations with cost of ₹14.21 crore including additional unapproved earth work, repair and illumination against approved 10 locations with cost of ₹14.58 crore, resulting in cost overrun of ₹6.92 crore. The expenditure on unapproved work incurred from Scheme funds was to be borne by the State Government.
- (iii) **Development of Rangpo-Singtam, Sikkim:** Works amounting to ₹47.70 lakh (Electrical Power Sub-station at Singhik, Car Parking and Jhora Training work), though not included in sanctioned project, were executed from Scheme funds. Further, scope of work was changed by Executing Agency without approval of the Ministry of Tourism (expenditure on approach road of ₹32.43 lakh against approved ₹7.30 lakh, construction of two traditional eco log huts against sanctioned four log huts, incurring of less expenditure on work relating to way-side amenities).
- (iv) **Buddhist circuit, Madhya Pradesh:** Instead of Tourist Reception Centre, a ‘Conference Hall and Additional Rooms with Toilets’ was constructed in Vindhya Retreat at Rewa at a cost of ₹2.39 crore.

Case Study 4.7: Buddhist circuit, Madhya Pradesh: Inadmissible expenditure of ₹10.69 crore on components not sanctioned under the Scheme

As per sanction orders, funds released by the Ministry under the Scheme was to be utilised only for the purpose for which these were released. It was observed that Implementing Agency executed 15 works/components³⁸ amounting to ₹10.69 crore under the Buddhist circuit, which were not part of the sanctioned DPR under the Scheme.

³⁷ Cafeteria at Heliport, Shimla (a small pantry of 3.15 sq.m. against 45.59 sq.m. approved in DPR), Convention Center at Kiarighat (infrastructure capacity of only 350 persons against capacity of 1,000 persons and parking capacity of 90 vehicles against 200 vehicles), Development of Art & Craft Centre at Bhalei (parking area of only 144.30 sq.m. against 500 sq.m.).

³⁸ Development work of Jataka Van and Chandravatika at Sanchi, Construction of additional rooms and toilets for Tourist Reception Centre at Rewa, Construction of conference hall and internal electrification work at Tourist Reception Centre, Rewa



The Madhya Pradesh State Tourism Development Corporation stated (February 2022) that as per the requirement, re-appropriation of funds had been made and work had been completed as required.

However, the fact remains that funds were used in the projects/components other than those sanctioned under the Scheme by the Ministry.

- (v) **Tribal circuit, Telangana:** As per the sanction order, amounts of ₹4.25 crore for cottages at Medaram; ₹5.94 crore for eco-friendly log-huts at Laknavaram; ₹4.14 crore for Tree top tribal huts at Tadvai and ₹5.09 crore for eco-friendly log-huts at Bogatha Waterfalls were earmarked. However, the Company entered into agreements with the contractors for building the log-huts and cottages with Reinforced Cement Concrete (RCC).



Further, against approval of 146 seating benches made of cement concrete at the rate of ₹12,000 per bench and 330 solid waste collection bins made up of fibre reinforced plastic at the rate of ₹2,888 per bin, Implementing Agency procured only 76 seating benches (wood composite material) at ₹22,327.50 per bench and 60 bins (jute composite) at ₹14,000 per bin. As a result of these increased costs, lesser number of benches (52 per cent) and bins (18 per cent) were actually installed.

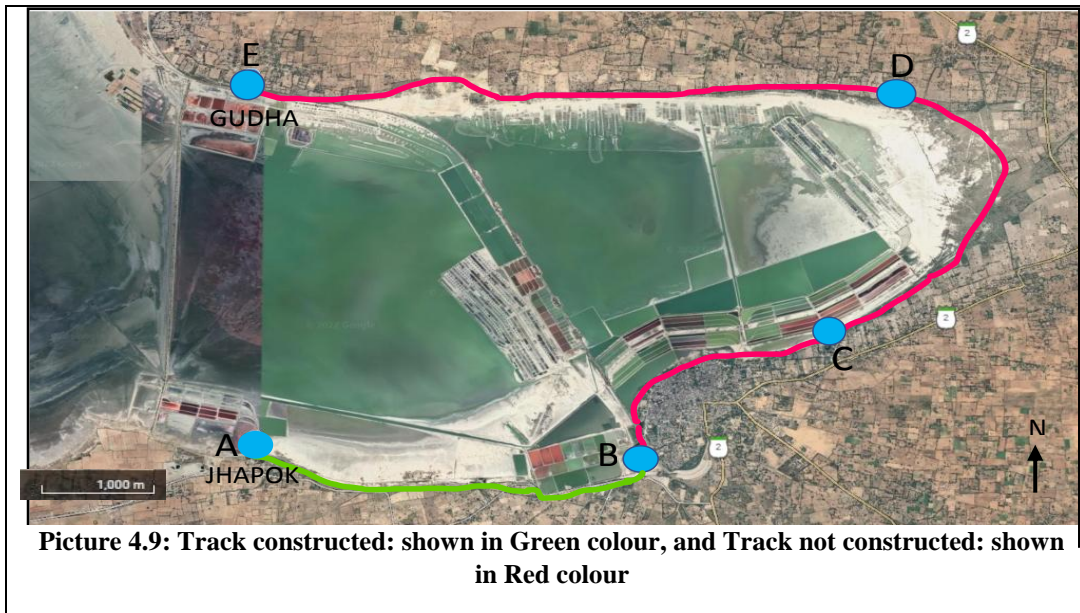
Audit also observed that against 30 numbers of water fleets for Laknavaram (₹6.14 crore), only seven fleets (₹1.13 crore) were delivered at Laknavaram and 23 fleets (₹5.01 crore) were diverted to other locations not covered under the Scheme.



Picture 4.8: Fleets delivered at Laknavaram, Telangana, against sanctioned 30 fleets

Similarly, against nine fleets for Bogatha Waterfalls (₹77.19 lakh), no fleet was delivered. Thus, the State Government diverted 32 water fleets amounting to ₹5.78 crore received for Swadesh Darshan destinations for other purposes, which was irregular.

- (vi) **Desert circuit, Rajasthan:** In the component of cycle track, site inspection conducted (January 2022) revealed that against sanctioned length of 15.75 kms, only 4.1 kms of bicycle track was developed, which was also not in usable condition.



Picture 4.9: Track constructed: shown in Green colour, and Track not constructed: shown in Red colour

In response, State Tourism Department stated (May 2022) that work was executed up to the extent of availability of sanctioned amount and was handed over to Sambhar Salt Limited, Rajasthan.

The reply is not tenable as according to the project closure report (July 2021) of State Government as approved by the Ministry, the Bicycle Track was shown as developed up to 15.75 kms.

Case Study 4.8: Non-functioning of Salt Train at Sambhar Salt Complex, Rajasthan

The Ministry of Tourism approved (September 2015) upgradation of railway track (27 kms) going around main reservoir area, over Jhapok Dam, procurement of coaches, maintenance depot and signaling, communication and precautionary devices along with other components at Sambhar Salt Complex at a total expenditure of ₹19.37 crore (later revised to ₹20.51 crore).

It was observed that the railway track was constructed/upgraded from Sambhar Salt Complex to Jhapok Dam having a length of approximately 10 kms.

Further, Site inspection revealed an outdoor shade structure, which had been created in place of maintenance depot. Moreover, the train was also not found functional.



Picture 4.10: Outdoor shade structure erected in place of Maintenance Depot

In addition to the above, it was observed that following items which were part of the sanctioned projects were not executed by the Implementing Agencies:

Table 4.4: Items not executed by the Implementing Agency

Project	Items not executed (Site/Component)
Himalayan circuit, Himachal Pradesh	Parking ³⁹ and Gazebo (Convention Centre at Kiarighat), hangar for the Helicopter and baggage/luggage room (Heliport at Shimla), museum & village bazaar (Art and Craft Center at Bhalei, Chamba), Landscaping work (Bhalei and Kangra), Open Air theatre (Village Haat, Kangra)
Buddhist circuit, Madhya Pradesh	Entrance Gate Signage -Overhead Signage (Marshal House at Sanchi), Eight sit outs, solar illumination work (Development of Approach road at Sanchi), Cultural centre (Buddhist Theme Park at Sanchi)

Case Study 4.9: Tribal circuit, Telangana

As per sanction order, six Gazebos (eight-seater capacity) with cost of ₹44.79 lakh were to be built at Gattamma,- Mulugu. However, during physical verification of the site (December 2021), only three Gazebos were found at site. Interestingly, one Gazebo was found built at the camp office of the District Collector, Mulugu which was to be built at the destination site at Gattamma, Mulugu.



Picture 4.11: Gazebo constructed at Mulugu District Collector's Camp office in place of Gattamma, Mulugu, Telangana

The Ministry of Tourism, while noting the audit observation, stated (September 2022) that comments had been sought from the concerned States.

Recommendation No. 9

The Ministry may strengthen the mechanism to address the issues such as deviation from and changes in the scope of work in order to ensure that proper justification is provided by the States/UTs for such deviations and the approval of the Ministry thereof is invariably obtained.

³⁹ Against capacity of 200 vehicles, capacity for only 90 vehicles constructed

4.7 Operation and maintenance of created assets

State Governments were responsible for operation and maintenance (O&M) of the projects directly or by appointing an agency and were to bear or be responsible for all operational expenditure. A special purpose vehicle was to be created for the purpose wherever feasible. The tentative O&M cost of the projects was to be worked out by the Programme Management Consultant at time of preparation of DPR. The emphasis was to be on sustainable operation and maintenance models through innovative revenue generation options, to minimise the budgetary commitment on the part of State Governments for O&M services.

The Ministry of Tourism approved the projects on the basis of undertaking given by States that they would be responsible for sustainable O&M of identified/developed projects under the Scheme and would have necessary arrangements/agreements with public/private agencies for the same. However, apart from the undertaking given by the States, the Ministry did not ensure putting up of a mechanism in place by the States for O&M. This issue was also raised by the Department of Expenditure at the time of appraisal of the Scheme by the Expenditure Finance Committee in the year 2017. The Ministry had assured (August 2017) that they had proposed changes in the Scheme guidelines and now 5 per cent of project cost would be released to the implementing agencies only after successful O&M for one year after completion of the project and its evaluation by third parties.

However, in Scheme guidelines (October 2017), in place of O&M of all assets/facilities created under the Scheme, the Ministry made provision for O&M of only of toilets, tourist facilitation centres and cafeteria for one year after completion of project and stipulated that 5 per cent of the project cost would be released after successful O&M. Thus, the Ministry did not make any guidelines/provision for ensuring proper O&M of the assets created under the Scheme in a sustainable manner.

Thus, no arrangements were made by the States for effective upkeep and maintenance of the facilities created under the Scheme. During physical verification of sites/projects, instances of facilities created but not put to operation, leasing out of facilities without approval, deterioration of infrastructure due to lack of proper maintenance, etc. were observed. Some of the instances are shown in the photographs below:



Picture 4.12: Rajasthan Desert circuit: Non maintenance of Bicycle Track



Picture 4.13: Changing rooms for changing clothes at Ajgaivinath, Bihar constructed far away from the ghat and near a crematory which were encroached by the locals for personal use

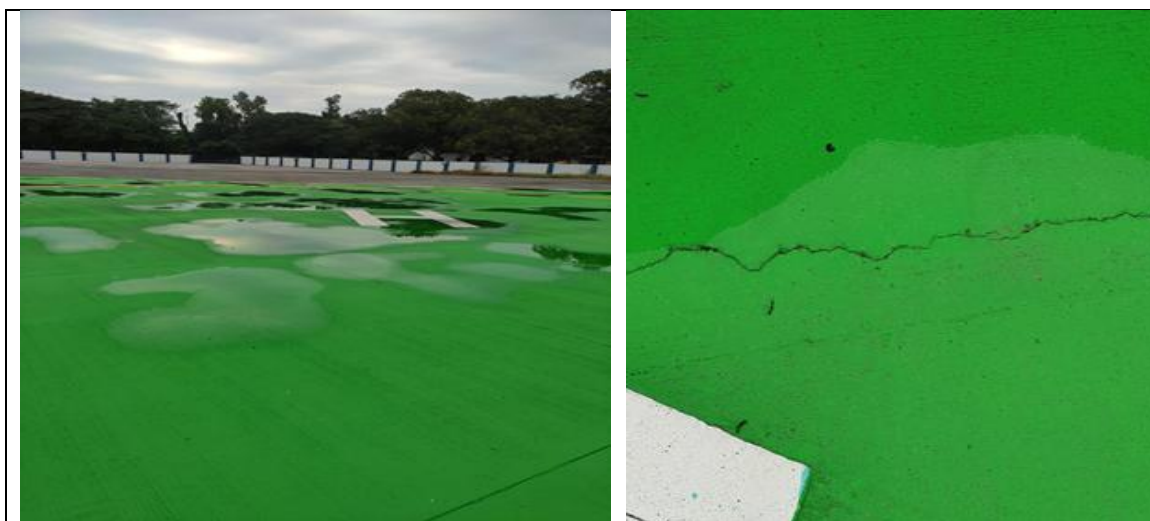


Picture 4.14: Damaged Gents' toilet (mobile toilet) at Keri, Goa



Picture 4.15: Sanitary fittings broken in the toilets provided at amphitheatre at Medaram, Tribal circuit, Telangana

Further, in Coastal circuit, Goa, the Helipad at old Goa was completed in May 2020 (at a cost of ₹3.43 crore). However, facilities were not properly maintained. During site inspection of helipad (November 2021), it was found that surface of vacuum dewatered flooring⁴⁰ (VDF) was uneven and had cracks at many places and the main landing area of the helipad had water logging even in light rain, due to lack of O&M.



Picture 4.16: Water logging and crack (VDF surface), Helipad, Goa

The Ministry, while noting the audit observation, stated (September 2022) that the matter regarding O&M of the assets developed under Swadesh Darshan Scheme has also been flagged at the highest level. The Ministry has followed up the matter at highest level with the State Governments.

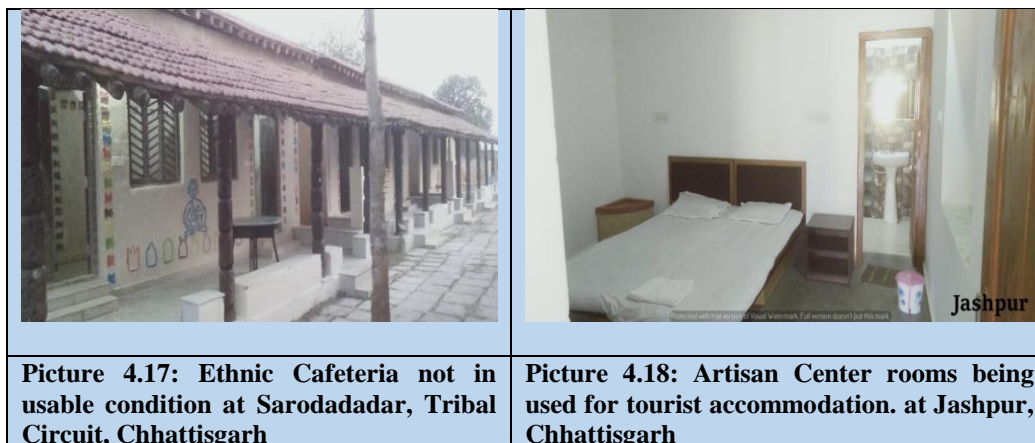
It is evident from the above that in the absence of proper O&M arrangements, the facilities created were deteriorating.

⁴⁰ *Vacuum Dewatered Flooring (VDF) is special technique to do the concrete flooring to increase the compressive strength, tensile strength and abrasion resistance.*

4.7.1 Developed facilities not properly utilised

Audit also observed that developed facilities were not properly utilised by the State Governments, as discussed below:

- (i) **Tribal circuit, Chhattisgarh:** Ethnic cafeteria, reception-cum-facilitation Centre constructed at Sarodadadar were not found in usable condition as cafeteria did not have kitchen/cooking platform and water supply. Further, reception centre did not have tourist facilitation, water supply, drinking water facility, etc. The log-huts, wooden cafeteria, artisan centre, viewpoints, souvenir shops, etc. were damaged due to absence of regular maintenance. Also, artisan centres constructed at Jashpur and Sarodadadar were being used as accommodation for tourists.



- (ii) **Himalayan circuit, Himachal Pradesh:** DPR of the component ‘Light and Sound Show’ comprised provision of ₹7.56 crore for Audio Hardware (₹2.35 crore), Video Hardware (₹1.42 crore), Interiors cabling and poles for mounting projectors and speakers (₹0.25 crore) and creative section (₹3.54 crore). During joint physical verification, it was found that these items were procured (June 2021) by the executing agency and stored in the control room of the project but not installed and made operational.
- (iii) **Heritage circuit, Telangana:** An amount of ₹55.16 lakh was earmarked for creation of visitor amenities (toilet blocks) with ticket counters at Raymond’s Tomb, Hyderabad. It was, however, observed that the facility of toilet block created was not put to use. Further, despite availability of funds, ticket counters had not been constructed.
- (iv) **Tribal circuit, Telangana:** Wayside amenities (₹3.15 crore) built at Mallur had not been put to use. The property was also not being maintained and there was no security, as gate and chain link fencing were also not provided.



Picture 4.19: Wayside amenity not put to use at Mallur, Telangana



Picture 4.20: No gate to secure the property at Mallur, Telangana

- (v) **North-East circuit, Sikkim:** Developed Infrastructure⁴¹ with sanctioned cost of ₹13.43 crore were lying idle, resulting in encroachment or deterioration of some of the assets.



Picture 4.21: Log hut illegally occupied at Dhanbari, Sikkim



Picture 4.22: Top floor of Craft Haat, Zero Point, Gangtok occupied by Tourism and Police Departments

⁴¹ *Namrang Dhunga and Dhanbari (log huts), Enchey monastery (tourist meditation centre, log huts), Zero Point, Gangtok (craft haats), Bakthang Falls (cafeteria), Rhenock-Aritar-Rongli (flower exhibition and interpretation centre, adventure tourism at Hatti Valley), Makha (cafeteria cum souvenir shop), Rorathang (way-side amenities)*

Case Study 4.10: Restricted entry to facilities created in Tribal circuit, Telangana

A major portion of the expenditure incurred under the Scheme at Mulugu, Medaram, Tadvai, Mallur and Bogatha was towards construction of restaurant/wayside amenities/cottages (branded as Haritha Hotels/Resorts and Restaurants). The O&M of above infrastructures was leased out to a private company (M/s Lallooji & Sons). While in majority of the sites, amenities had been constructed, other facilities such as seating benches, gazebos, landscaping etc., were constructed inside the area leased out to lessee. Access to these facilities was restricted to only those tourists who had booked accommodation, while other tourists faced difficulty in accessing these facilities.



Picture 4.23: Restricted entry to facilities created in Tribal circuit, Telangana

Case Study 4.11: Himalayan Circuit, Jammu and Kashmir

Cruise-cum-floating Restaurant and Musical fountain with multimedia laser and video show, at Sher-i-Kashmir International Convention Centre (SKICC), Srinagar

Cruise-cum-floating Restaurant completed with tendered cost of ₹1.83 crore was handed over to J&K Tourist Department in August 2021. However, the jetty constructed in SKICC/Centaur Lake View Hotel premises could not be utilised by tourists due to highly restricted entry in SKICC/Centaur premises being guarded round the clock by the CRPF. Similarly, musical fountain with multimedia laser and video show on water screen at SKICC, Srinagar adjacent to Centaur Lake View Hotel premises completed at a cost of ₹8 crore in August 2017, could not be used regularly for tourists due to frequent events held for high ranking officers and dignitaries in SKICC/Centaur premises.



Picture 4.24: Cruise-cum-floating Restaurant, SKICC, Srinagar



Picture 4.25: Musical Fountain with Multimedia Laser and Video Show, SKICC

In response, Tourist Department, J&K stated that despite VVIP movements and the fountain remaining closed, the fountain show had attracted tourists. For cafeteria, it stated that initially the cruise was supposed to operate from the banks of Chara Chinaari Ghat to Nehru Park Ghat and as such two jetties along with rescue boats and ambulance boats were provided to the cruise. The jetties were portable and could be dragged in water to the place of choice.

The fact remains that facilities were not being utilised by tourists due to highly restricted entry in SKICC/Centaur hotel premises.

Case Study 4.12: Poor project planning and non-utilisation of assets created in respect of Development of Cruise in river Jhelum in Srinagar

Implementing Agency had procured two cruise boats valuing ₹1.40 crore in April 2017. As per the initial studies conducted by M/s Hyderabad Boat Builders, the cruise could not pass under most of the bridges of the Srinagar city, thus making the project quite unviable. Despite this, the Implementing Agency went ahead with the execution of the project. These boats remained docked in the Jhelum River in Srinagar and could not be utilised for want of floating jetties. As the work of installation and commissioning of jetties was given to Irrigation & Flood Control Department only in April 2021, the cruise boats remained idle for more than five years. The entire project is now completed at a total cost of ₹6 crore. However, the cruise has not been made functional and is lying idle, thus making the entire investment of ₹6 crore unfruitful.



Picture 4.26: Cruise boat docked in the Jhelum River, Srinagar and lying un-utilised

The Implementing Agency replied (February 2022) that they were trying to get the boats operational through Srinagar Smart City Limited.

The reply is not tenable as these boats remained parked for more than five years in river Jhelum and as on date the cruise boats were still not operational. In the absence of being functional, deterioration of assets cannot be ruled out.

The Ministry of Tourism, while noting the audit observation, stated (September 2022) that comments had been sought from the concerned States.

Recommendation No. 10

The Ministry may take necessary steps to ensure that the State Governments carry out proper operation and maintenance of the assets created in a sustainable manner. The State Level Monitoring Committee may be asked to regularly monitor the operation and maintenance by the State Governments.

4.8 Non-handing over and leasing out of created infrastructure for operation and maintenance

State Governments were responsible for O&M of the projects directly or by appointing an agency and were to bear or be responsible for all operational expenditure. However, instances of non-compliance were observed in six projects out of 14 projects by the States, as given below:

Table 4.5: Non-handing over/leasing out of created infrastructure for O&M

Name of Project/States	Irregularities noticed
Himalayan circuit, Himachal Pradesh	<p>Village Haat at Kangra completed on 30 September 2020 at a cost of ₹3.67 crore had not been handed over for O&M (December 2021).</p> <p>Art & Craft Centre at Bhalei completed in September 2021 at an expenditure of ₹4.65 crore was leased out (November 2021) for O&M without entering into any MoU. Further, no physical completion certificate was submitted to the Ministry of Tourism.</p>

Name of Project/States	Irregularities noticed
Coastal circuit, Puducherry	The component 'Beach development at Manapet' completed in January 2020 at cost of ₹4.39 crore was lying idle for more than two years (March 2022) without being handed over for O&M. The infrastructure was deteriorating due to lack of maintenance as noticed during Joint Inspection conducted in March 2022.
Heritage circuit, Gujarat	O&M of Dandi Memorial in Heritage Circuit (connecting different historical attractions closely associated with Mahatma Gandhi), was the responsibility of Implementing Agency. However, no agency for the same was appointed and other developed assets were handed over to respective private trusts, Government Departments and Municipality. Implementing Agency did not enter into any agreement stipulating terms and conditions of O&M for these assets.
North East circuit, Sikkim	Out of 77 components, 31 components were handed over for O&M with delays ranging between 3 months to 3 years.
Eco circuit, Uttarakhand	Mountain Biking Track from Khand to Ganoli (₹3.67 crore) remained unutilised (February 2022) with no handover to any agency for O&M.
Ramayana circuit, Uttar Pradesh	Assets were either not handed over to the concerned nodal agencies designated for O&M or mere on-paper transfer was done. As a result, the assets created were lying without any watch and ward/security and being stolen/mishandled or lying un-operational.

The Ministry of Tourism, while noting the audit observation, stated (September 2022) that comments had been sought from the concerned States.

Case Study 4.13: Unfruitful expenditure on Adventure Tourism Climbing Wall at Koti, Uttarakhand

An adventure climbing wall was completed in March 2020 at a cost of ₹79.74 lakh. During site inspection (February 2022), Audit found that the wall had been constructed inside the area provided to ITBP and is primarily being used by ITBP to train their staff. The area is restricted to entry of general tourists thereby defeating the objective of expenditure.



Picture 4.27: Adventure climbing wall inside ITBP Campus at Koti, Uttarakhand

In response, State Government stated that the climbing wall was constructed inside ITBP premises since ITBP is an authorised agency to award certificates to the adventure trainees. Although it was a prohibited area, the Department could allow adventure tourists, if they contacted them.

4.9 Summing up

Out of 76 projects sanctioned by the Ministry of Tourism, no project was completed within the stipulated time frame with delays ranging from 6 months to 54 months. In selected 14 projects, it was noticed that eight projects were completed with delays ranging from 22 months to 47 months and six projects were yet to be completed, despite considerable delay. There were delays ranging from 11 months to 58 months in award of works by State Governments in the 14 selected projects. Irregularities were also noticed in tendering process by State Governments like awarding of work without relevant sanctions, award without tendering or on nomination basis. Deviation/extra items and change in scope of work from approved DPRs was found in six out of selected 14 projects test checked by Audit.

The Ministry did not take necessary steps to ensure that the State Governments carry out proper O&M of the assets created in a sustainable manner. Further, in the Scheme guidelines of October 2017, the Ministry made provision for O&M of toilets, tourist facilitation centres and cafeterias only, in place of O&M of all assets/facilities created under the Scheme. Site inspections revealed that no arrangements were made for effective upkeep and maintenance of created assets as there were instances of created facilities not put to operation or leased out without approval and deterioration of infrastructure due to lack of proper maintenance. Thus, monitoring mechanism of the Ministry for safeguarding the assets created after incurring expenditure of ₹4,239 crore under the Scheme was weak.

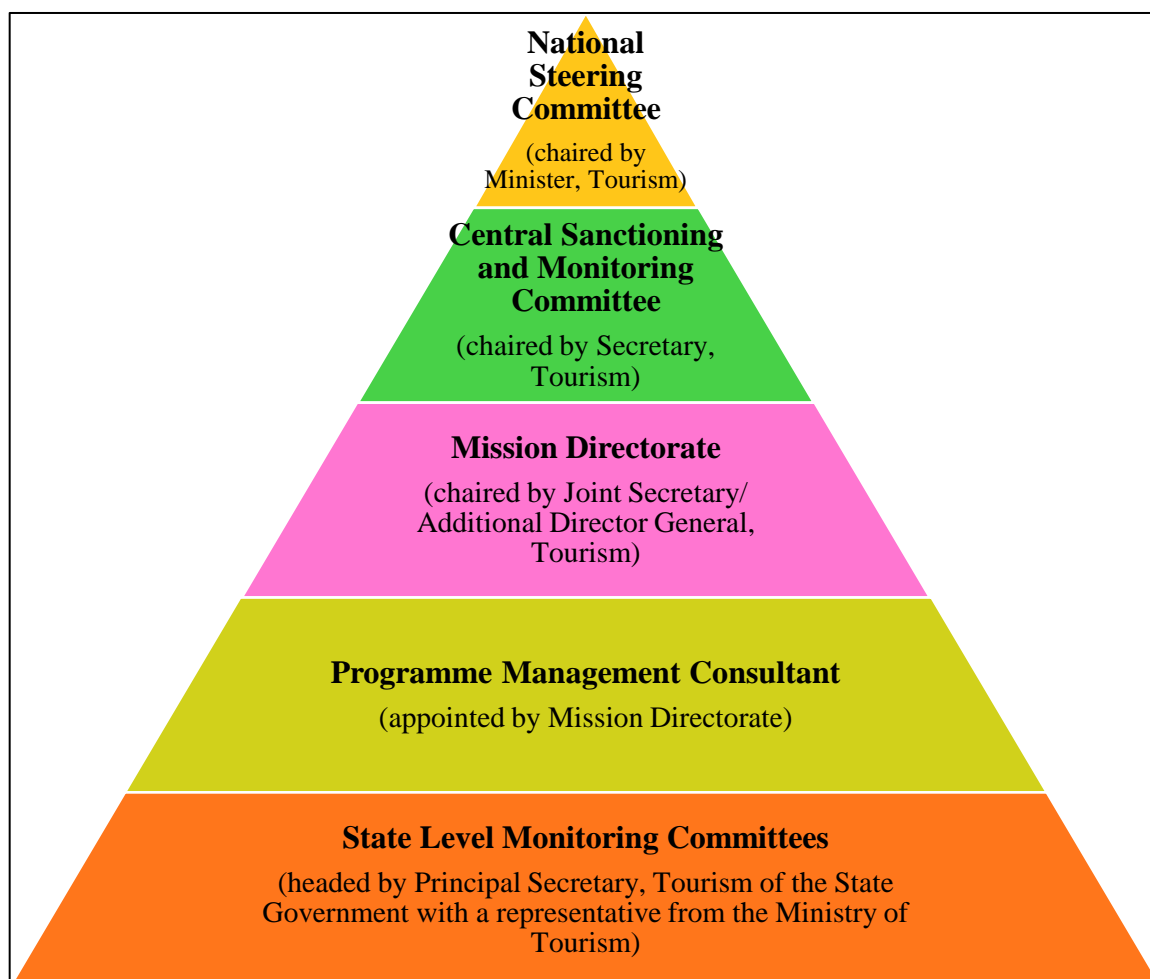
Chapter-V

Monitoring and Impact Assessment

Monitoring plays an important role for proper implementation and continuance of a programme. Effective monitoring ensures timely decision making, resolution of challenges besides aiding course correction. This acquires greater importance in programmes where the focus is on expediting progress of works and ensuring completion within stipulated timelines.

The Scheme guidelines provided detailed framework for monitoring of the Scheme which is depicted in the chart below:

Chart 5.1: Monitoring Framework for Swadesh Darshan Scheme



In addition, while approving the Scheme, the Minister (Tourism) had directed (December 2014) to nominate a designated officer at the level of Ministry of Tourism/States for monitoring of projects/destinations with dedicated timelines and fixing responsibilities on officers who do not adhere to the guidelines. The above was to be ensured by the Mission Directorate while implementing the Scheme.

5.1 Monitoring of Scheme by the Ministry of Tourism

5.1.1 Monitoring by the National Steering Committee

The Scheme guidelines provided for overall monitoring of the Scheme through National Steering Committee chaired by the Minister (Tourism) with participation of important Central Ministries as well as the Archaeological Survey of India. The National Steering Committee was entrusted with the following responsibilities:

- Enunciate the vision and chalk out the road map for the Scheme and provide a platform for exchange of ideas;
- Oversee all operations, steer, review and monitor overall performance of the Scheme and provide guidance on specific issues relating to the Scheme;
- Identification of the projects/circuits;
- Recommend mid-course corrections in the implementation tools;
- Periodical oversight and review of proposed/ongoing projects.

Thus, the National Steering Committee being the apex Committee had a very significant role in successful and timely implementation of the projects. However, scrutiny of records revealed:

- (a) **Poor frequency of meetings:** The Scheme guidelines did not lay down the frequency of meetings of National Steering Committee for monitoring of the Scheme. In the first meeting of the Committee (January 2015), it was decided that the meetings would be held on quarterly basis. However, the meetings were held after long gaps and since its formation in January 2015, only six⁴² out of the required 29 meetings of the Committee were held up to March 2022.

Audit noticed (February 2022) that the gap between the meetings ranged from 8 months to 21 months. No meeting of NSC was held since July 2020 i.e. for the last 19 months. Lack of regular/periodical meetings of the Committee led to poor monitoring/coordination resulting in inordinate delays and lack of convergence amongst other schemes and stakeholders.

- (b) **Identification of Projects/circuits:** One of the major responsibilities of National Steering Committee was identification of the projects/circuits after recommendation of Central Sanctioning and Monitoring Committee/Mission Directorate. However, scrutiny of the minutes of meetings of the Committee revealed that identification of the projects/circuits under the Scheme was never discussed by the Committee. Later, the responsibility of the Committee for identification of the projects/circuits was removed in the revised Guidelines of October 2017.

- (c) **Other Coordination issues:** National Steering Committee was envisaged to play a pivotal role as it brought major Ministries/Departments (e.g., Ministry of Environment, Forests and Climate Change, Archaeological Survey of India, etc.) at one place to discuss the issues related to project implementation. Audit observed that

⁴² 14 January 2015, 24 September 2015, 26 July 2016, 16 March 2017, 12 September 2018 and 8 July 2020

there were issues related to various clearances (environmental clearance, forest clearance, Coastal Regulation Zone clearance, clearance from Archaeological Survey of India, etc.) during project implementation phase, which led to delay in execution of projects by the States. However, the Committee did not coordinate with the State Governments to oversee implementation, bring about convergence and resolve issues related to clearances pertaining to Ministries/organisations like Ministry of Environment, Forest and Climate Change, Archaeological Survey of India etc., which were already part of the Committee.

The Ministry of Tourism stated (September 2022) that meetings of the National Steering Committee were organised based on the requirements. Further, due to Corona Pandemic, regular meetings of the Committee could not be organised during two year's period. Further, in Swadesh Darshan Scheme 2.0, the Ministry had formulated a governance system including constitution of National Steering Committee with representation from various Ministries.

The fact remains that the Ministry did not effectively utilise the apex forum of the National Steering Committee, as envisaged during formulation of the Scheme for its effective implementation and monitoring. As there were bottlenecks during project implementation phase due to non-receipt of timely clearances from various authorities, the Committee could have played an important role to resolve these issues. Further, the mechanism of constitution of the Committee with representation from various Ministries was already in existence in Swadesh Darshan Scheme 1.0, but it did not coordinate to bring about synergy amongst various government schemes.

5.1.2 Monitoring by Central Sanctioning and Monitoring Committee/Mission Directorate

The Central Sanctioning and Monitoring Committee (chaired by the Secretary, Tourism) was responsible for sanctioning projects submitted by the Mission Directorate and regular monitoring of the progress of implementation of the Scheme. The Mission Directorate chaired by the Joint Secretary/Additional Director General (Tourism) was responsible for seeking approval for identified projects from the Central Sanctioning and Monitoring Committee, coordination and effective implementation of Scheme in a time-bound manner and reporting progress of implementation to the Central Sanctioning and Monitoring Committee at regular intervals.

The Ministry of Tourism constituted the Mission Directorate in January 2015 and the Central Sanctioning and Monitoring Committee in June 2015. The Scheme guidelines did not prescribe the frequency of meetings of these Committees. As a result, meetings of the Central Sanctioning and Monitoring Committee and the Mission Directorate were not convened regularly by the Ministry, as shown in the table below:

Table 5.1: Year-wise meetings of Central Sanctioning and Monitoring Committee and Mission Directorate

Financial Year	Number of meetings held	
	Central Sanctioning and Monitoring Committee	Mission Directorate
2014-15	0	1
2015-16	6	10
2016-17	10	10
2017-18	2	2
2018-19	5	6
2019-20	0	1
2020-21	0	0
2021-22	0	0
Total	23	30

Thus, the Ministry convened 23 meetings of the Central Sanctioning and Monitoring Committee and 30 meetings of the Mission Directorate up to March 2022. There were significant time gaps between the meetings. No meeting of the Central Sanctioning and Monitoring Committee and the Mission Directorate was held after November 2018 and October 2019 respectively. Most of the projects were sanctioned during 2015-16 and 2016-17, with scheduled completion during 2018-19 and 2019-20. Effective monitoring of progress of projects at higher level got necessitated after 2018-19 as all the projects were delayed. However, non-convening of meetings of the Central Sanctioning and Monitoring Committee and the Mission Directorate during this period made the monitoring ineffective at these levels. Apart from this, as discussed in *para 2.11*, the Ministry kept the project proposals submitted by the States pending with it for periods ranging between one year and six years, which also indicates ineffective functioning of the Central Sanctioning and Monitoring Committee and the Mission Directorate.

Audit observed that the Ministry held Regional Review Meetings during January-July 2020 with the concerned States under the chairmanship of the Secretary (Tourism). After review of projects, proposals were approved for dropping/deletion of the components in the States where work had not commenced or was having negligible progress. However, the above modifications were not ratified by the Central Sanctioning and Monitoring Committee as its meetings were not held.

The Ministry stated (September 2022) that since no new project was sanctioned post 2018-19, regular meetings of the Central Sanctioning and Monitoring Committee and the Mission Directorate were not held. However, the Ministry organised Regional Review meetings in 2019-20 and 2020-21. Since 2021-22, the Ministry further enhanced its monitoring mechanism and organised regular review meetings with the State Governments at senior levels to regularly monitor the progress of the projects and their early completion post pandemic. In the guidelines for Swadesh Darshan Scheme 2.0, the Ministry had constituted a detailed monitoring mechanism.

The reply of the Ministry shows that the role of the Central Sanctioning and Monitoring Committee and the Mission Directorate was limited to sanctioning of projects. However, as per Scheme guidelines, these Committees were also responsible for coordination and effective implementation of the Scheme in a time-bound manner and the Mission Directorate was further responsible for reporting progress of the implementation to the Central Sanctioning and Monitoring Committee at regular intervals.

5.1.3 Monitoring by zonal officers nominated by the Ministry

The Ministry of Tourism had allocated (January 2016) the monitoring of progress of the Scheme to Joint Secretary level officers of the Ministry, designated as Zonal-In-Charge, with responsibility of:

- Monitoring of progress of works and timely completion of projects.
- Coordination with Tourism Department of respective States/UTs including visits and meetings for matters relating to tourism development in the States falling in their zones.
- The task of monitoring progress and achievement of timelines was to commence after the sanction letter for project was issued by the Ministry and first instalment of grant-in-aid was released to the concerned States/UTs.

The Ministry did not make available information related to monitoring by these officials to Audit. However, Audit observed from the records made available that no monitoring of projects or site visits were conducted by these officials. As a result, the purpose of allocating responsibility for monitoring of projects to Joint Secretary level officers was not served.

Thus, monitoring of the Scheme by the Ministry was ineffective. This led to poor selection of projects, dropping of many important tourist sites and lack of coordination among stakeholders, State Governments and the Ministry.

Recommendation No. 11

Mission Directorate (Programme Division) may convene the meetings of Monitoring Committees formed under the Scheme regularly, rather than on need basis, along with proper agenda, to ensure proper monitoring of implementation of the Scheme.

5.2 Monitoring by Programme Management Consultant

The Scheme guidelines (January 2015 and October 2017) provided for appointment of a Programme Management Consultant by the Mission Directorate at the Central level to provide technical support for the implementation of the Scheme. The Ministry appointed M/s Ernst & Young as the Programme Management Consultant for the Swadesh Darshan Scheme in June 2015.

5.2.1 Appointment of Programme Management Consultant without open tendering

Rule 168(ii) of the General Financial Rules (GFR), 2005 and Rule 183(ii) of GFR, 2017 stipulate that where the estimated cost of the work or service is above Rupees twenty-five

lakh, an enquiry for seeking 'Expression of Interest' from consultants should be published in at least one national daily and the Ministry's website.

For appointment of Programme Management Consultant for the Scheme, the Ministry of Tourism shortlisted four agencies empanelled with National Informatics Centre Services Inc., (NICS) a company under National Informatics Centre (NIC) for e-Governance Projects/Services in the area of Information and Communication Technology. The proposals from these agencies were invited on 3/4 June 2015 at the price determined by NICS.

The three agencies (PwC, KPMG and Ernst & Young), who had submitted the proposals, were called for interaction meeting/interview. Based on the presentation made by the agencies and evaluation done by an Evaluation Committee chaired by Secretary (Tourism), the Ministry appointed M/s Ernst & Young as the Programme Management Consultant for the Scheme on 29 June 2015 for a period of one year (1 July 2015 to 30 June 2016). The cost was ₹10.43 lakh per month for four personnel (subsequently modified to ₹31.31 lakh per month for 10 personnel).

Audit observed that though Ernst & Young was initially appointed as the Programme Management Consultant for one year, period of their services was extended from time to time and a total extension of 17 months was granted, without provision of extension clause in the appointment letter.

After completion of the extension period of the existing Programme Management Consultant, the Ministry invited proposal in 2017 again from NICS empanelled agencies and two empanelled agencies submitted their proposal. Based on process adopted earlier, the Ministry again appointed Ernst & Young as the Programme Management Consultant for a further period of 28 months i.e. from December 2017 to March 2020 at the rates fixed by NICS.

Audit observed that the Ministry sought proposals from agencies empanelled by NICS for e-Governance/Information and Communication Technology projects, which was not a prudent action in view of scope of work of the Programme Management Consultant. As this was not an Information and Communication Technology project, the Ministry should have invited technical and financial bids instead of relying on the rates devised by NICS uniform for all empanelled agencies.

Thus, appointment of Programme Management Consultant (2015 and 2017) was not fair and transparent as it restricted the numbers of bidders and the reasonableness of price could not be ascertained. The total payment made to the Programme Management Consultant from July 2015 to January 2022 was ₹22.96 crore.

It is pertinent to mention that in April 2021, when the Ministry invited proposals through open tender for selection of consultant for same skillset for setting up of National Programme Management Unit (NPMU), the same agency Ernst & Young was identified as the lowest bidder (L-1) on the basis of open tendering and was awarded (February 2022) contract at the rate of ₹5.46 crore plus GST for a period of two years (i.e. ₹26.84 lakh per

month). Thus, the Ministry had to incur avoidable expenditure of ₹2.39 crore due to not following the process of open tendering for earlier selection.

The Ministry stated (September 2022) that justification for using NICS panel was concurred by the Financial Advisor and approved by the Secretary (Tourism). As the request was not routed through NICS and empanelment agencies were approached directly for interview, no agency commission was paid to NICS and the Ministry saved on its account. The Ministry further stated that the costs were identified during different periods, which were years apart and by different agencies. The amount quoted by L1 agency in 2021-22 was in the present scenario and it may not be appropriate to compare with previous years.

The reply of the Ministry is not tenable as due to non-invitation of open tender in 2015 and 2017, the reasonableness of price could not be ascertained. Further, the Ministry's assumption that new rates in 2021-22 were in the present scenario is also not correct, as the same agency (Ernst & Young) which was earlier selected through NICS route had quoted reduced rate in 2021-22, compared to earlier rates. If inflation is factored in, the difference of amount paid would be even higher.

5.2.2 Ineffective Role of Programme Management Consultant

The Scheme guidelines envisaged appointment of Programme Management Consultant to provide technical support for implementation of the Scheme. Audit reviewed key responsibilities of the Programme Management Consultant and noticed that:

- Programme Management Consultant prepared Detailed Perspective Plan only for the Buddhist circuit and not for other 14 out of 15 tourist circuits (refer *para 2.4*).
- Programme Management Consultant did not play any role in identification of projects.
- Programme Management Consultant did not prepare the Detailed Project Reports even though it was in the scope of its work. The Detailed Project Reports were prepared by the States/UTs at additional costs.
- No assistance for financial closure of projects for Public-Private Partnership and other projects was provided by the Programme Management Consultant.
- Programme Management Consultant did not prepare a shelf of projects in each destination/circuit which would have enabled the Ministry to prioritise and assign funds to the projects accordingly.

In addition to the above, the Programme Management Consultant was also required to assist the Mission Directorate in capacity building programmes through workshops and training programmes and in conducting Information, Education and Communication initiative including social media presence, portal development and mobile application, etc. However, Audit did not find any documents/records which indicate that the Programme Management Consultant had performed its role relating to capacity development activities.

Thus, it is evident from the above that the Programme Management Consultant did not perform the duties defined in the Scheme guidelines/scope of the work i.e., preparation of Detailed Perspective Plans and Detailed Project Reports, creation of shelf of projects, assistance in financial closure, assistance to Mission Directorate in capacity building and Information, Education and Communication initiatives, etc. This led to haphazard implementation of the Scheme and consequently the expenditure of ₹22.96 crore towards consultancy fee paid to the Programme Management Consultant from July 2015 up to January 2022 proved to be unfruitful.

Moreover, as per Rule 195 of General Financial Rules, 2017, the Ministry/Department should be involved throughout in the conduct of consultancy, preferably by taking a task force approach and continuously monitoring the performance of the consultant(s) so that the output of the consultancy is in line with the Ministry/Department's objectives. As per the Manual of Policies and Procedures of Employment of Consultants issued by the Department of Expenditure, Ministry of Finance, after award of contract, a Consultancy Monitoring Committee needs to be formed for the same and procedure adopted for review of the consultancy was to be declared and adhered to.

Audit observed that no Consultancy Monitoring Committee was formed by the Ministry, and as a result, performance of the consultancy was not reviewed, which resulted in deviation from its scope of work by the Programme Management Consultant, as discussed above.

While noting the audit observation, the Ministry stated (September 2022) that work order had been issued to the Programme Management Consultant in November 2017, which included the works pointed out by Audit under its scope of work. Most of the projects had been sanctioned by 2018-19 and thereafter, the Scheme was under review. However, the Programme Management Consultant assisted the Ministry as per requirement in implementation and monitoring of the Scheme.

The reply of the Ministry is not correct, as M/s Ernst & Young was appointed as the Programme Management Consultant in June 2015. The work order issued in June 2015 also included the above stated responsibilities to be performed by the Programme Management Consultant which were, however, not discharged by it.

On the issue of monitoring of work of Programme Management Consultant by a Consultancy Monitoring Committee, the Ministry, while agreeing to the Audit observation, stated (September 2022) that a Consultancy Monitoring Committee had now been constituted to review performance of National Programme Management Unit under Swadesh Darshan Scheme 2.0.

Case study 5.1: Additional expenditure due to non-preparation of Detailed Project Reports by M/s Ernst & Young

The Ministry of Tourism had appointed (June 2015) M/s Ernst & Young as the Programme Management Consultant for Swadesh Darshan Scheme and their scope of work included, *inter alia*, preparation of comprehensive Detailed Project Reports in consultation with the respective State Governments/UTs/other stakeholders. However, M/s Ernst & Young did not prepare Detailed Project Reports.

Due to non-preparation of Detailed Project Reports by the Programme Management Consultant, the State Governments had to prepare Detailed Project Reports by engaging consultants. Audit observed that in 10 projects out of the selected 14 projects, State Governments incurred an expenditure of ₹7.53 crore on preparation of Detailed Project Reports, which was reimbursed from the Scheme funds by the Ministry.

In fact, it was noticed that in Gujarat, M/s Ernst & Young itself was engaged (23 November 2015) as consultant for preparation of Detailed Project Reports by the State Government with a fee of ₹48 lakh for Buddhist and Gandhi circuits in the State. This resulted in extra payment of consultancy fee to M/s Ernst & Young.

Thus, the Ministry did not ensure preparation of Detailed Project Reports through the Programme Management Consultant. As a result, it had to incur additional expenditure of ₹7.53 crore from the Scheme funds.

Recommendation No. 12

The Ministry may ensure proper performance of duties by the Programme Management Consultant as per the scope of work/work order and may link terms of payment based on fixed milestones. Further, payment should be released only after certification by the Consultancy Monitoring Committee.

5.3 Delay in formation of State Level Monitoring Committee

As per the Scheme guidelines as well as sanction letters issued by the Ministry of Tourism, each State was instructed to set up a State Level Monitoring Committee with a member from the Ministry of Tourism for monitoring physical and financial progress and timely implementation of the projects sanctioned under the Scheme. Further, the State Level Monitoring Committee was also required to submit progress report to the Ministry on quarterly basis.

Audit however, noticed that in 11 out of 13 selected States, there was inordinate time taken in formation of State Level Monitoring Committee by the State Government, which ranged from 3 months to 53 months, as given below:

Table 5.2: State-wise formation of State Level Monitoring Committee and number of its meetings held

S. No.	Name of the States	Date of approval (first project in State) by the Ministry	Date of formation of State Level Monitoring Committee	Time taken (in months)	Number of meetings held
1	Bihar	March 2015	August 2019	53	No meeting held so far.
2	Chhattisgarh	February 2016	September 2017	19	The first and only meeting was held on 12 October 2017.
3	Goa	March 2016	August 2017	17	No records relating to the meetings were produced by the State.
4	Gujarat	September 2016	April 2017	7	Only three meetings were held since formation of the Committee.
5	Himachal Pradesh	March 2017	July 2017	4	Only three meetings were held since formation of the Committee.
6	Jammu & Kashmir	June 2016	September 2016	3	No records relating to the meetings were produced by the State.
7	Madhya Pradesh	December 2015	October 2017	22	Eight meetings were held.
8	Rajasthan	September 2015	August 2019	47	First meeting was held on 16 August 2019, thereafter, no records were produced by the State.
9	Sikkim	June 2015	February 2016	7	No records relating to meeting produced by State.
10	Telangana*	December 2015	February 2015	-	Details of meetings were not produced by the State.
11	Uttarakhand	September 2015	August 2019	47	No meeting held so far.
12	Uttar Pradesh	September 2016	August 2019	35	Only one meeting was held.

* Government of Telangana had constituted a common State Level Monitoring Committee for all tourism infrastructural projects funded through Central Financial Assistance.

In may be seen from the table above that there was considerable delay in formation of State Level Monitoring Committee, especially in Bihar, Chhattisgarh, Madhya Pradesh, Rajasthan, Uttarakhand and Uttar Pradesh. It was also observed that:

- No member was nominated by the Ministry in any of the States though the sanction letter envisaged inclusion of a member from the Ministry in the Committee.
- The Ministry did not prescribe periodicity of meetings of the Committee. As a result, meetings were not held regularly by the States. Further, from the records produced, Audit did not find any evidence that the Ministry even asked the States to hold meetings of the Committee regularly.

The Parliamentary Standing Committee on Transport, Tourism and Culture (Report No. 267) also observed weak monitoring at State Level due to absence of State Level Monitoring Committee in many States and stated that the formulation of State Level Monitoring Committees was only in theory and was yet to be put into action. The Committee reiterated its emphasis on the importance of a Centre- State body to monitor the timely completion of projects and recommended that the State Level Monitoring Committee must be constituted at the earliest to ensure improved Centre-State co-operation for the development of Tourism in the country.

The delay in the formation of State Level Monitoring Committees by the States impacted timely completion of the projects besides poor monitoring of projects at the State level. Thus, the mechanism of State Level Monitoring Committee did not fulfil its purpose.

The Ministry, while accepting the audit observation, stated (September 2022) that Swadesh Darshan Scheme 2.0 envisages constitution of a State Steering Committee under the chairmanship of Chief Secretary. The Committee would provide overall vision and guidance at State level, recommend Detailed Project Reports to Central Government, review the progress of implementation in the State, provide synergy with other schemes of Central/State Governments and review Operation & Maintenance Plans.

The reply needs to be viewed in light of the fact that mechanism of State Level Monitoring Committee was already in existence in Swadesh Darshan Scheme 1.0. However, considerable delay in formation of the Committee and non-holding of regular meetings affected the monitoring of the Scheme at the State level. Further, the Ministry was silent on the issue of nomination of members from the Ministry in the State Level Monitoring Committees.

Recommendation No. 13

The Ministry may monitor formation of State Steering Committees by the States by a prescribed date under future Schemes. The Ministry may also nominate its representatives of suitable rank to attend these meetings and keep a watch on holding regular meetings of these Committees.

5.4 Annual survey for impact assessment

Conducting an annual survey for measuring achievement of the objectives of tourist satisfaction and impact of the Scheme on growth of local economy was a critical component of Swadesh Darshan Scheme. The Expenditure Finance Committee recommended (13 October 2017) to conduct an annual survey on every project to measure outcome indicators including tourist satisfaction and growth of local economy as a measure of the project outcome. The survey results were to be published in the form of ranking of tourist spots which would create a competitive environment among States.

The Ministry of Tourism stated in the Action taken Report on the recommendation of Expenditure Finance Committee that the recommendation relating to conducting of annual survey was noted for compliance in future.

However, the Ministry stated that no such annual survey has been conducted to measure the outcome indicators. Thus, while the Ministry did not fulfil the commitment made to the Expenditure Finance Committee, it also did not develop a mechanism for evaluating the impact of the Scheme.

The survey could have provided feedback to the Ministry to analyse the gaps in infrastructure, amenities, facilities etc., and address them in a timely manner.

The Ministry stated (September 2022) that as the projects were not completed earlier, it was not feasible to conduct surveys. However, the Ministry regularly organised review meetings at senior level to review progress of the projects. Also, a study on Integrated Development of new Eco-Tourism under Swadesh Darshan North-East circuit at Thenzawl and South Zote, District Serchhip and Reiek, Mizoram was undertaken in 2022. The guidelines for Swadesh Darshan Scheme 2.0 envisages regular evaluation and survey/study by independent agency to measure the impact and outcome of the Scheme on various parameters.

The reply is not tenable as the Ministry did not conduct an annual survey due to which the gaps in execution of projects and other issues viz., non-availability of land and clearances from various departments, dropping of components at later stage and measuring impact of the Scheme could not be addressed timely.

5.5 Non-conducting of capacity development/Information, Education and Communication programmes

The Ministry of Tourism had launched Swadesh Darshan Scheme as a new scheme on the ground that apart from development of theme-based tourist circuits, the Scheme would include other aspects of development such as capacity building, skill development, promotion of local art, craft & cuisine, creating awareness among the local people, etc. Therefore, unlike the previous scheme i.e. Product/Infrastructure Development for Destinations and Circuits which was related to infrastructure development, capacity/skill development was one of the main focus areas of the Swadesh Darshan Scheme.

Accordingly, in the Scheme guidelines, capacity development of States/UTs and other implementing agencies for undertaking various activities relating to identified circuits and destinations was recognised as one of the major component.

Under Information, Education and Communication (IEC), the following activities were included:

- Special courses to address the skill gap at the destinations covered under the Scheme.
- Short duration skill development training programs in association with other Schemes of GoI.
- Workshops, Seminars, Publications and Stakeholder outreach, etc

One of the outcome parameters of the Swadesh Darshan Scheme was enhancement of awareness and development of skills and capacity to augment tourism with value added services. For this, up to 10 *per cent* of funds was earmarked for IEC components (like workshops, seminars, publications, stakeholder outreach, skill development, etc.).

As 76 projects were approved under different themes with cost of ₹5,455.69 crore during 2014-15 to 2021-22 under the Scheme and considering 10 *per cent* of the funds to be earmarked for IEC (i.e., ₹546 crore), the Ministry incurred expenditure of only ₹10.70 lakh on IEC.

Audit observed that the Ministry did not conduct any IEC activities viz., workshops, seminars and skill development programmes, etc. Funds were allocated for IEC component in the budget estimates, however, the same were re-appropriated and could not be utilised as no workshops/capacity development programmes were conducted under the Scheme.

In February 2016, the Ministry decided to conduct the training programme for Swadesh Darshan Scheme under Hunar Se Rozgar Tak Scheme and all the concerned States/UTs were asked for identification of fields and destinations where they wanted to conduct the capacity development programmes. However, no response was received from the concerned States/UTs and no further progress was made in the matter. It was also noticed that no expenditure was incurred under IEC component of Swadesh Darshan Scheme for the skill development programme conducted in Hunar Se Rozgar Tak Scheme.

During scrutiny of the sanction letters for execution of projects in States/UTs, it was also seen that no provision was kept for IEC related activities due to which no IEC related programmes were conducted at the level of States/UTs.

Thus, the Ministry did not conduct any capacity development/IEC programme under the Scheme, even though it was an important component for augmenting tourism. As a result, its outcome in terms of employment generation and economic development could not be achieved.

While accepting the audit observation, the Ministry stated (September 2022) that various projects were sanctioned during the period 2014-15 to 2018-19 under which primary focus was given to infrastructure development. Further, due to Covid pandemic, no physical

activities could be done during 2020 and 2021. However, destination-based skill programmes can also be explored through the existing schemes of the Ministry. In Swadesh Darshan Scheme 2.0, objective of the Scheme includes enhancement of skills of local youth in tourism and hospitality. Further, Detailed Project Report of the destination also includes the component of skill development.

The issue was also discussed during the Exit Conference (September 2022), wherein the Ministry admitted the audit observation and stated that initiative should have been taken at the level of the Ministry and the State Governments and agreed to address these issues and devise a mechanism thereof.

Recommendation No. 14

The Ministry may take appropriate action to design capacity development programmes under the Scheme in consultation with concerned stakeholders.

5.6 Online Presence of the Scheme and Management Information System

As per the Scheme guidelines, one of the features of the Scheme was to have online presence through:

- GIS based tourism inventory management,
- GIS based website development and mobile applications providing location-based services and contents, booking facilities through e-commerce applications, and support dashboards for tourists and operators,
- Project Management system tracking progress through online submission of Utilisation Certificates, tracking procurement through e-procurement system, tracking completion of milestones and tracking issues of escalations and variations,
- Permission based knowledge portal,
- Data analysis and reporting

It was noticed that a website *swadeshdarshan.gov.in* was developed by the Ministry of Tourism in December 2017. However, the website was not accessible to public and was only used as dashboard by the Ministry for tracking progress of the projects and generating Project Level Reports.

State Governments/Implementing Agencies submitted information/progress report to the Ministry through the dashboard. Audit observed that there was no mechanism in the Ministry to ensure correctness of the submitted data. Audit noticed instances of incorrect/inflated Utilisation Certificates, wrong progress reported in the Monthly Progress Reports and wrong depiction of project facilities.

Audit further observed that apart from tracking progress, other functions, such as GIS based tourism inventory management, GIS based website development and mobile applications providing location-based services, contents, booking facilities and support dashboards for tourists and operators, project procurement management, permission based knowledge portal, were not made operational by the Ministry. Further, the dashboard did not have other

critical data related to employment generation, tourist traffic data, revenue generation, private investment etc., as envisaged in the Scheme.

Hence, no awareness was being generated on the Scheme, destinations, circuits and facilities therein. Thus, objective of the Ministry to have online presence of the Scheme could not be fully achieved.

The Ministry admitted the audit observation during Exit Conference and stated (September 2022) that earlier consultant had made a website but that was not functional. Now, they were taking action in this regard with the assistance of NIC for re-designing the website.

Recommendation No. 15

The Ministry may expedite the process of making online presence of the Scheme by developing a website for disseminating information about initiatives taken and facilities provided under the Scheme.

5.7 Analysis of Progress Reports of the States

All States were to submit monthly progress reports giving physical and financial progress to the Ministry of Tourism for review of progress of the projects.

Scrutiny of records available in States and monthly progress reports submitted by States to the Ministry revealed discrepancies like variation in figures of expenditure, incorrect reporting of progress and incomplete works being shown as completed, in five projects⁴³ out of the selected 14 projects. This indicated misrepresentation of facts to the Ministry with regard to the components of actual execution and expenditure incurred there against.

Monthly progress report was a vital source for monitoring of the project. However, Audit observed that the Ministry had not devised any mechanism to ensure correctness of figures submitted by States/Implementing Agencies. It was further observed that there was lack of any authentication of monthly progress reports by the State Level Monitoring Committees, verification of figures by field visits after receipt of monthly progress reports from the State Governments to the Ministry and provision of mandatory validation of data of monthly progress reports at the time of inspection by the Programme Management Consultant. As a result, the Ministry was relying solely on the monthly progress reports received from the States without any examination of the same. Thus, progress of projects shown by the Ministry was not based on authentic figures and ground realities.

⁴³ Goa, Gujarat, Himachal Pradesh, Sikkim and Uttar Pradesh

Case study 5.2: Kanwaria Route, Bihar: Discrepancy in monthly progress report
Rain Shelter at Suiya was shown as complete in monthly progress report (MPR) of October 2021. However, during joint physical verification (December 2021), the same was found incomplete.



Picture 5.1: Construction of Paver Block under progress at Rain Shelter, Suiya, Bihar, which was however shown as completed in monthly progress report

Many deficiencies were observed during joint physical verification viz., electric work was incomplete, urinals were without sensors, main entrance gate was not built, landscaping work improperly done, etc.

State Government stated (June 2022) that due to heavy rain and natural drainage, the paver blocks were scattered and rectification work was undergoing during the joint physical verification and hence paver block was seen stacked.

The reply is not tenable as during the joint physical verification, it was found that the premises was filled with shrubs and landscaping was not done properly. Paver blocks were kept for paving and no initial paving was found.

The Ministry stated (September 2022) that it had sought clarification from Bihar Government in this regard.

The Ministry stated (September 2022) that it was responsibility of the State Governments to ensure correct reporting to the Government of India and take appropriate action in case of wrong reporting. Due to corona pandemic and travel restrictions, no physical inspections could be carried out.

The fact remains that the Ministry did not have any mechanism to ensure correctness of data shown in the monthly progress reports, thereby adversely affecting overall monitoring of the Scheme.

5.8 Non-maintenance of data about employment generation under the Scheme

Tourism sector provides employment to wide spectrum of job seekers from the unskilled to the specialised and makes significant contribution to the national economy by stimulating other economic factors. It is a multi-sectoral labour-intensive industry and a major source of employment. Creation of employment was one of the main objectives of Swadesh Darshan Scheme.

As per the Department of Expenditure OM dated 5 August 2016, measurable outcomes need to be defined for each scheme over the medium-term while physical and financial outputs need to be targeted on year-to-year basis in such a manner that it aggregates to achieve the measurable outcomes over the medium-term. Further, baseline data should be available against which success of the project would be assessed at the end of the project. The matter was also discussed (July 2017) in the Ministry, wherein the Market Research Division of the Ministry of Tourism had advised Swadesh Darshan Division to develop mechanism for capturing data on employment generated through the Scheme.

The Department of Expenditure suggested (October 2017), *inter alia*, in the meeting of Expenditure Finance Committee to develop outcome framework for measuring impact of the Scheme with outcome indicators like tourist footfall, jobs created, etc. The Ministry informed that the observation of Department of Expenditure was noted and it was already working on outcome framework. The Ministry mentioned in the approved Cabinet Note (February 2019) that the Scheme was expected to create approximately 44 lakh jobs including both direct and indirect.

Thus, generation of employment was one of the major focus areas under the Scheme. However, Audit observed that the Ministry did not develop any outcome framework for measuring creation of employment. The Ministry admitted (August 2021) in its reply to a Parliamentary question that the data pertaining to total employment generated in the identified circuits under the Scheme was not maintained by the Ministry.

In response, the Ministry stated (February 2022) that no separate study was undertaken to measure the impact on job creation and economic growth. However, the National Productivity Council, in its report (July 2019) on third party impact assessment of Swadesh Darshan Scheme, found that the Scheme was able to fillip livelihood opportunities and created employment. The Ministry further stated (September 2022) that National Productivity Council had reported (July 2019) that employment had been generated during the project construction/development phase for the various components and the contribution of this Scheme towards continual employment generation among the local communities could be ascertained only after the tourist footfall picks up except for tourism developed States.

The response of the Ministry is not borne out of facts as creation of employment generation through tourism was one of major focus area of the Scheme. However, there was no

baseline data with the Ministry against which progress could have been measured. This fact was also raised by National Productivity Council in its said evaluation report, as discussed in succeeding paragraph. Further, National Productivity Council did not make any quantitative study of employment generation. It also did not comment on comparison of employment generation between pre and post launch of the Scheme.

In the absence of data, the Ministry could not measure whether creation of jobs/employment under the Scheme was achieved as assured to the Cabinet. Thus, creation of employment, one of the main objectives of the Scheme, was not ensured.

Recommendation No. 16

The Ministry may formulate a mechanism to capture baseline data (employment generation, tourist footfall etc.) so as to measure impact of the Scheme/initiatives taken there against.

5.9 Evaluation/Impact Assessment of the Scheme by National Productivity Council

As per the Ministry of Finance OM (August 2016) on formulation of public funded schemes, all Ministries/Departments were to prepare an output-outcome framework for each Central Sector Scheme and Centrally Sponsored Scheme with the approval of Chief Executive Officer, NITI Aayog. Success criteria to assess whether the development objectives had been achieved was needed to be spelt out in measurable terms. Baseline data was required to be maintained by the concerned Ministry/Department, against which success of the project was to be assessed at the end of the project (impact assessment). Extension of schemes from one Finance Commission cycle to another was contingent on the result of such an evaluation exercise.

Accordingly, the Ministry of Finance vide its OM dated February 2017 conveyed to all Ministries that all existing schemes which were to be continued beyond 12th Five-Year Plan were required to undergo process of appraisal and approval coinciding with the 14th Finance Commission cycle.

For evaluation of Swadesh Darshan Scheme in terms of the above instruction, the Ministry of Tourism approached the National Productivity Council, an organisation under the Ministry of Commerce and Industry. National Productivity Council, after discussion with the Ministry, agreed (April 2017) to undertake evaluation at a cost of ₹23 lakh including 15 per cent service tax.

National Productivity Council agreed to conduct evaluation in two phases. First phase of evaluation study comprised detailed desk research where information/data pertaining to Scheme implementation including physical and financial targets and milestones achieved based on Detailed Project Reports for all 56 projects during 12th Plan period as well as the reports of Central Sanctioning and Monitoring Committee/Programme Management Consultant were to be covered. Second phase of evaluation study focused on detailed field interactions with various stakeholders. Field survey was to be conducted through selected questionnaire/checklist at selected project sites.

Audit observed that:

- The Ministry did not lay down any measurable indicator for evaluation of the Scheme in terms of the instructions of Ministry of Finance. No baseline data was available with the Ministry on tourist traffic, employment generation etc., against which performance of the Scheme could have been evaluated.
- National Productivity Council submitted its report in June 2017 wherein it made recommendations on formation of State Level Monitoring Committee by the States, monitoring by Programme Management Consultant, monthly review of Scheme by the Mission Directorate/Programme Management Consultant, convergence of Scheme with Swachh Bharat Abhiyan, preparation of Operation & Maintenance manual with standard operating procedure for operation and maintenance of assets etc.
- National Productivity Council admitted that due to undertaking review within a very short period of 15 days at Pan-India level, field surveys had to be restricted to only seven theme-based circuits. Thus, it had to rely mainly on secondary sources of data and material which were readily available besides the field level information from selected circuits. National Productivity Council had recommended to undertake a comprehensive review of implementation of all the 56 projects sanctioned till the period of evaluation.

Audit observed that above evaluation in terms of the instructions of Ministry of Finance was not comprehensive, as no analysis or evaluation of comprehensive area development, better tourist infrastructure, tourist footfall, employment and income generation for the local population was conducted by the National Productivity Council. Further, the Ministry did not take any effective remedial action on major observations such as monitoring by the Ministry, Detailed Perspective Plans, formation of State Level Monitoring Committees, convergence with other Central/State schemes and Operation & Maintenance manual.

In the Cabinet Note (February 2019) for continuation of the Scheme, the Ministry intimated that it would undertake detailed impact assessment of the Scheme. However, for detailed impact assessment of the Scheme, the Ministry again awarded (April 2019) contract to National Productivity Council on nomination basis for total cost of ₹29.38 lakh including GST. The National Productivity Council proposed and used the same methodology for undertaking the study i.e., in two phases (detailed desk research of all projects and field visit of selected 10 projects), which was agreed to by the Ministry.

Audit observed that:

- National Productivity Council submitted its report in July 2019 (recommendations given in **Annexure-V**) and reiterated its earlier conclusion that due to time constraints and data issues, only 10 projects were selected and there was a need to undertake a comprehensive review of implementation of all the 76 projects in terms of providing comprehensive area development, better tourist infrastructure, tourist footfall, employment and income generation for the local population.

- The sample size selected by the National Productivity Council was again very less (seven against 56 projects during first evaluation study and 10 out of 77 projects⁴⁴ during the second time). National Productivity Council did not cover all circuits in its study and only covered seven circuits out of 15 theme-based circuits. Some important circuits like Buddhist, Tribal, Himalayan, Rural, Ramayana were not taken up by the National Productivity Council.

The above shows that in both the evaluation studies, evaluation conducted by the National Productivity Council was not comprehensive. The Ministry did not exercise due diligence for evaluation/impact assessment of the Scheme. As a result, even after two evaluations and incurring expenditure of ₹52.38 lakh, detailed impact assessment of the Scheme could not be conducted. Further, due to absence of baseline data, National Productivity Council could not evaluate tourist footfall, employment generation and income generation for the local population, which were major focus areas of the Scheme.

In addition to the above, due to not following the provisions under Rule 183 of GFR, 2017 for selection of consultants, the Ministry lost opportunity to call proposals/expertise from other agencies and had to rely upon the proposal of National Productivity Council, thus lacking reasonableness and competitiveness of price. The evaluation was very limited in nature and the Ministry did not assess capability of the Council for conducting the review as per its requirement.

The Ministry stated (September 2022) that National Productivity Council was selected being an autonomous organisation under Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India. Besides undertaking research in the area of productivity, National Productivity Council has been providing consultancy and training services in various areas to the Government.

The Ministry did not give any response for incomprehensive evaluation by the National Productivity Council even after conducting two evaluations.

5.10 No action upon recommendations of Parliamentary Committee and Expenditure Finance Committee

The Department-Related Parliamentary Standing Committee on Transport, Tourism and Culture in its various reports had given its observations on implementation of the Scheme and given recommendations (**Annexure-VI**) from time to time for improvement of the Scheme.

Audit observed that the Ministry of Tourism did not act on many recommendations. Some of the important ones are given below:

- The Committee in its Report No. 275 (March 2020) observed that several proposals sent by the State Governments for inclusion under the Scheme were pending

⁴⁴ *Out of 77 projects mentioned in the report of National Productivity Council, one project in Kerala had been dropped by the Ministry of Tourism in May 2020. Therefore, the total number of projects considered in this Audit Report are 76.*

approval by the Ministry. It had recommended that approval to such pending projects should be expedited.

Audit observed that the Ministry did not take action on the recommendation of the Committee. The Ministry kept the proposals of State Governments pending for periods up to six years and later returned the projects without any action (as discussed in *para 2.11*). It did not develop a formal mechanism for evaluation and approval of projects.

- Further, in the same report, the Committee had recommended that for better promotion of rural tourism, more Rural circuit projects may be sanctioned and implemented for promotion of niche tourism and more funds may be earmarked for Rural circuits under the Scheme.

Audit observed that the Ministry did not pay adequate attention for development of Rural circuit. Out of total eight projects proposed by the State Governments under Rural circuit, the Ministry took up only two projects with cost of ₹125.02 crore (i.e. two *per cent* of total projects sanctioned under the Scheme) and returned six proposals. The total expenditure incurred under Rural circuit was only 0.73 *per cent* of the total expenditure under the Scheme (as discussed in *para 2.6*).

- The Committee in its Report No. 284 (February 2021) had observed that the approach of the Ministry for preparing the Budget Estimates was casual and routine in nature. The manner in which the Budget Estimates were being prepared showed that the Ministry was not very serious about the activities to be undertaken by them. Therefore, the Committee had recommended to the Ministry to have the entire requirement of funds realistically assessed after collecting timely information on requirement of funds from the State Governments and other stakeholders and take steps to rectify and improve upon the existing system of assessing requirement of funds.

Audit observed that there were large variations in the Budget Estimates and Revised Estimates which is indicative of the inefficient budgeting and unrealistic estimation on the part of the Ministry as discussed in *para 3.1*.

- The Committee in its Report No. 298 (August 2021) had recommended to the Ministry to develop an effective and efficient mechanism for timely submission of Utilisation Certificates. This would not only speed up execution of all the projects well within the approved cost but also help in prevention of cost overruns in the projects.

Audit observed that the Ministry did not have mechanism in place for ensuring timely submission of Utilisation Certificates and remittance of unutilised funds. In the absence of Utilisation Certificates, it could not be ascertained how the Ministry was deriving assurance on the regularity of expenditure (discussed in *para 3.4*).

- The Committee in its Report No. 298 (August 2021) had also observed that the progress of projects under the Scheme was not satisfactory. It had recommended to

the Ministry to take stringent measures for expediting the completion of the projects in a time bound manner.

Audit observed that no effective steps were taken by the Ministry for timely completion of the projects and no project was completed within the stipulated time frame (discussed in *para 4.1*).

Audit further noticed that the Expenditure Finance Committee/Ministry of Finance, at the time of appraisal of the Scheme for further continuation had recommended to:

- have big ticket projects instead of large number of small sized projects with thin spread of resources to have maximum impact of tourism projects on income and employment.

Audit observed that the Ministry, though having agreed (August 2017) to the recommendation of Department of Expenditure on the Note for Expenditure Finance Committee, did not act on the same (discussed in *para 2.9*).

- conduct an annual survey on every project to measure outcome indicators including tourist satisfaction and growth of local economy as a measure of the project outcome. Publishing these surveys were to be in the form of ranking of tourist spots which might have created a competitive environment among the States. The Ministry stated in the Action taken Report on recommendation of Expenditure Finance Committee that the recommendation relating to conducting of annual survey was noted for compliance in future.

Audit observed that despite agreeing to the recommendation for compliance, the Ministry did not conduct such annual survey to measure the outcome indicators (discussed in *para 5.5*).

- develop outcome framework for measuring impact of the Scheme with outcome indicators like tourist footfall, jobs created etc.

Audit observed that despite agreeing to the recommendation and informing that it was already working on outcome framework, the Ministry did not maintain any data pertaining to employment generation, tourist footfall etc., in the identified circuits under the Scheme (discussed in *para 5.9*).

Thus, the Ministry did not act upon the advisory recommendations of the Department-Related Parliamentary Standing Committee on Transport, Tourism and Culture made from time to time. Further, the Ministry, though agreed upon the recommendations of Expenditure Finance Committee, did not comply with the same. As such, the deficiencies continued to exist as evident from the audit findings.

During Exit Conference, the Ministry stated (September 2022) that 52 projects had been completed as on date. Further, they were now focusing on the big-ticket projects limited to only 50 destinations in Swadesh Darshan Scheme 2.0.

5.11 Achievement of Vision, Mission and Objectives of the Scheme

The Ministry of Tourism had launched the Scheme to develop theme-based tourist circuits on the principles of high tourist value, competitiveness and sustainability in an integrated manner to enrich tourist experience and enhance employment opportunities with vision statement and mission objective. However, for achievement of these objectives, Audit did not find any roadmap and strategy, as given below:

- i. **To position tourism as a major engine of economic growth:** Audit observed that the Ministry had not conducted any study on impact of the Scheme on economic growth. The Ministry also confirmed (February 2022) that no separate study was undertaken to measure the impact on job creation and economic growth.
- ii. **Develop circuits having tourist potential in a planned and prioritised manner:** Audit observed that tourist circuits were not planned and prioritised, as discussed in *para 2.8*.
- iii. **Enhancing tourist attractiveness in a sustainable manner by developing world class infrastructure in the circuit/destination:** Audit observed that the Ministry did not frame any benchmark for world class infrastructure. During physical inspection, many of the developed facilities were found in dilapidated condition due to lack of operation and maintenance, which cannot be termed as world class infrastructure.
- iv. **Creating awareness among the local communities about the importance of tourism for them in terms of increased source of income, improved living standards and overall development of area:** Audit observed that the Ministry though earmarked 10 *per cent* of projects for capacity development/Information, Education and Communication programme (IEC), it did not conduct any IEC activities viz. workshops, seminars, skill development programmes, as discussed in *para 5.5*.
- v. **Ability to attract investment from private sector/public private partnership-** The Ministry did not furnish any records showing investment of private sector/public private partnership under the Scheme, which indicates that the Ministry did not have any information on this aspect.
- vi. **To create employment through active involvement of local communities:** Audit observed that the Ministry did not develop any outcome framework for measuring creation of employment. In the absence of data, the Ministry could not measure creation of jobs/employment under the Scheme, as discussed in paragraph 5.9.
- vii. **Robust Operation & Maintenance plan as per pre-agreed service standards evaluated periodically by an independent agency:** Due to absence of arrangements for Operation & Maintenance by the Ministry, it was noticed during physical verification of sites/projects that poor arrangements were made for effective upkeep and maintenance of the facilities created under the Scheme as there were instances of

created facilities not put to operation, leasing out of facilities without approval, deterioration of infrastructure due to lack of proper maintenance, etc.

- viii. **Increased tourist footfall:** The Ministry did not provide information/data related to tourist footfall under the Scheme. However, it was observed that the Ministry had replied (December 2019) to a Rajya Sabha question that the Ministry did not maintain circuit-wise data of tourist visitation of sites developed under the Scheme.

As a result, even after seven years of launch of the Scheme, these objectives were yet to be fully achieved.

5.12 Summing up

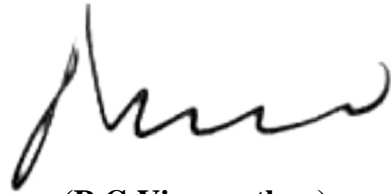
The Scheme guidelines had provided for overall monitoring of the Scheme through National Steering Committee, Central Sanctioning and Monitoring Committee and Mission Directorate level. However, only six meetings of the National Steering Committee were held since inception (January 2015) of the Scheme till March 2022 as against 29 meetings required to be held. Further, there was a significant time gap between the meetings of Central Sanctioning and Monitoring Committee and the Mission Directorate. No meeting of the Central Sanctioning and Monitoring Committee and the Mission Directorate was held after November 2018 and October 2019 respectively. The Joint Secretary level officers appointed by the Ministry for monitoring did not play any role in monitoring of the projects. At the State level, there were delays in formation of State Level Monitoring Committees and its meetings were also not being held by States at regular intervals, thus making the Committee redundant.

The appointment and extensions of the Programme Management Consultant was irregular. More importantly, the Consultant did not perform the duties defined in the guidelines/scope of the work i.e., preparation of Detailed Perspective Plans, Detailed Project Reports, creation of shelf of projects, assistance in financial closure, assistance to Mission Directorate in capacity building and Information, Education and Communication initiative. The Ministry had to incur additional expenditure for preparation of Detailed Project Reports through State Governments as the Consultant did not prepare the same.

The Ministry did not undertake any activities for capacity building, employment generation, maintenance of data pertaining to employment generation despite significant budget allocation for tourism promotion activities. The objective of the Ministry to have online presence of the Scheme could not be achieved.

Evaluation of the Scheme by National Productivity Council was not comprehensive due to selection of limited sample and lack of baseline data. As a result, even after two evaluations by the Council, detailed impact assessment of the Scheme could not be conducted and the Council did not evaluate tourist footfall, employment generation and income generation for the local population, which were major focus areas of the Scheme. Thus, the Ministry did not exercise due diligence for evaluation/impact assessment of the Scheme.

The Ministry did not act upon the recommendations of the Department-Related Parliamentary Standing Committee and the Expenditure Finance Committee. As a result, even after seven years of its launch, objectives of the Scheme were not fully achieved, and the recommendations of the Committees remained unaddressed.

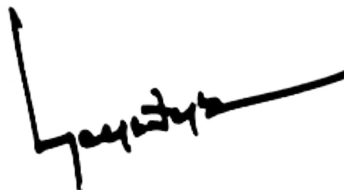


(R G Viswanathan)

**Deputy Comptroller and Auditor General
and Chairman, Audit Board**

**New Delhi
Dated: 18 July 2023**

Countersigned



(Girish Chandra Murmu)

Comptroller and Auditor General of India

**New Delhi
Dated: 18 July 2023**

Annexures

Annexure-I
(Referred to in Para 1.8)

Details of all 76 Projects sanctioned by Ministry of Tourism under Swadesh Darshan Scheme

Sl. No	Project Name	Theme	State	Sanction Date	Sanctioned Cost	Released Amount	Expenditure Incurred	Physical Progress (%)
1.	Development Of Bhalukpong-Bomdila & Tawang Circuit under North East Theme	North East	Arunachal Pradesh	30-Mar-15	49.77	39.81	39.53	100
2.	Development of Kakinada Hope Island Konaseema as World Class Coastal & Eco Tourism Circuit in Andhra Pradesh	Coastal	Andhra Pradesh	31-Mar-15	67.84	67.84	67.83	100
3.	Development of Imphal – Khongjom	North East	Manipur	29-Jun-15	72.23	61.32	63.72	100
4.	Development of Circuit linking Rangpo (entry) - Rorathang - Aritar - Phadamchen - Nathang - Sherathang - Tsongmo - Gangtok - Phodong - Mangan - Lachung - Yumthang - Lachen - Thangu - Gurudongmer - Mangan - Tamil - Tumlin Lingee - Singtam (exit)	North East	Sikkim	30-Jun-15	98.05	92.77	92.77	100
5.	Development of Sambhar Lake Town and Other Destinations in Jaipur District, Rajasthan	Desert	Rajasthan	30-Sep-15	50.01	51.17	50.01	100

Sl. No	Project Name	Theme	State	Sanction Date	Sanctioned Cost	Released Amount	Expenditure Incurred	Physical Progress (%)
6.	Integrated Development of Eco-Tourism, Adventure Sports, and Associated Tourism Related Infrastructure for Development of Tehri Lake & Surroundings as New Destination-District Tehri	Eco	Uttarakhand	30-Sep-15	69.17	65.71	69.17	100
7.	Development of Peren - Kohima – Wokha	Tribal	Nagaland	16-Nov-15	97.36	92.49	81.07	100
8.	Development of Circuit in Mahaboobnagar districts (Somasila, Singotam, Kadalaivanam, Akkamahadevi, Egalanpanta, Farahabad, Uma Maheshwaram, Mallelatheertham)	Eco	Telangana	4-Dec-15	91.62	87.03	91.62	100
9.	Development of Coastal Tourism Circuit in Sri Potti Sriramalu Nellore in Andhra Pradesh	Coastal	Andhra Pradesh	4-Dec-15	49.55	47.76	49.55	100
10.	Development of Panna - Mukundpur - Sanjay - Dubri - Bandhavgarh - Kanha - Mukki - Pench	Wildlife	Madhya Pradesh	7-Dec-15	92.1	81.15	86.31	100
11.	Development of Pathanamthitta - Gavi-Vagamon- Thekkady as Eco Tourism Circuit in Kerala	Eco	Kerala	15-Dec-15	76.55	61.24	60.24	91.82

Sl. No	Project Name	Theme	State	Sanction Date	Sanctioned Cost	Released Amount	Expenditure Incurred	Physical Progress (%)
12.	Integrated Development of New Eco Tourism under Swadesh Darshan- North East Circuit at Thenzawl & South Zote, District Serchhip and Reiek, Mizoram.	North East	Mizoram	15-Dec-15	92.26	87.65	90.24	100
13.	Manas - Pobitora - Nameri - Kaziranga - Dibru Saikhowa as Wild Life Circuit in Assam.	Wildlife	Assam	22-Dec-15	94.68	89.94	84.91	100
14.	Development of Dubrayapet, Arikamedu China Veerampattinam, Chunnabmar, Nallavadu, Manapet, Kalapet, French Quarter, Tamil Quarter and Yanam (Coastal)	Coastal	Puducherry	28-Dec-15	58.44	61.82	54.53	100
15.	Development of Beach Circuit: Udaipur-Digha- Shankarpur- Tajpur- Mandarmani-Fraserganj-Bakkhrai-Henry Island	Coastal	West Bengal	29-Dec-15	67.99	68.31	64.96	95.19
16.	Development of Jirigaon - Nafra - Seppa - Pappu - Pasa - Pakke Valleys - Lumdung - Lafang Sohung Lake - Taro Yar - New Sagalee - Ziro - Yomcha	North East	Arunachal Pradesh	29-Dec-15	96.72	84.24	83.72	99.35

Sl. No	Project Name	Theme	State	Sanction Date	Sanctioned Cost	Released Amount	Expenditure Incurred	Physical Progress (%)
17.	Development of North East Circuit : Agartala - Sipahijala - Melaghar - Udaipur - Amarpur - Tirthamukh - Mandirghat - Dumboor - Narikel Kunja - Gandachara – Ambassa	North East	Tripura	29-Dec-15	82.85	68.58	67.17	79.96
18.	Development of Jashpur- Kunkuri- Mainpat- Ambikapur- Maheshpur -Ratanpur- Kurdar- Sarodadadar- Gangrel- Kondagaonâ€ NathiyaNawagaon- Jagdalpur- Chitrakoot- Tirthgarh	Tribal	Chhattisgarh	18-Feb-16	96.1	84.81	92.14	100
19.	Development of Sindhudurg Coastal Circuit (Shiroda Beach, Sagarshwar, Tarkarli, Vijaydurg (Beach & Creek), Devgad (Fort & Beach), Mitbhav, Tondavali, Mochemad and Nivati Fort)	Coastal	Maharashtra	1-Mar-16	19.06	18.11	16.45	91.7
20.	Development of Coastal (Sinquerim-Baga, Anjuna-Vagator, Morjim-Keri, Aguada Fort and Aguada Jail)	Coastal	Goa	1-Jun-16	97.65	92.76	92.76	100

Sl. No	Project Name	Theme	State	Sanction Date	Sanctioned Cost	Released Amount	Expenditure Incurred	Physical Progress (%)
21.	Integrated Development of Jammu - Srinagar - Pahalgam - Bhagwati Nagar - Anantnag - Salamabad Uri - Kargil - Leh	Himalayan	Jammu Kashmir	15-Jun-16	77.33	60.47	53.31	92.57
22.	Integrated Development of Mulugu-Laknavaram- Medaram- Tadvai-Damaravai- Mallur- Bogatha Waterfalls.	Tribal	Telangana	30-Jun-16	79.87	75.88	79.87	100
23.	Development of Umiam (Lake View)- U Lum Sohpetbneng- Mawdiangdiang- Orchid Lake Resort, Meghalaya under North East Circuit of Swadesh Darshan Scheme	North East	Meghalaya	1-Jul-16	99.13	94.14	85.81	100
24.	Development of Sanchi-Satna-Rewari- Mandsaur-Dhar	Buddhist	Madhya Pradesh	18-Jul-16	74.02	69.08	69.31	100
25.	Development of Shri Govindajee temple - Shri Bijoy Govindajee Temple - Shri Gopinath Temple- Shri Bungshibodon Temple - Shri Kaina Temple	Spiritual	Manipur	25-Jul-16	53.8	43.04	42.5	100
26.	Development of Sabarimala - Erumeli-Pampa- Sannidhanam.as Spiritual Circuit in Kerala	Spiritual	Kerala	27-Jul-16	106.42	20	8.22	24.46

Sl. No	Project Name	Theme	State	Sanction Date	Sanctioned Cost	Released Amount	Expenditure Incurred	Physical Progress (%)
27.	Development of Ahmedabad- Rajkot- Porbandar - Bardoli- Dandi	Heritage	Gujarat	9-Sep-16	58.42	56.21	52.14	100
28.	Haryana Tourism Infrastructures At Places Related To Mahabharata In Kurukshetra	Krishna	Haryana	9-Sep-16	79.19	77.88	69.69	73.08
29.	Development of Tourist Circuit Linking - Singtam - Makha - Temi - Bermoik Tokal - Phongla - Namchi - Jorethang - Okharey - Sombaria - Daramdin - Jorethang - Melli (exit) in Sikkim under North East India Circuit	North East	Sikkim	16-Sep-16	95.32	85.18	76.25	100
30.	Integrated Development of Govind Dev ji temple (Jaipur), Khatu Shyam Ji (Sikar) and Nathdwara (Rajsamand) in Rajasthan	Krishna	Rajasthan	16-Sep-16	75.8	70.29	67.30	68.47
31.	Development of Gopalpur, Barkul, Satapada and Tampara	Coastal	Odisha	19-Sep-16	70.82	63.56	52.95	75.35
32.	Development of Gwalior - Orchha - Khajuraho - Chanderi - Bhimbetka - Mandu	Heritage	Madhya Pradesh	19-Sep-16	88.77	85.33	87.97	99.95
33.	Development of Sree Padmanabha- Aranamula-Sabrimala as Spiritual Circuit in Kerala	Spiritual	Kerala	19-Sep-16	78.08	73.77	68.28	98.39

Sl. No	Project Name	Theme	State	Sanction Date	Sanctioned Cost	Released Amount	Expenditure Incurred	Physical Progress (%)
34.	Development of Vaishali- Arrah- Masad- Patna- Rajgir- Pawapuri- Champapuri.	Tirthankar	Bihar	19-Sep-16	34.36	26.19	26.20	82.93
35.	Integrated Development of Kanwaria Route: Sultanganj- Mojma- Banka.	Spiritual	Bihar	19-Sep-16	44.76	42.52	39.77	96.66
36.	Development of Tribal Circuit Mokokchung - Tuensang - Mon in Nagaland under Swadesh Darshan Scheme	Tribal	Nagaland	26-Sep-16	98.14	93.24	88.06	100
37.	Integrated Development in Kumaon region Katarmal-Jageshwar-Bajjnath-Devidhura	Heritage	Uttarakhand	26-Sep-16	76.32	67.62	68.91	100
38.	Development of Sravasti, Kushinagar & Kapilvastu in Uttar Pradesh	Buddhist	Uttar Pradesh	29-Sep-16	87.89	72.56	67.83	86.65
39.	Development of Chitrakoot and Shringverpur under Ramayana Circuit	Ramayana	Uttar Pradesh	29-Sep-16	69.45	64.09	58.17	100
40.	Development of Tourist Facilities at Gulmarg - Baramulla - Kupwara - Kargil – Leh	Himalayan	Jammu Kashmir	29-Sep-16	91.84	58.46	44.69	49.68
41.	Integrated Development of Tourist Facilities at Anantnag- Kishtwar- Pahalgam - Daksum - Ranjit Sagar Dam	Himalayan	Jammu Kashmir	29-Sep-16	86.44	69.95	56.87	88.29

Sl. No	Project Name	Theme	State	Sanction Date	Sanctioned Cost	Released Amount	Expenditure Incurred	Physical Progress (%)
42.	Integrated Development of Tourist Facilities at Jammu-Rajouri-Shopian-Pulwama	Himalayan	Jammu Kashmir	29-Sep-16	84.46	67.35	58.16	90.31
43.	Integrated Development of Tourist facilities at Mantalai & Sudhmahadev	Himalayan	Jammu Kashmir	29-Sep-16	90.85	84.56	75.22	92.58
44.	Integrated Development of Tourist Facilities under the Construction of Assets in lieu of those Destroyed in Floods in 2014 under PM Development Package for J&K	Himalayan	Jammu Kashmir	30-Sep-16	90.43	74.7	64.20	100
45.	Development of Coastal Circuit (Chennai-Mamallapuram-Rameshwaram-Manpadu-Kanyakumari) In Tamil Nadu	Coastal	Tamil Nadu	18-Nov-16	73.13	69.48	65.43	100
46.	Development of Long Island - Ross Smith Island - Neil Island - Havelock Island - Baratang Island - Port Blair	Coastal	Andaman Nicobar	18-Nov-16	27.57	13.46	12.29	79.2
47.	Development of Ahar-Aligarh-Kasganj-Sarosi (Unnao)-Pratapgarh- Kausambi-Mirzapur-Gorakhpur-Domariyaganj-Basti-Barabanki-Azamgarh-Kairana-Baghat-Shahjahanpur in Uttar Pradesh (TCIL)	Spiritual	Uttar Pradesh	23-Nov-16	71.91	68.32	66.86	97.81

Sl. No	Project Name	Theme	State	Sanction Date	Sanctioned Cost	Released Amount	Expenditure Incurred	Physical Progress (%)
48.	Development of Heritage Circuit (Kalinjar Fort) Banda- Marhar Dham, Sant Kabir Nagar- Chauri Chaura, Shaheed Sthal, Fatehpur- Mavahar Sthal Ghosi- Shaheed Smarak, Meerut in Uttar Pradesh (WAPCOS)	Heritage	Uttar Pradesh	20-Dec-16	33.97	32.27	28.01	78.17
49.	Development of Spiritual Circuit II Bijnor- Meerut- Kanpur- Kanpur Dehat- Banda- Ghazipur- Salempur- Ghosi- Balia- Ambedkar Nagar- Aligarh- Fatehpur- Deoria- (Mahoba)- Sonbhadra- Chandauli- Mishrikh- Bhadohi in Uttar Pradesh (NPCC)	Spiritual	Uttar Pradesh	20-Dec-16	67.51	64.14	63.58	100
50.	Development of Eco-Adventure Circuit Aizawl - Rawpuichhip - Khawphawp - Lengpui - Chatlang - Sakawrhmutaitlang - Muthee - Beratlawng - Tuirial Airfield - Hmuifang	Eco	Mizoram	27-Mar-17	66.37	49.53	36.5	44.01
51.	Development of Kiarighat - Shimla - Hatkoti - Manali - Kangra - Dharamshala - Bir - Palampur - Chamba	Himalayan	Himachal Pradesh	27-Mar-17	80.63	64.55	59.56	78.17

Sl. No	Project Name	Theme	State	Sanction Date	Sanctioned Cost	Released Amount	Expenditure Incurred	Physical Progress (%)
52.	Development of Tezpur - Majuli - Sibsagar	Heritage	Assam	27-Mar-17	90.98	72.78	72.78	80.78
53.	Development of Convention Centre at Bodhgaya	Buddhist	Bihar	29-Mar-17	98.73	93.22	97.27	99.67
54.	Development of Churu - Jaipur - Alwar - Viratnagar - Bharatpur - Dholpur - Mehandipur Balaji – Chittorgarh	Spiritual	Rajasthan	30-Mar-17	88.36	68.24	64.31	90.13
55.	Gujarat Heritage Circuit: Vadnagar- Modhera And Patan	Heritage	Gujarat	31-Mar-17	91.12	87.25	82.25	100
56.	Development of Coastal II: Rua De Orum Creek - Don Paula -Colva - Benaulim	Coastal	Goa	20-Jun-17	99.35	94.38	88.61	92.61
57.	Development of Heritage Circuit: Qutub Shahi Heritage Park- Paigah Tombs- Hayat Bakshi Mosque- Raymond's Tomb	Heritage	Telangana	27-Jun-17	96.9	70.61	51.14	64.45
58.	Development of Rajsamand - Jaipur - Alwar -Sawai Madhopur - Jhalawar - Chittorgarh - Jaisalmer -Hanumangarh - Jalore - Udaipur - Dholpur - Nagaur in Rajasthan	Heritage	Rajasthan	28-Jun-17	70.64	56.57	55.04	96.46
59.	Development of Franco- Tamil Village, Karaikal, Mahe and Yanam (Heritage)	Heritage	Puducherry	28-Jun-17	54.91	43.93	41.25	84.11

Sl. No	Project Name	Theme	State	Sanction Date	Sanctioned Cost	Released Amount	Expenditure Incurred	Physical Progress (%)
60.	Development of Gandhi Circuit: Bhitharwa-Chandrahia- Turkaulia	Rural	Bihar	28-Jun-17	44.65	35.72	20.84	78.08
61.	Development of Karaikal, Yanam and Puducherry (Spiritual)	Spiritual	Puducherry	28-Jun-17	34.96	30.94	26.19	90.09
62.	Development Of Junagadh- Gir Somnath- Bharuch-kutch- Bhavnagar- Rajkot- Mehsana	Buddhist	Gujarat	28-Jul-17	26.68	22.28	18.73	100
63.	Development of Gandhisagar Dam- Mandleshwar Dam- Omkareshwar Dam- Indira Sagar Dam- Tawa Dam- Bargi Dam- Bheda Ghat- Bansagar Dam- Ken River	Eco	Madhya Pradesh	20-Sep-17	94.61	79.7	79.39	88.8
64.	Development of Mandar Hill & Ang Pradesh	Spiritual	Bihar	20-Sep-17	44.98	38.02	39.19	90.05
65.	Development of Buddhist Circuit: Shalihundam-Thoflakonda- Bavikonda- Bojjanakonda-Amravati-Anupu in Andhra Pradesh	Buddhist	Andhra Pradesh	25-Sep-17	24.14	26.17	24.14	100
66.	Development of Ayodhya under Ramayana Circuit in Uttar Pradesh	Ramayana	Uttar Pradesh	27-Sep-17	127.21	115.46	111.94	97.3
67.	Development of Waki- Adasa- Dhapewada- Paradsingha- Telankhandi- Girad	Spiritual	Maharashtra	4-May-18	47.53	24	22.14	36.99

Sl. No	Project Name	Theme	State	Sanction Date	Sanctioned Cost	Released Amount	Expenditure Incurred	Physical Progress (%)
68.	Uttar Pradesh/ Bihar Wayside Amenities (HPL)	Buddhist	Uttar Pradesh	2-Jun-18	15.07	12.29	12.68	93.08
69.	Development of Spiritual iii (Jewar)-Dadri-Sikandrabad-Noida-Khurja-Banda in Uttar Pradesh	Spiritual	Uttar Pradesh	27-Jul-18	12.03	9.63	9.10	81.13
70.	Development of Dalma - Chandil - Getalsud-Betla National park - Mirchaiya – Netarhat	Eco	Jharkhand	27-Aug-18	52.72	15.07	13.66	27.98
71.	Development of Surma Cherra- Unakoti-Jampui Hills- Gunabati-Bhunaneshwari-Matabari- Neermahal- Boxanagar- Chotta khola- Pilak- Avangchaarra in Tripura under North East circuit of Swadesh Darshan	North East	Tripura	30-Aug-18	65	10.1	2.59	18.13
72.	Development of Anandpur Sahib - Fatehgarh Sahib - Chamkaur Sahib - Ferozpur - Amritsar - Khatkar Kalan - Kalanour - Patiala in Punjab	Heritage	Punjab	31-Aug-18	91.55	61.89	43.43	55.39
73.	Development of Rural Circuit Malanad Malabar Cruise Tourism Project in Kerala	Rural	Kerala	6-Sep-18	80.37	23.77	10.00	21.55

Sl. No	Project Name	Theme	State	Sanction Date	Sanctioned Cost	Released Amount	Expenditure Incurred	Physical Progress (%)
74.	Development of Spiritual Circuit: Sivagiri Sree Narayana Guru Ashram- Arruvipuram-Kunnumpara Sree Subrahmaniam-Chembazhanthi Sree Narayana Gurukulam in Kerala.	Spiritual	Kerala	3-Jan-19	69.47	3.88	7.51	10.27
75.	Development of Spiritual Circuit IV-Gorakhnath Temple(Gorakhpur), Devipattan Temple (Balrampur) and Vatvashni Temple (Domariyagunj)	Spiritual	Uttar Pradesh	15-Jan-19	15.76	12.61	11.80	79.4
76.	Development of West Khasi Hills (Nongkhlaw - Krem Tiro - Khudoi & Kohmang Falls - Khri River-Mawthadraishan - Shillong) - Jaintia Hills (Krang Suri Falls- Shyrmang- Iooksi) - Garo Hills (Nokrek Reserve - Katta Beel - Siju Caves)	North East	Meghalaya	15-Jan-19	84.97	45.98	40.69	65.34
	Total				5455.69	4516.82	4239.28	

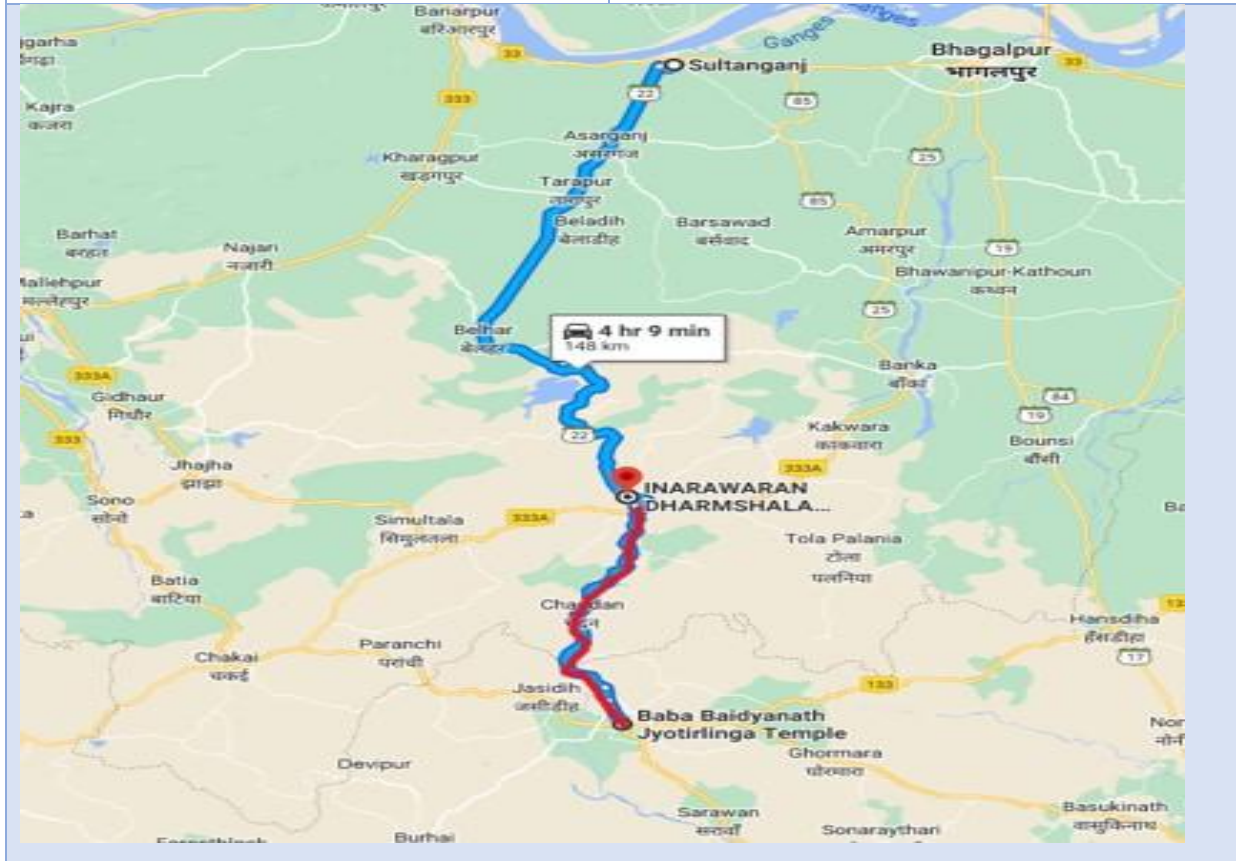
(Source: Dashboard data of Ministry as on 31 March 2022)

Annexure-II
(Referred to in para 1.10)

Audit findings in respect of 14 sampled projects
(Position as on 31 March 2022)

(1) Bihar: Integrated Development of Kanwaria Route: Sultanganj to Deoghar

Theme/Circuit	Spiritual Circuit
Date of recommendation by the Mission Directorate	22 August 2016
Date of approval by the Central Sanctioning and Monitoring Committee	5 September 2016
Date of conveying approval by the Ministry of Tourism	19 September 2016
Date of award of works by the State Government	March 2017- October 2019
Date of completion of the project	Not completed (two components pending)
Sanctioned Cost of Project	₹44.76 crore
Amount released by the Ministry of Tourism	₹42.52 crore
Physical progress	96 per cent
Financial progress	89 per cent



Significance of the circuit	In month of Shravan (Monsoon), one of the largest congregation of devotees takes place annually at Sultanganj (Bihar). From here, devotees visit Deoghar (Jharkhand) by undertaking a rigorous pilgrimage on foot to offer the holy water to Baba Baidyanath Temple, Deoghar (Jharkhand).
Audit Observations	
<p>i. Planning of Kanwaria Route by the State Government was incomplete as per the definition of tourist circuit under the Swadesh Darshan Scheme, as the route was planned only up to Inarawaran, Banka (Bihar). No facilities such as rain shelters, cafeteria etc., were planned and developed in the remaining distance of 27 kms (13 kms up to Bihar border and 14 kms in Jharkhand) from Inarawaran (Banka) to Deoghar. Hence, development of the Kanwaria Route was not properly planned up to Deoghar, the main temple, thus depriving the devotees/pilgrims of the envisaged facilities for 27 kms. Site selection for execution of facilities for tourists/devotees under the project was not proper. A complex for changing clothes for pilgrims after taking bath in River Ganga proposed at Ajgaivinath Ghat, Sultanganj was built far away from the Ghat and near a crematory, which led to its non-utilisation and encroachment. Similarly, a sitting shelter at Suiya was proposed to be built approximately two kms away from the proposed wayside amenities at Suiya to provide facilities to devotees at regular distance on the route. However, while executing the project, the sitting shelter was also constructed along with the wayside amenities at the same place at Suiya, which deprived the pilgrims of the facility at desired location.</p> <p>ii. As per the Scheme guidelines, invitation and finalisation of all tenders for the project was to be completed by the States, within three months from date of sanction of the project. However, the Implementing Agency invited tenders for all the 18 components with delays ranging from 3 months to 34 months, which resulted in delay in completion of the project by 42 months.</p> <p>iii. The State Government was to ensure that land to be used for the project must be free from all encumbrances. However, the State Tourism Department wrongly provided Land Availability Certificate while submitting the proposal for construction of Rain Shelter at Dhani Belari. On the basis of that, the project was sanctioned. However, there was delay of 29 months in availability of land by the State Government at the time of actual implementation (land was made available in November 2019 against work order awarded in June 2017), which resulted in delay in completion of above component.</p> <p>iv. There were instances of undue benefit to contractors such as irregular payment of service tax to consultant (₹9.20 lakh) without provision of the same in sanction letter and irregular payment (₹94.50 lakh) on account of material not included in the approved Bill of Quantities but booked in the Measurement Books of Rain Shelter at Suiya and Lulha Shivlok, Cafeteria at Chihutjor, wayside amenities at Suiya and Jilebia. This was included without any supplementary agreement which was in contravention of the Bihar Public Works Department Manual.</p>	

- v. As per contract agreement, mobilisation advance and simple interest thereon should be recovered from the contractors running account bill. The entire advance was to be recovered before execution of 80 *per cent* of gross value of contract and paid together with interest due on the entire outstanding amount. However, the Implementing Agency neither recovered mobilisation advance of ₹38.41 lakh given for construction of Rain Shelter at Dhani Belari nor deducted interest of ₹11.21 lakh from the contractor's running account bills by the time 80 *per cent* of the gross value of the contract was executed and paid for. Also, for construction of Rain Shelter at Suiya and Lulha Shivlok, Implementing Agency only recovered ₹79 lakh against ₹1 crore despite payment of final bills, in contravention to the General Conditions of Contract.
- vi. State Government did not open separate interest-bearing account for funds released for the project till November 2021 even after issue of additional guidelines in August 2020 by the Ministry of Tourism (MoT) but kept the funds of various projects in its existing bank account. As a result, interest earned on received funds could not be ascertained and refunded to MoT.
- vii. As per guidelines, the State Government was not to keep the amount released by MoT unutilised for more than six months. In case funds could not be utilised by such time, the same were to be surrendered to MoT with interest or their formal approval was to be taken to transfer/adjust the amount against other Central Financial Assistance. However, State Government submitted utilisation certificate for an amount of ₹7.86 crore in September 2017 i.e., after 12 months from the date of release of first installment of ₹10.47 crore i.e., September 2016. Further, out of funds released in August 2020, ₹3.39 crore was unutilised by the State Government as of February 2022 even after 18 months of release, without any formal approval or surrender to MoT.
- viii. As per sanction letter for the project, the State Government was to set up a Monitoring Committee headed by Secretary (Tourism), Bihar to monitor physical and financial progress of the sanctioned project and submit the progress report to MoT on quarterly basis. However, the State Government constituted the State Level Monitoring Committee (SLMC) in August 2019 after a delay of three years from date of sanction of project. Further, no meeting of SLMC was convened by the State. As a result, monitoring envisaged at State level was not ensured by the State Government.
- ix. As per Scheme guidelines, the State Government was to ensure proper Operation & Maintenance (O&M) after completion of project. However, no O&M plan was implemented by the State Government/Implementing Agency. Lack of O&M was causing great harm to the assets created under the Scheme, like missing/stolen/damaged facilities as noticed during the joint physical verification.



Picture A.1: Broken RCC Bench nearby Rain Shelter, Lulha Shivlok, Bihar



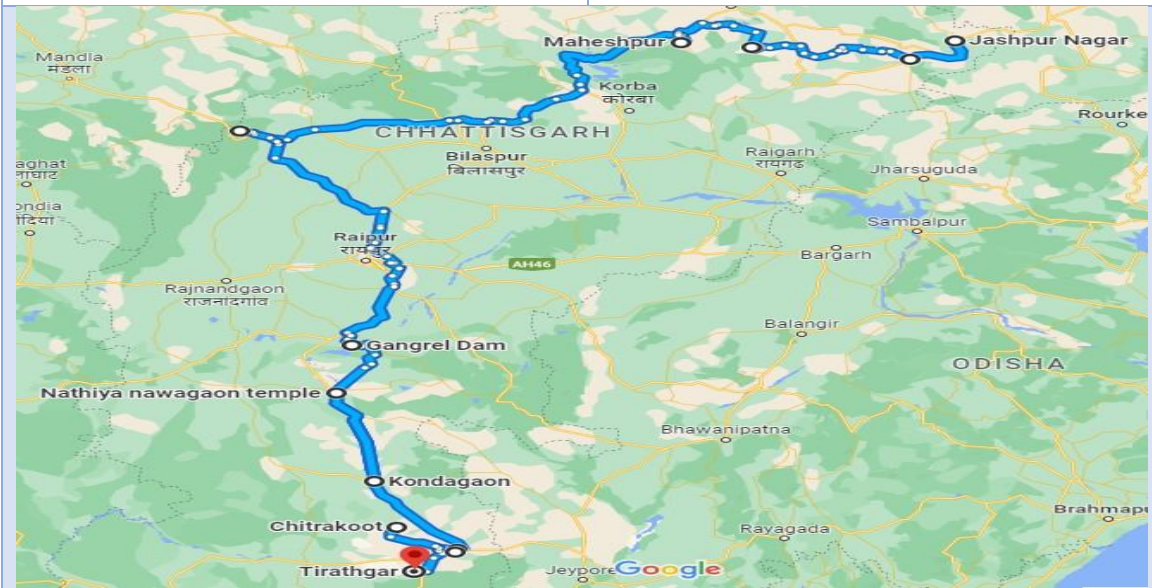
Picture A.2: Stolen Solar Panel of a Solar Street Light near Rain Shelter, Mojma, Bihar



Picture A.3: Stolen Solar Panel of a Solar Street Light near Mini Cafeteria, Tankeshwar, Bihar

(2) Chhattisgarh: Development of Tribal Tourism Circuit in Jashpur- Kunkuri- Mainpat- Kamleshwarpur- Maheshpur- Kurdar- Sarodhadadar- Gangrel- Kondagaon- Nathiya Nawagaon- Jagdalpur- Chitrakote- Tirathgarh

Theme/Circuit	Tribal Circuit
Date of recommendation by the Mission Directorate	3 December 2015
Date of approval by the Central Sanctioning and Monitoring Committee	10 December 2015
Date of conveying approval by the Ministry of Tourism	18 February 2016
Date of award of works by the State Government	March 2016- June 2020
Date of completion of the project	31 December 2021
Sanctioned Cost of Project	₹96.10 crore
Amount released by the Ministry of Tourism	₹84.81 crore
Physical progress	100 per cent
Financial progress	95.87 per cent



Significance of the circuit	Chhattisgarh has always been synonymous with tribes and tribal culture. The circuit was approved for development of tribal circuit for access to enthusiasts, travellers and academicians to the living, art and culture, faith, traditions and heritage of different rare tribal communities of Chhattisgarh, living in thickly forested areas of the region.
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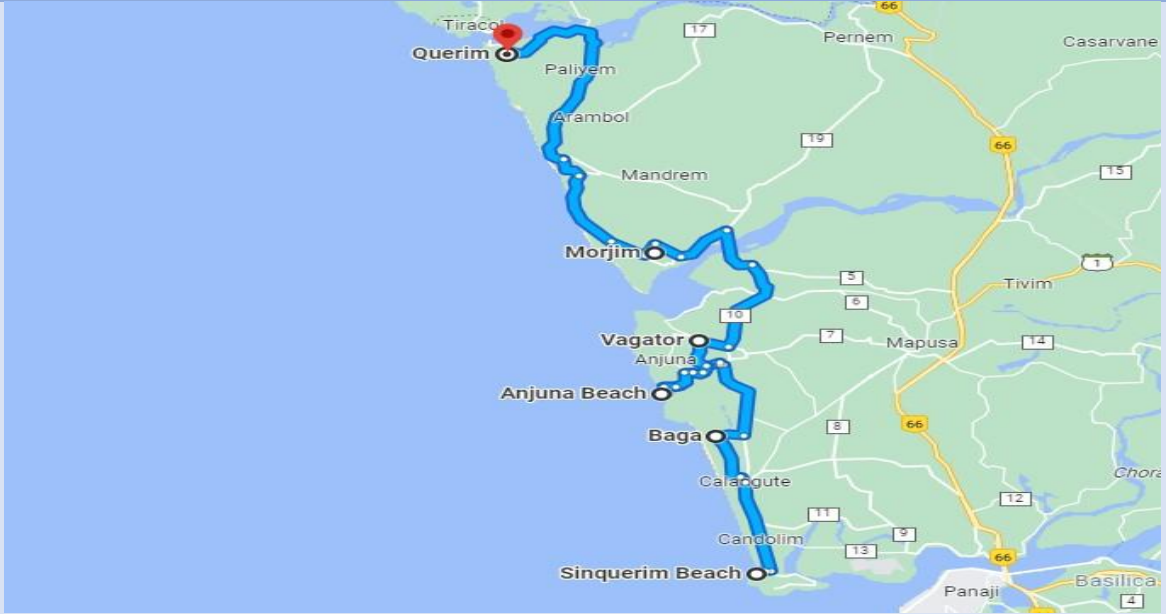
Audit Observations

- i. As per the Scheme guidelines, tourist circuits/destinations were to be identified considering factors such as current tourist traffic, connectivity potential and significance attached to the site, holistic tourist experience. However, it was observed that there were no proper criteria for selection of destination by the State and site verification and land availability were the only criteria adopted by the State Government for selection of the project. Stakeholders' consultation and traffic survey was not found. As a result, it was noticed that:
- Selection of Lamni Park, Jagdalpur as Ethnic Destination did not fulfil the logic and design of a tribal circuit destination as only two components (Craft Haat-cafeteria and Parking) were proposed at the destination. It was noticed that construction of cafeteria was only capacity extension of an existing restaurant at the site which was a simple concrete structure and no ethnic flavor was added to it.
 - Ethnic Tourist (Village) Destination viz., Kondagaon with a cost of ₹10.92 crore was constructed just in front of the Tourism Motel, a pre-existing site owned by Tourism Department. Since site verification report had no mention about the existing Motel, it seems that the Motel was not taken into consideration during site selection. Even though it is on the way to world famous tourist destination i.e., Chitrakote and tribal craft hub of Chhattisgarh i.e Bastar, this destination failed to attract tourists during last two years.
 - Wayside amenities at Maheshpur in Ambikapur on Bilaspur highway (NH-130) at 48 kms from Ambikapur were constructed 10 kms away from the Highway in deep forest. The approach road to the site was under the jurisdiction of the Forest Department and not maintained. In the name of wayside amenities, only a two-room cottage was constructed without any basic facilities like drinking water, own electricity, peripheral lighting, water supply to the toilets, telephone connection, restaurant and guard room, etc. Further, the surrounding area of the site is notified as 'Elephant Movement Area' by the State Forest Department. Since Elephant riot is very frequent in some parts of Chhattisgarh, negligible public movement was found in this area. Thus, the objective of wayside amenities to provide tourist amenities on the highway was defeated.
 - Kamleshwarpur, a picnic spot in Mainpat was chosen for development with a day shelter at a cost of ₹4.04 crore. However, due to the non-availability of land, all components for other destinations viz., Mehtapoint (Mainpat), Ambikapur and Ratanpur were also shifted to Kamleshwarpur as 46 acres of land was available there. The project cost of Kamleshwarpur was revised to the total cost of other three destinations. This indicates that the major driving force for selection of Kamleshwarpur was availability of land and the intent to avoid lapse of funds sanctioned for other locations, rather than tourist traffic and development of tourism in the region.
- ii. As per the Scheme guidelines, implementing agencies were required to follow all the codal formalities while awarding the contracts. However, it was observed that no tender was floated for selection of consultant/executing agencies for execution of projects.

- Hindustan Prefab Limited (HPL) and Telecommunications Consultants India Limited (TCIL) were appointed as consultants for preparation of individual DPRs and execution of works because these agencies were engaged for execution of similar schemes in some other States and were Government of India Enterprises. Contracts for execution of the project were awarded to the executing agencies with delays of 2 months to 49 months by the State Tourism Board.
- iii. As per sanction order issued (February 2016) by the Ministry, the project was to be completed and commissioned within 48 months i.e., February 2020. There was delay in completion of project by 22 months due to extensions given as a result of dropping of site/components and revision of estimates.
 - iv. There was change in components or deviation from DPRs. For instance, instead of Day-shelter, a two-room cottage was constructed at three sites at Mainpat. Further, four wayside amenities (Ratanpur, Kunkuri, Nathiya Nawagaon and Maheshpur) were proposed but no proper analysis for preparation of cost estimates was done as cost estimates of all the wayside amenities was almost the same, despite the fact that three out of four wayside amenities were new destinations and were different in terms of their geographical location, strata and area. Audit noticed that cost estimates were prepared without visiting the sites and components/facilities proposed were not as per site requirement but as per cost limitation.
 - v. As per guidelines, the State Government was not to keep the amount released by the Ministry of Tourism (MoT) unutilised for more than six months. In case, funds could not be utilised by such time, the same was to be surrendered to MoT with interest or their formal approval was to be taken to transfer/adjust the amount against other Central Financial Assistance. However, there was idling of fund (₹19.99 crore for five months and ₹14.99 crore for 11 months) by the State. Further, interest of ₹2.52 crore (till 31 December 2021) was not refunded to MoT.
 - vi. As per Scheme guidelines, the State Government was to ensure proper Operation & Maintenance (O&M) after completion of project. However, there was no proper O&M of projects by the State Government/Implementing Agency, even though 5 months to 54 months had elapsed since the properties were taken over by the State Tourism Board. For instance, Gangrel Dam in Dhamtari, Chhattisgarh, was developed as Eco-ethnic destination under the scheme. After its completion in December 2018, Implementing Agency leased out (June 2019) the property on O&M for 10 years to M/s Enchanting Tales Hotels and Resorts Pvt. Ltd. The Company (lessee) did not take any insurance covering the properties at site, which is a serious lapse on the part of the Implementing Agency. Without proper insurance, public property had been put at risk for a period of 30 months. No third-party audit for wayside amenities had been conducted.
 - vii. Souvenir shops constructed at Jashpur (₹33.01 lakh) and Sarodadadar (₹49.60 lakh) were not used for a period ranging from 15 months to 41 months. Ethnic cafeteria, reception-cum-facilitation center and parking were constructed at Sarodadadar for ₹1.55 crore. However, the cafeteria did not have kitchen/cooking platform and water supply and the reception center did not have tourist facilitation like seating arrangement, toilet, water supply, drinking water facility, etc. Parking was not in use since it was behind the

- guard room and not visible from the main gate. Hence, the cafeteria and reception center were not found in usable condition and vehicles were found parked randomly.
- viii. Artisans centers and souvenir shops constructed at Jashpur, Sarodadadar and Kondagaon were being utilised as accommodation for tourists, instead of the intended purpose of enabling local craftsmen for practising crafts at these tourist destinations.
- ix. As per sanction letter, the State Government was to set up a Monitoring Committee headed by Secretary (Tourism) to monitor physical and financial progress of the sanctioned project and submit the progress report to MoT on quarterly basis. However, the State Government constituted the State Level Monitoring Committee (SLMC) in September 2017 after delay of 19 months and only one meeting of the SLMC was held in October 2017. Further, there was no documentary evidence for any meeting between the SLMC and executing agencies or for any review meeting for analysis of work progress.

(3) Goa: Development of Coastal Circuit – Sinquerim-Baga, Anjuna-Vagator, Morjim-Keri, Aguada Fort and Aguada Jail, Goa

Theme/Circuit	Coastal
Date of recommendation by the Mission Directorate	17 February 2016
Date of approval by the Central Sanctioning and Monitoring Committee	18 March 2016
Date of conveying approval by the Ministry of Tourism	01 June 2016
Date of award of works by the State Government	September 2016 - March 2018
Date of completion of the project	24 August 2021
Sanctioned Cost of the Project	₹97.65 crore
Amount released by the Ministry of Tourism	₹92.76 crore
Physical progress	100 per cent
Financial progress	100 per cent
	
Significance of the circuit	Goa with a coastline of 115 kms is one of the major tourist destinations of the country and has a certain potential for development of vibrant promenades and waterfronts, catering to both international and domestic tourists. The circuit aligns current aspiration of the State to develop itself into a world class destination for tourists.

Audit Observations

- i. As per the Scheme guidelines, tourist circuits/destinations were to be identified considering factors such as current tourist traffic, connectivity potential and significance attached to the site, holistic tourist experience etc. However, it was observed that:
 - There were no proper criteria for selection of destination by the State. The stakeholders such as local bodies or departments were not consulted before preparation of the Detailed Project Report (DPR) for the circuit.
 - The prepared DPR consisted of items mainly for basic infrastructure development like public toilets, parking, Tourist Information Center, etc. spread across North Goa coastal line as per the need and availability of land without proper planning and were not integrated into a tourist circuit. For instance, old helipad at Aguada Fort proposed (March 2016) for upgradation at a cost of ₹3.43 crore was shifted (April 2019) to a land parcel at Old Goa due to opposition from locals. It was stated by Goa Tourism Development Corporation (GTDC) i.e., Implementing Agency, that the land parcel in Old Goa belonged to GTDC and the site was approved and notified by the Government as a helipad. The Ministry of Tourism (MoT) approved the change of site on request from GTDC without considering the tourist potential at the relocated site.
- ii. As per the Scheme guidelines, implementing agencies were required to follow all codal formalities while awarding the contracts. However, it was observed that throughout the process of preparation of DPR, too many consultants were hired by the State Government. First, consultants were hired for preparation of DPRs for individual components, then a lead consultant was hired for consolidation of DPRs prepared by these consultants. This also delayed the process of preparation of DPR. The consultancy charges ranged from 0.80 *per cent* to 4.30 *per cent* as against 2 *per cent* sanctioned by the Ministry. Considering the quantum of work, the issue of consultants was also objected to by the National Productivity Council in its Third-Party Impact Assessment Report of 2019.
- iii. The State Government did not ensure necessary clearances before submission of proposal. As a result, there was delay in commencement of project, which also led to delay in completion. For instance, there was delay in the receipt of No-Objection Certificate (NOC) from the Archaeological Survey of India for the component 'Development of Aguada Jail' for more than two years which consequently led to delayed receipt of NOCs from the Coastal Regulation Zone, Town and Country Planning, National Monument Authority, etc. This delayed the commencement of the project (March 2019 against the date of sanction by MoT viz., June 2016).
- iv. Irregularities such as execution on a leased land, diversion of funds, excess payment to contractor, procuring of items at significantly higher rates than its previous procurement rate, procuring equipment before completion of necessary infrastructure, dropping of components of a project etc., were seen during the execution of the projects in the circuit, as briefly given below:
 - Eight works (Watch Towers with equipment, Tourist Information Centre, Souvenir shop, Ticket counter, Toilet, Parking, Solar Garbage Collection and Rainwater Harvesting) for Development of Aguada Jail as a Tourist Destination

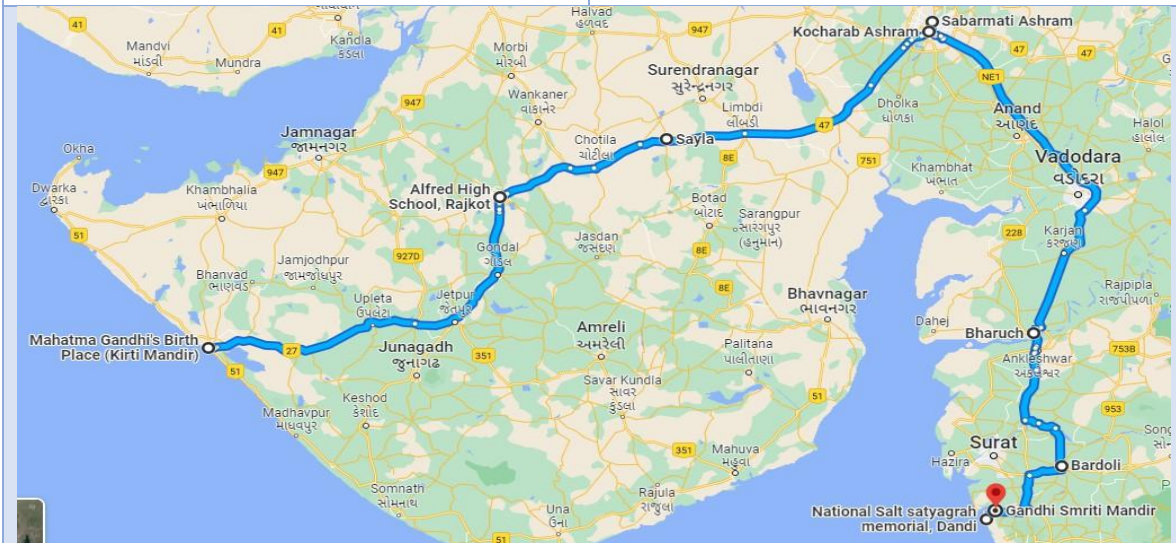
were not executed by the Implementing Agency. However, the amount released for the non-executed components was not returned by the State Government.

- Sanctioned components (coffee shops, toilet blocks, reception) at helipad constructed at Old Goa were not constructed and instead two porta cabins were put in its place.
 - Expenditure of ₹6.48 crore was incurred on land for which Government/GTDC did not have ownership rights, as it was owned by a private Trust (Shri Morjai Devasthan and Affiliates Devalaya). As per agreement (July 2019), the State Government was entitled to receive 60 *per cent* share of monthly rent on leasing out the premises for Operation & Maintenance for a period of 20 years till the year 2039. However, no revenue had been generated from the site (January 2022) and GTDC was bearing all liabilities.
 - The work for procurement of Sound and Light show equipment at Aguada Jail was awarded (June 2017) for ₹3.94 crore before completion of other works at site. As a result, equipment were shifted to another site at Baga to avoid idling. However, instead of using the same equipment procured in June 2017, the State Government purchased (February 2021) new equipment at Aguada jail for ₹3.25 crore. The Sound and Light show equipment purchased for Aguada Jail, however, remained idle up to the year 2022 and it was only in the year 2023 that the Show was made operational as observed (May 2023) during the Joint physical inspection of site. It was further observed during the joint inspection that the Sound and Light Show at Baga was still lying unutilised resulting in unfruitful expenditure of ₹3.94 crore.
 - Wasteful expenditure of ₹1.65 crore was incurred on construction of Tourist Information Center at a remote location at Terakhol as facilities created there had been closed and not in use since its inception.
 - Against awarded work for 10 toilet blocks at different locations in North Goa for ₹14.58 crore, the toilet blocks were constructed at only five locations utilising almost the full amount (₹14.21 crore). Further, Buses purchased for circuiting tourists between Aguada Fort, Aguada Jail and Tourist Information Centre were used for purposes other than the intended purpose (such as plying school students, using for wedding functions etc.).
 - Funds amounting to ₹0.93 crore were diverted to other works (at Candolim and Baga Food Court), which were neither sanctioned components nor approval of the MoT was sought for their execution.
- v. The State Government paid excess amount of ₹71.16 lakh to contractor in respect of three items under the project 'Development of Sinquerim-Baga, Anjuna-Vagator, Morjim-Keri, Aguada Fort and Aguada Jail'. On being pointed out by Audit, the State Government intimated that it had recovered the amount from the contractor.

- vi. The State Government did not open separate interest-bearing account for funds released for the project but kept the funds in Current Account or Fixed Deposits. Further, interest of ₹84.37 lakh earned on Fixed Deposits was not remitted to the MoT.
- vii. As per sanction letter, the State Government was to set up a Monitoring Committee headed by the Secretary (Tourism) to monitor physical and financial progress of the sanctioned project and submit the progress report to MoT on quarterly basis. However, the State Government constituted State Level Monitoring Committee (SLMC) in August 2017. Further, no records of meetings of the State Level Monitoring Committee were available. The monthly progress reports submitted by the State Government to the MoT did not show the actual progress of work and the components which were not executed were also shown as being completed like watch tower in Aguada Jail, Amphitheater and cultural centre at Anjuna Beach.
- viii. The State Government was to ensure proper Operation & Maintenance (O&M) after completion of project. However, no proper O&M of created assets was ensured by the State Government. Most of the infrastructure developed was lying in an abandoned state without any operation and maintenance plan and without revenue or employment generation. For instance, during the site visit, the parking lot at Anjuna, public amenities in North Goa, facilities created at Morjim Khind were lying unutilised and found in poor condition.

(4) Gujarat Heritage Circuit, Ahmedabad-Rajkot-Porbandar-Bardoli-Dandi, Gujarat

Theme/Circuit	Heritage Circuit
Date of recommendation by the Mission Directorate	18 July 2016
Date of approval by the Central Sanctioning and Monitoring Committee	19 July 2016
Date of conveying approval by the Ministry of Tourism	9 September 2016
Date of award of works by the State Government	May 2017- January 2021
Date of completion of the project	27 December 2021
Sanctioned Cost of Project	₹58.42 crore
Amount released by the Ministry of Tourism	₹56.21 crore
Physical progress	100 per cent
Financial progress	97.24 per cent



Significance of the circuit	The circuit covers destinations of different historical attractions closely associated with Mahatma Gandhi such as ashrams, statues, museums, and other sites imbibing Gandhian philosophy and principles. It would help tourists to know about Gandhiji's various stages of life in the State of Gujarat. The infrastructure along with proper connectivity would be important to attract more tourists and encourage them to stay for longer period.
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Audit Observations

- i. As per the Scheme guidelines, tourist circuits/destinations were to be identified considering factors such as current tourist traffic, connectivity potential and significance attached to the site, holistic tourist experience. However, it was observed that identification of components of the project was deficient, as various components were dropped, added, revised/modified indicating that requirement of the component was not analysed in detail. Originally sanctioned project cost was ₹89.03 crore, however, the sanctioned cost was later reduced to ₹55.63 crore.
- ii. The DPR was at variance with DPR toolkit of the Ministry of Tourism (MoT). Many contents of the toolkit were omitted from the DPR. DPR also included the inadmissible components viz., improvement/investment in an asset owned by a private entity/Trust.
- iii. As per the Scheme guidelines, no portion of sanctioned project cost should be executed/implemented on land/property owned by a private individual or a Trust. However, execution of works on land/properties owned by private individuals/Trusts was noticed at five destinations. Further, expenditure of ₹1.76 crore on construction of facilities for accommodation and expenditure of ₹1.80 crore on Street development (approach road, external electrification, external water supply, sewage, etc.) was done out of Scheme funds, which was to be funded by the State Government.
- iv. The Implementing Agency passed undue benefit of ₹48 lakh to M/s Ernst & Young by appointing it as consultant for preparation of DPR without following the mandatory codal formalities of Scheme guidelines and even though the Ministry had already appointed M/s Ernst & Young as the Programme Management Consultant for the preparation of comprehensive DPRs of identified projects.
- v. As per sanction order issued (September 2016) by the Ministry, the project was to be completed and commissioned within 36 months i.e., August 2019. There was delay in award of works by the Implementing Agency ranging from 8 months to 50 months which led to delay in completion of works and the project could be completed only in December 2021.
- vi. As per the Scheme guidelines, implementing agencies were required to follow all codal formalities while awarding the contracts. The Implementing Agency awarded the work order for different components/works without following tendering process/e-tendering. It was noticed that consultants for different works were selected by drawing chits.
- vii. During execution, irregularities like execution of project on a leased land, diversion of funds, excess payment to contractors, dropping of components of the project were seen, as briefly given below:
 - There were instances of non-execution of sanctioned components for ₹27.42 lakh. Further, works amounting to ₹24.34 lakh for Kaba Gandhi No Delo Museum and Rashtriyashala were executed by the Implementing Agency which was not approved in the DPR. Against received fund of ₹56.21 crore (February 2022), the State Government was liable to surrender ₹13.99 crore on account of non-

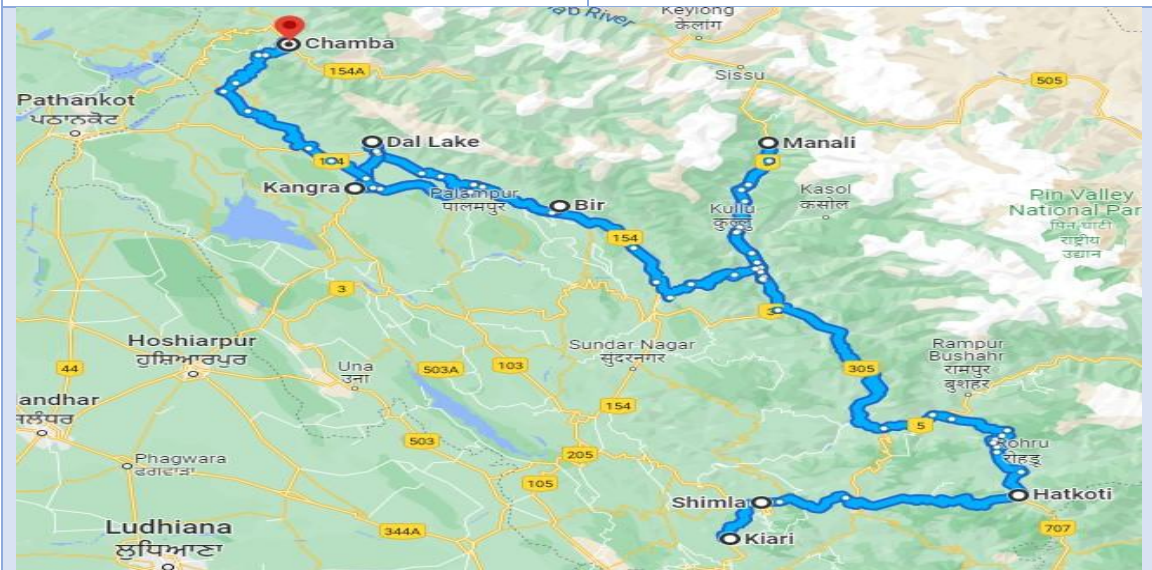
execution of the components, execution of the inadmissible component, execution of component not included in the DPR and execution of components on lesser cost as compared to sanctioned cost, etc.

- Works were foreclosed by the State Government without completing all the approved components at Kocharab Ashram, Sabarmati Ashram and Dandi Memorial. As a result, facilities as envisaged could not be provided to the tourists.
 - Inadmissible expenditure was incurred on construction of 10 rooms for accommodation from the Scheme funds at Kocharab Ashram, Ahmedabad. Further, as per DPR toolkit, works related to approach road and external electrification was to be executed through State funds. However, the Implementing Agency incurred expenditure on external electrification (₹13.34 lakh) and construction of approach road (₹94.50 lakh) at Kirti Mandir, Porbandar and construction of approach road of Wayside Amenity, Sayala (₹65.89 lakh) from the Scheme funds without approval of MoT.
 - The Implementing Agency completed the construction of wayside amenities at Bharuch in March 2019 and handed it over for Operation and Maintenance (O&M) to a private firm under PPP model for a period of ten years on payment of annual premium of ₹32.09 lakh without prior approval of the MoT. During joint verification of wayside amenities, it was noticed that O&M operator undertook major modifications in the newly constructed wayside amenities. As a result, the expenditure incurred for the construction of wayside amenities was wasteful.
 - As per sanction order, the executing agency was to put in place mandatory facilities for barrier free access to physically disabled persons. However, the State Government did not ensure designing and execution in compliance with barrier-free access to disabled viz., construction of ramps, passages, etc. in the toilets at all the destinations.
- viii. The Implementing Agency did not open a separate account for the Scheme funds and kept the funds in the single account maintained for all schemes. Further, Tourism Corporation of Gujarat Limited (TCGL) did not refund interest of ₹20.10 lakh earned on Scheme funds.
- ix. The State Government was to set up a Monitoring Committee headed by the Secretary (Tourism) to monitor physical and financial progress of the sanctioned project and submit the progress report to MoT on quarterly basis. Though the State Level Monitoring Committee was constituted in April 2017, during 2017-21, only three meetings (in 2019) of the Committee were convened and more than half of the members remained absent in all the three meetings, which indicates poor monitoring of the project at the State level.
- x. As per sanction letter, the State Government was to regularly furnish the statement of progress of work and expenditure incurred to the Ministry of Tourism. Audit observed that the monthly progress reports submitted by the State Government were not in agreement with the actual progress as per records. Without correct reporting system, the Ministry could not take course correction measures.

- xi. The State Government was to ensure proper O&M after completion of project. However, as of April 2022, out of nine sites and two wayside amenities developed under the Scheme, the State Government identified agencies for O&M only for wayside amenities and Alfred High school. For O&M of Dandi Memorial, no agency was appointed till date. The remaining seven sites were handed over to respective private Trusts, Departments, etc. The Implementing Agency has not entered into any agreement stipulating terms and conditions of O&M for these seven assets.
- xii. Wayside amenities at Sayla had been completed in October 2020. However, the Implementing Agency awarded O&M in December 2021 after a lapse of more than 14 months. Similarly, wayside amenities at Bharuch were completed in March 2019. However, the Implementing Agency awarded O&M contract in August 2021 after a lapse of 29 months. No feasibility study was conducted for the wayside amenities proposed in the DPR. The wayside amenities were awarded at a negligible premium and major modifications were undertaken that rendered the expenditure on the newly constructed wayside amenities unfruitful.

(5) Himachal Pradesh: Integrated development of Himalayan Circuit

Theme/Circuit	Himalayan Circuit
Date of recommendation by the Mission Directorate	14 December 2016
Date of approval by the Central Sanctioning and Monitoring Committee	14 February 2017
Date of conveying approval by the Ministry of Tourism	27 March 2017
Date of award of works by the State Government	July 2018 – November 2020
Date of completion of the project	Not Completed
Sanctioned Cost of Project	₹80.69 crore
Amount released by the Ministry of Tourism	₹64.55 crore
Physical progress	78.17 per cent
Financial progress	73.87 per cent



Significance of the Circuit	The circuit consists some of the important tourist places like Shimla, Manali and Dharmshala. Sites included in this circuit are endowed with trekking routes having beautiful sites all around. Many ancient temples are spread around these sites which are having very special significance. The sites of Himalayan Circuit have architectural monuments of historic and mythological importance.
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Audit Observations

- i. As per the Scheme guidelines, tourist circuits/destinations were to be identified considering factors such as current tourist traffic, connectivity potential and significance attached to the site, holistic tourist experience. However, Audit observed that the circuit was spread across 781 kms (separated by long distances) with no clear entry and exit points. It did not constitute a circuit as the sites were scattered to the West (Kiarighat), East (Hatkoti), North-East (Manali) and North-West (Kangra, Dharamshala, Bir and Bhalei) areas and did not have definite interlinkages between them. The Development Plan in the DPR was made without consultation with the local community.
- ii. Enhancement of income and employment opportunities was one of the main objectives of the Scheme. However, no details/documents in respect of enhancement of income and employment opportunities was found.
- iii. As per guidelines of the Scheme, funds were to be released only after submission of all applicable clearances. The State Government was also to ensure that land to be used for the project must be free from all encroachments. However, the State Government did not ensure necessary clearances before submission of proposal. It resulted in delay in handing over of sites in two works (Paragliding center at Bir and Heliport at Shimla) for 8 months to 13 months, which resulted in cascading delay in commencement and completion of projects.
- iv. In one component (Ice-Skating Rink at Shimla), due to non-obtaining of necessary No-Objection Certificates from different departments, the component had to be dropped, which rendered the expenditure of ₹25.69 lakh incurred on preparation of DPR/work estimates and advertisements unfruitful. Though the component was dropped, the Department of Tourism had not recovered the consultancy fee of ₹22.58 lakh paid to Shimla Smart City Limited.
- v. As per the Scheme guidelines, implementing agencies were required to follow all codal formalities while awarding the contracts. However, the Himachal Pradesh Tourism Development Board (HPTDB) had allotted the work of preparation of DPR of six components to a consultant for ₹1.11 crore without inviting advertised tender.
- vi. The Ministry of Tourism (MoT) had sanctioned a project at Kiarighat under Product/Infrastructure Development for Destinations and Circuits (PIDDC) Scheme. It was noticed that ₹1.28 crore was lying unutilised from PIDDC Scheme with it. However, the State Government had shown above amount as utilised in the Utilisation Certificate submitted to MoT. Further, the State Government submitted an undertaking stating that there was no pendency of Utilisation Certificate in respect of grant-in-aid released by Central Government for all the schemes of Ministry of Tourism. Later, under the Swadesh Darshan Scheme, MoT sanctioned a component 'Construction of Convention Centre at Kiarighat' at the same location for ₹25 crore. The State Government transferred the said amount of ₹1.28 crore for the project at Kiarighat under Swadesh Darshan Scheme as additional funds. This

shows that the State had given false undertaking regarding non-pendency of Utilisation Certificates at the time of seeking funds under the Scheme.

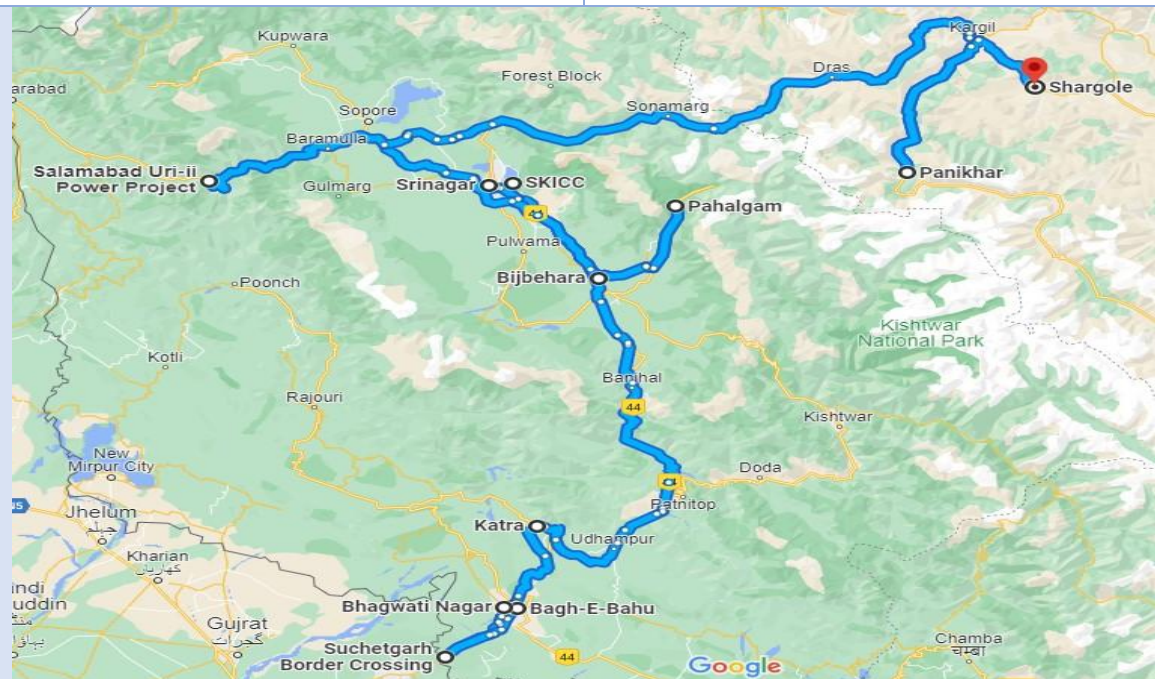
- vii. There were delays of 272 days to 804 days in the finalisation of tenders/awarding of contracts. Further, there was delay of 270 days in preparation of work estimates for Saurav Van Vihar, Palampur from the Forest Department and delay of 372 days in release of funds to the Implementing Agency which resulted in delay in completion of work due to which MoT dropped the work from the Scheme.
- viii. During joint physical inspection, instances of execution of less work against approved DPR were observed, as given below:
- At Heliport Shimla, Pantry instead of Cafeteria had been constructed.
 - At Kiarighat Convention Centre, capacity for only 350 persons against the envisaged 1,000 persons was constructed.
 - Against a parking capacity of 200 vehicles at Kiarighat, parking for only 90 vehicles was constructed.
 - At the Art and Craft Centre, Bhalei, against provision of construction of 500 sq.m. parking area, only 144.30 sq.m. parking area was constructed.
 - Some of the works viz., Rain Shelter at Hatkoti, Open-Air Theatre at Village Haat Kangra, landscaping and beautification of Dal Lake were not executed.
 - Provision of 'Paragliding equipment at Bir' was not made even though sanctioned by MoT.
 - No solar illumination light and Sewage Treatment Plant were found installed/constructed in Convention Centre, Kiarighat and Paragliding Centre at Bir.
 - Against 25 solar lights to be installed at Heliport at Shimla, the Department of Tourism had installed 19 streetlights.
- ix. During execution, it was noticed that in some instances, few components had been dropped or less amount of work had been executed by the Implementing Agency. However, the State Government did not refund the unutilised amount, as mentioned below:
- The Department of Tourism released ₹1.15 crore to the District Tourism Development Office (DTDO), Dharamshala for execution of the Saurav Kalia Van Vihar (SVV) by the State Forest Department. The Implementing Agency incurred expenditure of ₹0.18 crore but the provision for protection wall was not made in the work estimates before development work. Due to a cloud burst on 23 September 2018, Neugal river destroyed SVV work completely which rendered the expenditure of ₹0.18 crore unfruitful. Finally, the component was dropped, but DTDO had not refunded the unutilised amount of ₹0.97 crore.
 - For Artificial Climbing Wall at Manali, against sanctioned cost of ₹3 crore, ₹2.80 crore was released by MoT. However, components amounting to ₹2.15

crore were dropped by MoT and remaining amount of ₹1.95 crore was not refunded by the State Government.

- x. In four components (Kiarighat, Shimla, Bhalei and Manali), against sanctioned cost of ₹41.98 crore, the executing agencies had incurred expenditure of ₹56.35 crore. This resulted in excess expenditure of ₹14.37 crore for which the approval of MoT was not obtained. For the component 'development of Dal Lake', the issue of leakage of water was not resolved due to which the component was dropped resulting in wasteful expenditure of ₹79.34 lakh
- xi. Fund management was not efficient and effective as there were instances of non-submission of Utilisation Certificates. Interest amounting to ₹3.10 crore earned on unspent funds was also not refunded to MoT, rather an amount of ₹1.14 crore (out of ₹3.10 crore) had been utilised by the State.
- xii. Expenditure on Operation & Maintenance (O&M) of the assets created under the Scheme was to be borne by the State Government. However, an agreement was executed for O&M of Light and Sound show at a cost of ₹0.95 lakh from the Scheme funds, which was inadmissible. Further, the Department of Tourism incurred ₹23.72 lakh on other inadmissible components like renovation of temple, cutting of trees, foundation stone ceremony etc.
- xiii. DPR of Light and Sound Show component included provision of ₹7.56 crore for components of audio hardware, video hardware, interior cabling and poles for mounting projectors and speakers and components of creative section. During joint physical verification, it was found that these items were procured by the executing agency and stored in the control room but not installed and made operational.
- xiv. There was a delay of about 4 months in formation of State Level Monitoring Committee. Further, it did not conduct any meetings. Besides, no quarterly physical and financial progress reports for the period from April 2017 to June 2020 were sent to MoT. Thus, monitoring of the project by the State Government was not adequate.

(6) J&K- Integrated Development of Jammu - Srinagar - Pahalgam - Bhagwati Nagar - Anantnag - Salamabad Uri-Kargil – Leh in J&K

Theme/Circuit	Himalayan Circuit
Date of recommendation by the Mission Directorate	3 December 2015
Date of approval by the Central Sanctioning and Monitoring Committee	10 December 2015
Date of conveying approval by the Ministry of Tourism	15 June 2016
Date of award of works by the State Government	June 2016 - March 2021
Date of completion of the project, if completed.	Not completed
Sanctioned Cost of Project	₹77.33 crore
Amount released by the Ministry of Tourism	₹60.47 crore
Physical progress	92 per cent
Financial progress	68.94 per cent



Significance of the circuit	The project was among six projects approved in 2016 as part of Development Package of Prime Minister Reconstruction Plan for integrated development of tourism in Jammu and Kashmir.
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Audit Observations

- i. As per the Scheme guidelines, tourist circuits/destinations were to be identified considering factors such as current tourist traffic, connectivity potential and significance attached to the site, holistic tourist experience. However, identification criteria for the components planned and executed under the project was not mentioned in the respective DPRs. The projects were picked up from existing developed tourist destinations or unviable sites were selected. It was noticed that three projects⁴⁵ were planned without considering factors such as current tourist traffic, connectivity potential, stakeholder consultation. The project at Suchetgarh was situated in a sensitive border location and the project at Salamabad-Uri was also situated in border area and at remote location i.e., quite far away from major tourist destinations.
- ii. As per the Scheme guidelines, the tourist circuits/destinations were to be identified in consultation with the stakeholders. However, there was absence of stakeholder consultations by the State Tourism Department with the local bodies or other departments to decide the projects and their prioritisation. No feasibility study was conducted before executing the projects.
- iii. As per the Scheme guidelines, the State Government was required to obtain necessary clearances/No-Objection Certificate from various departments/local bodies before execution of the projects. However, the State Government, without ensuring the availability of land, proposed the project and got funding from the Ministry of Tourism (MoT). For instance, the project at Salamabad-Uri was taken up on land belonging to NHPC Limited. After incurring an expenditure of ₹1.27 crore under the Scheme, NHPC Limited constructed a boundary wall there and work had to be abandoned. Similarly, land of Amusement Park at Tattoo Ground, Srinagar was in occupation by the Armed Forces. Without ensuring land availability, work was taken up and an expenditure of ₹0.16 crore was incurred. Later, Armed Forces did not allow construction and work was stopped. Thus, due to poor planning, the project turned out to be a total loss and got dropped.
- iv. As per sanction order issued (June 2016) by the Ministry, the project was to be completed and commissioned within 36 months i.e., May 2019. Director (Tourism), Jammu & Srinagar being the major implementing agency for the projects under the Scheme had awarded tenders/works at various sites in Jammu & Kashmir region. Audit scrutiny of tenders awarded by Director (Tourism) Jammu revealed that all the projects were delayed considerably and delay ranged between 6 months to more than 4 years. No documents/details were maintained by the Directorate office in respect of reasons for delay and the action taken against the defaulting contractors, etc.
- v. There were irregularities in execution of projects. For instance, two approved components (wayside amenities at Bijbehara and Apple Resort, Chenni Wuddur, Anantnag) valuing ₹0.23 crore were dropped without taking approvals from competent

⁴⁵ *Ice skating rink at Pahalgam, Apple resort at Chenni Wuddur, Anantnag and wayside amenities at Bijbehara.*

authority. However, in the Utilisation Certificates, these works were shown as completed.

- vi. No separate bank accounts were maintained by the Implementing Agency viz., Jammu and Kashmir State Cable Car Corporation Limited, Srinagar (JKCCL). It earned an amount of ₹14.66 crore towards interest on unspent balances out of total ₹300.48 crore received during 2015-16 to 2021-22 for projects under Swadesh Darshan Scheme and Pilgrimage Rejuvenation and Spiritual Augmentation Drive (PRASAD) Scheme (as funds were kept in single account) which was neither intimated to MoT nor refunded.
- vii. The State Government was to ensure proper Operation & Maintenance (O&M) after completion of project. However, no proper O&M of created assets was ensured by the State Government. Most of the infrastructure developed was lying in abandoned state without any O&M plan and without revenue or employment generation, as:
 - The Director (Tourism), Srinagar leased out 25 shops at Shopping Arcade, Bijbehara and Applewood Resort Chenni Wuddur and one cafeteria at Applewood Resort, whereas Director Sher-i-Kashmir International Convention Centre (SKICC) leased out Sound and Light Show at SKICC, Dal Lake. However, contrary to the terms of the allotment, lessee had not taken insurance of the properties.
 - Director (Tourism), Jammu executed the work of development of Border tourism at Suchetgarh (Jammu). The work was started in 2016 and finally completed in September 2021. However, after the completion of the said work (₹3.71 crore), the site was occupied by the BSF for their operational purposes, hence defeating the very purpose of the project.
 - J&K Tourism Development Corporation had procured two cruise boats valuing ₹1.40 crore in April 2017 and ever since these boats remained docked in the Jhelum river at Srinagar. Audit observed that as per the initial studies conducted by M/s Hyderabad Boat Builders, the cruise could not pass under many bridges hence making the project quite unviable. The cruise had not been made functional and was lying idle, thus making the entire investment of ₹6 crore idle.
 - The completed project eco log cafeteria at Katra was completed in May 2020 after incurring expenditure of ₹1.12 crore but the same was still lying idle and could not be used for the last two years.
 - Expenditure of ₹1.50 crore was incurred on construction of an Ice-skating Rink at Nunwan-Pahalgam. The facilities could not be used as the detailed project report did not have the essential elements i.e., water freezing arrangements, boundary railing, rooftop, sitting place for spectators. However, the State Government went ahead with the project execution and presently, only a cemented platform has been constructed at site, which does not serve the intended purpose.
 - The work of Multipurpose Hall with Cafeteria and Souvenir Kiosks at Apple Resort, Chenni Wuddur, Anantnag was executed at a total cost of ₹1.83 crore. The cafeteria was given on rent in May 2019 but was gutted in fire on 14 July

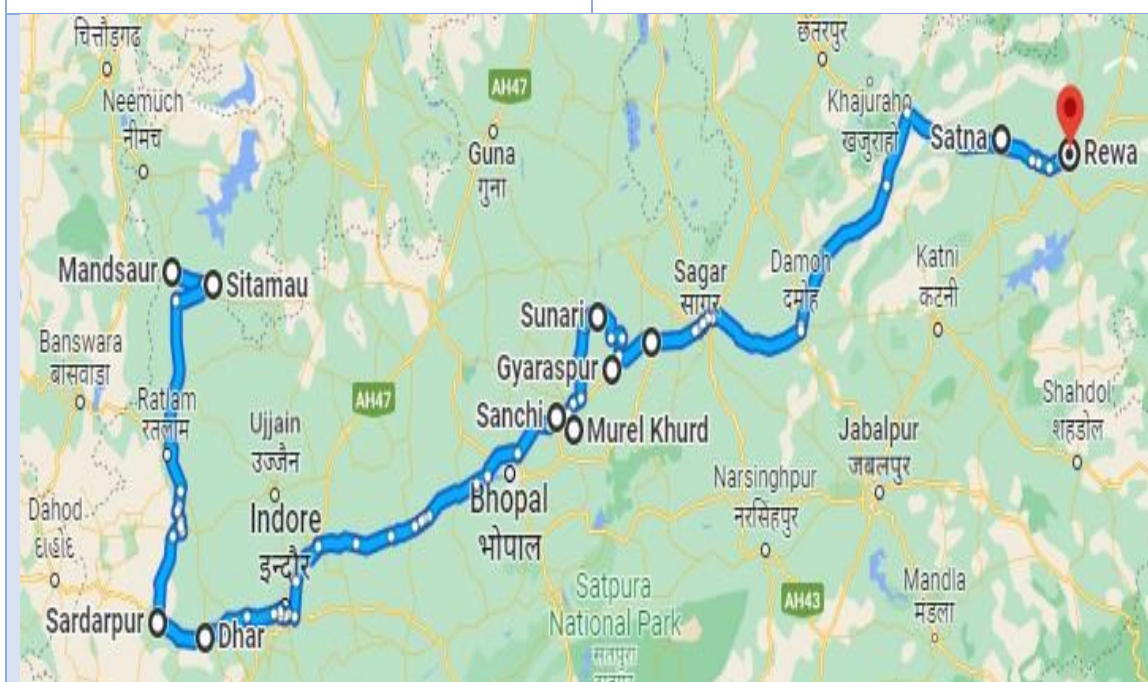
2020. As per the terms and conditions of agreement, the lessee had not insured the hired premises and hence the cost of repair amounting to ₹0.21 crore had to be borne by the Government due to non-enforcement of contractual provisions related to insurance. As on date, the project was closed/unutilised and was lying idle. Hence, the investment of ₹1.83 crore proved to be idle/unfruitful.

- The work of Musical Fountain with Multimedia Laser and Video Show on Water Screen and a boat cum floating jetty was executed in SKICC/Centaur Lake View Hotel premises. Due to various important meetings/seminars of high-ranking officers and dignitaries in the premises, both the components could not be used for tourists during such events. Further, the area being a high security area rendered the project quite inaccessible to the general public at large. As a result, the project created with an expenditure of ₹9.83 crore could not be utilised properly.

viii. Data related to increase in tourist footfall and employment generation was not maintained at all and there was no mechanism for measuring community-based development and sustainable tourism.

(7) Madhya Pradesh: Integrated development of Buddhist Circuit in Madhya Pradesh

Theme/Circuit	Buddhist Circuit
Date of recommendation by the Mission Directorate	17 February 2016
Date of approval by the Central Sanctioning and Monitoring Committee	17 May 2016
Date of conveying approval by the Ministry of Tourism	18 July 2016
Date of award of works by the State Government	August 2016- December 2020
Date of completion of project.	15 July 2021
Sanctioned Cost of Project	₹74.02 crore
Amount released by the Ministry of Tourism	₹69.08 crore
Physical progress	100 per cent
Financial progress	93.32 per cent



Significance of the Circuit	The circuit includes eight sites which have the same significance as Sanchi. The development of these sites would provide visitors more insights into Buddhism. The development of Buddhist sites would enhance the visits of not only national tourists but also international tourists.
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Audit Observations

- i. As per the Scheme guidelines, a tourist circuit was a route on which at least three major tourist destinations were located such that none of those were in the same town, village, or city. At the same time, it was to be ensured that they were not separated by a long distance. It should have well defined entry and exit points. The Buddhist circuit Sanchi-Satna-Rewa-Mandsaur-Dhar had been selected without defined entry and exit points, which was in deviation from the definition of a tourist circuit. Further, all destinations of the circuit were in different geographical parts of the State and were separated by long distance of approximately 1,200 kms (Rewa-Dhar). Selection of projects spread across long distances without well-defined entry and exit points defeated the purpose of development of circuit, as the tourists would not be motivated to travel such long distances.
- ii. Despite the undertaking given by the Implementing Agency during submission of DPR that encumbrance-free adequate land was in possession of the State Government, seven components were only partially completed due to lack of co-ordination with the Archaeological Survey of India (ASI) and non-granting of permissions/No-Objection Certificate by ASI. Four components were dropped and sub-components of one component were shifted to other component due to absence of permissions/No-Objection Certificates from ASI. For 10 components, permissions/No-Objection Certificates were granted by ASI with delays ranging from 339 days to 1115 days and land was handed over to the Madhya Pradesh State Tourism Development Corporation (MPSTDC) by Madhya Pradesh Public Works Department with a delay of 771 days. As a result, components could not be executed within the stipulated time and comprehensive development of the circuit could not be done.
- iii. As per the Scheme guidelines, implementing agencies were required to follow all codal formalities while awarding the contracts. However, consultant for the preparation of DPR of Buddhist circuit was engaged without signing of any agreement. DPR was submitted to the Ministry of Tourism (MoT) without detailed estimates and Bills of Quantities which resulted in variation in the estimates during execution of the project.
- iv. As per sanction order issued (July 2016) by the Ministry, the project was to be completed and commissioned within 24 months i.e., July 2018. There was delay in award of work, as only three out of 65 works were awarded within stipulated time of three months which was due to delay in grant of No-Objection Certificate by the ASI, delays in process of transfer of land and interdependency on other works, which further resulted in delay in completion of the remaining works. As a result, only 12 out of 65 works were completed within scheduled time i.e., 24 months. Due to this, intended benefits could not be delivered to the end users timely.
- v. During execution, irregularities were noticed such as:
 - In five components, expenditure on works was increased which ranged from 10.48 *per cent* to 533.66 *per cent*. In other five components, expenditure decreased ranging from 31.97 *per cent* to 77.50 *per cent* against sanctioned cost

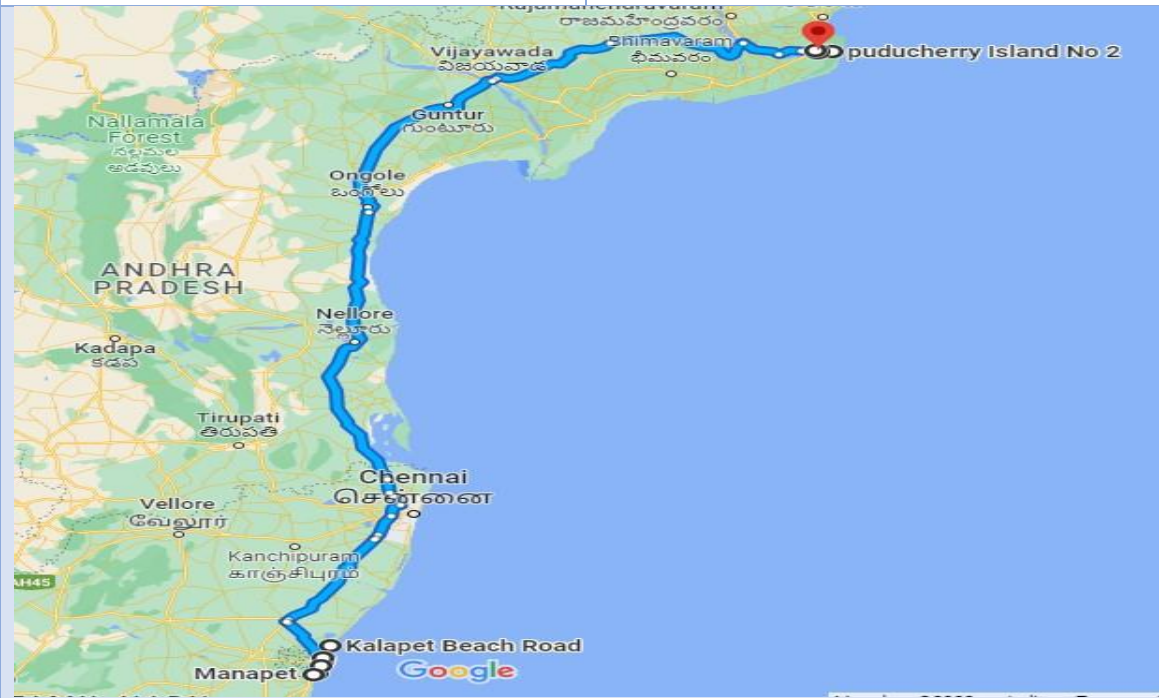
estimates given in the DPR which indicates that the estimates were prepared without detailed analysis.

- For execution of a component, single tender was accepted without any justification, which was against CVC guidelines and provisions of State PWD Manual. In nine works, the MPSTDC allotted additional components amounting to ₹12.40 crore to existing contractors at the same rates/terms and conditions without adopting tendering process.
 - There was duplication/overlap of works with other schemes noticed in case of construction of approach road at Sonari which was already in progress with estimated cost of ₹88.00 lakh funded by State Archeology Department. The same work was again proposed under the Swadesh Darshan Scheme and got sanctioned for ₹100.00 lakh resulting in duplication/overlap of works with other schemes.
 - Unrealistic estimation of work was noticed in 21 out of 65 works and the expenditure on the work increased by 16.21 *per cent* to 330.94 *per cent* from their contract amount. Diversion of funds was also noticed (expenditure of ₹1.44 crore was made for 'Construction of Convention Centre at Sanchi' which was earlier approved in the year 2013-14 under Mega Circuit Project and was not part of Buddhist circuit under the Scheme, amount of ₹19.54 lakh was charged on contingencies on Buddhist circuit whereas incurred on other than Buddhist circuit work, construction of Conference Hall and additional rooms with toilets in Vindhya Retreat at Rewa instead of Tourist Reception Centre at Rewa with a cost of ₹2.39 crore).
 - As per sanction order, funds released by the Ministry under the Scheme was to be utilised only for the purpose for which these were released. It was observed that Implementing Agency executed 15 works/components amounting to ₹10.69 crore under the Buddhist circuit, which were not the part of the sanctioned DPR under the Scheme. This resulted in improper utilisation of funds.
 - In DPR, provision for plantation and solar illumination was made in view of environmental impact. However, the same had not been executed fully due to which the intended objective could not be achieved.
- vi. The Implementing Agency had maintained current account for all centrally assisted funds instead of separate bank account for the Scheme funds due to which interest could not be earned. Out of ₹14.99 crore, expenditure of only ₹1.34 crore was incurred within specified time period of six months, and the unutilised amount of ₹13.65 crore was not surrendered to MoT.
- vii. As per sanction letter, the State Government was to set up a Monitoring Committee headed by the Secretary (Tourism) to monitor physical and financial progress of the sanctioned project and submit the progress report to MoT on quarterly basis. However, the State Government constituted State Level Monitoring Committee (SLMC) after lapse of 22 months from the date of sanction of the first project in the State. As a result, adequate monitoring at higher level was not ensured by the State Government.

viii. The State Government was to ensure proper Operation & Maintenance after completion of project. Four wayside amenities were leased out without the permission of MoT. The provision of emergency vehicle breakdown, repair and refueling facilities was not made as part of wayside amenities due to which basic amenities could not be provided to the tourists.

(8) Development of Union Territory of Puducherry as Tourist Circuit (Coastal Circuit)

Theme/Circuit	Coastal Circuit
Date of recommendation by the Mission Directorate	4 November 2015
Date of approval by the Central Sanctioning and Monitoring Committee	23 November 2015
Date of conveying approval by the Ministry of Tourism	28 December 2015
Date of award of works by the State Government	June 2016- September 2019
Date of completion of project	Not completed
Sanctioned Cost of the Project	₹58.44 crore
Amount released by the Ministry of Tourism	₹61.82 crore
Physical progress	100 per cent
Financial progress	93.31 per cent



Significance of Circuit	The lifeline of Puducherry tourism is its beaches whose potential is yet to be explored. Through Swadesh Darshan Scheme, it was proposed to create world class facilities to attract more tourists and to develop Puducherry as a standalone destination.
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Audit observations

- i. The State Government was to ensure that land to be used for the project must be free from all encumbrances. However, audit observed that the Tourism Department of Puducherry, sent proposals for development of Beach at Narambai/Nallavadu and Kalapet in Puducherry without ensuring availability of land,. The land identified for Narambai/Nallavadu beach belonged to the Indian Reserve Battalion (Home Department) and the Tourism Department had not obtained No-Objection Certificate from them. Finally, both the components had to be dropped. Thus, improper planning in identification of site and non-obtaining of No-Objection Certificate prior to preparation of DPR resulted in non-development of beaches besides non-achievement of the intended objectives.
- ii. Even though the Ministry of Tourism (MoT) sanctioned the project in December 2015, Tourist Department obtained expenditure sanction for implementation of the development work at Arikamedu Beach in Puducherry only in February 2017, after delay of 13 months and thereafter approached Pondicherry Coastal Zone Management Authority for the Coastal Regulation Zone (CRZ) clearance. This had a cascading effect in finalisation of tender for award of works. Consequently, the completion of work suffered an overall delay of 22 months.
- iii. As per the Scheme guidelines, implementing agencies were required to follow all codal formalities while awarding the contracts. However, it was observed that the consultancy work for preparation of DPR was awarded to two consultants, who had submitted their quotations, after dividing the works. Awarding of work to both consultants, instead of lowest bidder was in violation of CPWD Manual and it resulted in avoidable expenditure of ₹27.93 lakh.
- iv. As per the Scheme guidelines, finalisation of all tenders for the project was to be completed within three months from the date of sanction of the project by MoT. However, there was inordinate delay in award of works ranging from 3 months to 42 months.
- v. As per sanction order of MoT (December 2015), the project was to be completed and commissioned within 36 months. However, due to non-selection/identification of clear sites, non-conduct of proper survey and absence of proper approach road to the project site, etc., development works at four beaches were completed with abnormal delays of 258 days to 643 days. Due to this, the intended benefits could not be provided to the end users timely.
- vi. Failure to identify clear site before entrusting the work to PWD led to dropping of the development work of Beach at Nallavadu/Narambai. Components amounting to ₹26.06 crore had to be dropped due to non-commencement of works within the scheduled time resulting in non-development of potential tourist spots.
- vii. As per sanction order, the executing agency was not to keep the amount released by MoT unutilised for more than six months. The first installment of ₹17.06 crore was released in January 2016 but the Utilisation Certificate for only ₹12.84 crore was submitted in May 2017 after delay of 9 months which indicates that funds were not

utilised in a time bound manner. Central Financial Assistance amounting to ₹20 crore was kept in Fixed Deposit with Bank since October 2019 and not surrendered to MoT. The Directorate of Tourism did not remit bank interest of ₹1.22 crore (July 2018 to September 2021) earned on the Scheme funds to MoT.

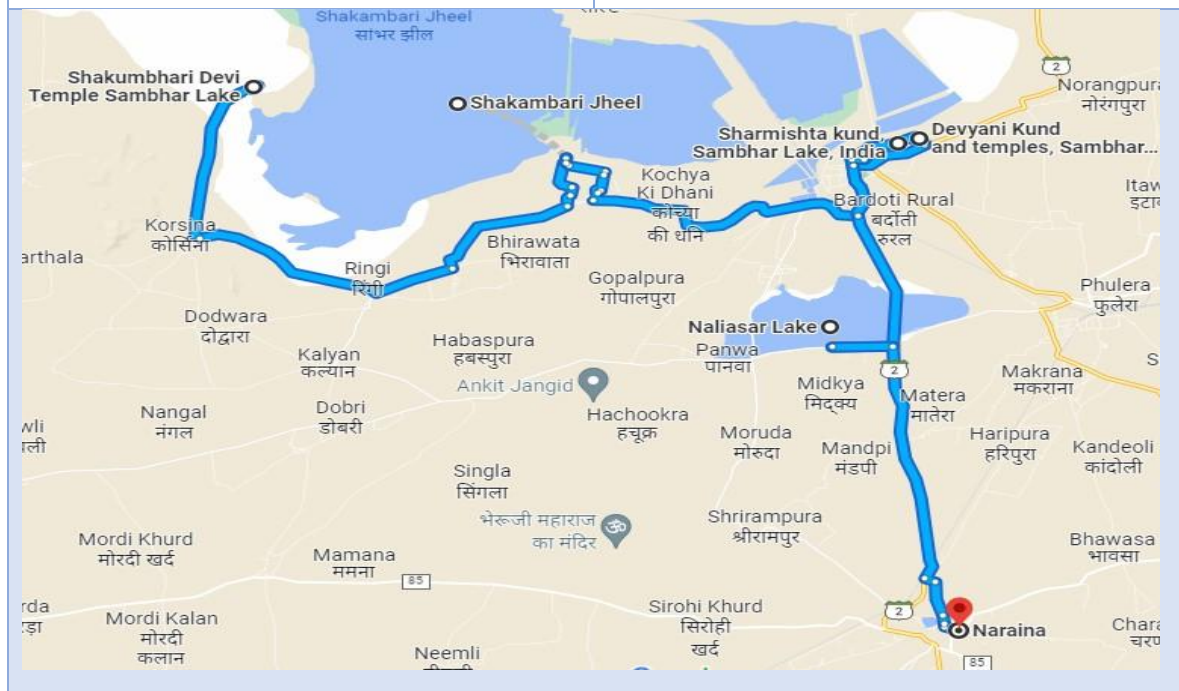
viii. The State Government was to ensure proper Operation & Maintenance (O&M) after completion of project. However, it was noticed that:

- Beach developed at Manapet in Puducherry District at a cost of ₹4.39 crore (completed in January 2020) had not been outsourced for O&M, due to non-availability of proper approach road.
- Despite being aware of the possibilities of flood and given the previous flood levels and the ground level of the island, infrastructure was developed at flood prone Island No.5 of Yanam for a value of ₹5.26 crore which was subsequently washed away by floods resulting in unfruitful expenditure.
- The equipment purchased under the Scheme at a cost of ₹61.41 lakh for Chinnaveerampattinam/Manapet Beach, Puducherry were diverted to its own Chunnambar Boat House not covered under the Scheme.
- Irregular expenditure of ₹38.16 lakh was incurred under contingent charges on O&M.

ix. As per sanction letter, the State Government was to regularly furnish the quarterly statement of progress of work and expenditure incurred to the Ministry of Tourism. Audit observed that there was a noticeable mismatch between physical and financial progress in the Monthly Progress Report submitted to MoT which indicates poor monitoring on the part of MoT and the State Government.

(9) Rajasthan: Development of Sambhar Lake Town and Other Destinations under Desert Circuit

Theme/Circuit	Desert Circuit
Date of recommendation by the Mission Directorate	30 July 2015
Date of approval by the Central Sanctioning and Monitoring Committee	10 September 2015
Date of conveying approval by the Ministry of Tourism	30 September 2015
Date of award of work by the State Government	October 2016 - January 2018
Date of completion of project	23 September 2019
Sanctioned Cost of Project	₹50.01 crore
Amount released by the Ministry of Tourism	₹51.17 crore
Physical progress	100 per cent
Financial progress	100 per cent



Significant of the circuit	The circuit is having beautiful sites and religious places. It consisted of development of destinations such as Shakumbhari Mata Temple, Sambhar Salt Complex, Devyani Kund, Sharmishta Sarovar around Sambhar Lake Town famous for cultural, religious and historical tourism.
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Audit observations

- i. As per the sanction order issued (September 2015) by the Ministry of Tourism (MoT), three sites i.e. Sambhar Lake Town, Naliasar and Naraina projects were to be developed out of which Naliasar could not be developed due to non-availability of land and components of Naliasar were shifted (February 2018) to Sambhar Lake Town. Thus, due to poor planning, important site of Naliasar which is having significant archeological and cultural value was not developed under the Scheme. Thus, Desert circuit did not meet the definition of the Tourist Circuit as only two major destinations were developed in the circuit in place of three.
- ii. Construction of Sewage Treatment Plant (STP) at Naraina (estimated cost of ₹3.44 crore) was sanctioned by MoT but the Implementing Agency sent a proposal to drop the work of STP due to non-availability of sewage line in the area and the same was approved by MoT. Thus, STP was included in DPR without site visits and consultations with the local bodies.
- iii. ‘Development of Sambhar Lake Town and other destinations’ in Jaipur district was selected under Desert circuit instead of desert areas like Jodhpur, Jaisalmer, Barmer and Bikaner Districts as provided in 20 Years’ Perspective Plan for Sustainable Tourism in Rajasthan. The selected destination did not fall within the desert. Thus, the purpose of developing Desert circuit was defeated.
- iv. The State Government submitted (September 2015) proposal for ‘Sambhar Lake Town and other destinations’ project to MoT under Desert circuit in the Scheme. Audit observed that grant for the project had already been received (December 2013) from Planning Commission for the same project, which reveals that the Department of Tourism, Government of Rajasthan submitted (September 2015) the same project to MoT under Desert circuit in Swadesh Darshan Scheme, which was inadmissible.
- v. As per the Scheme guidelines, invitation and finalisation of all tenders for the project was to be completed by the States, within three months from date of sanction of the project by MoT. However, there was inordinate delay ranging from 301 days to 735 days in award of works for the project. 12 tenders were processed (October 2016-January 2018) without preparation of technical sanction in contravention of the provisions of Public Works Financial & Accounting Rules.
- vi. As per sanction order issued (September 2015) by the Ministry, the project was to be completed and commissioned within 24 months i.e., September 2017. However, it was observed that there was delay in completion of works ranging between 112 days and 467 days.
- vii. Irregularities were noticed in execution of projects, as given below:
 - As per the Scheme guidelines, implementing agencies were required to follow all codal formalities while awarding the contracts. However, it was observed that installation of solar street lighting works was executed without inviting tender. Also, the work order issued to the contractor was not as per the DPR in terms of number and requisite wattage of the lights.

- Additional/excess works up to 55 per cent and extra works up to 165 per cent were executed by Rajasthan Tourism Development Corporation (RTDC) in eight components for which prior permission of MoT was not obtained.
 - As per the sanction order issued (September 2015) by MoT, any cost escalation on account of delay etc., would be met by the State Government. However, during audit, it was observed that excess expenditure amounting to ₹2.89 crore to be borne by the State Government was booked from Scheme funds. Additionally, in contravention of the Public Works Financial and Accounting Rules, financial sanction of competent authority was not taken for the excess expenditure.
 - MoT sanctioned (September 2015) ₹4.00 crore for execution of Light and Sound Show to develop tourism activities. However, the Light and Sound Show component was not executed due to lack of interest by the tenderer and was shown as “dropped” in project closure report (June 2021). Further, MoT sanctioned ₹3.74 crore for 15.75 kms long Bicycle Track (adventure sports) with solar street lighting, approach road, administrative block, wayside amenities, etc. Physical verification revealed that only 4.1 kms of bicycle track was developed, and other components were not developed.
 - MoT sanctioned ₹4.84 crore for construction of tents/camping, tourist amenities and log huts at Naliasar. However, due to non-availability of land at Naliasar, works of camping site were shifted to Sambhar Lake. Physical verification revealed that tents, tourist amenities and log huts were not constructed at the camping site and only four platforms for the erection of tents were constructed. Eight huts were constructed at locations other than the camping site in contravention to the approved sanction.
 - Clause 9 of the Public Works Financial & Accounting Rules of Government of Rajasthan stipulates that the contractor should submit all the bills in printed form. However, it was observed that hand-written bills amounting to ₹26.44 crore were submitted by the contractors in contravention of the aforesaid rules.
 - Due to non-availability of land at Naliasar, approach road work was proposed to be executed at identified site along the bicycle track at Sambhar Salt complex. During physical verification, no approach road was found constructed along the bicycle track.
- viii. Rajasthan Tourism Development Corporation (RTDC) was the executing agency for Swadesh Darshan Scheme as well as PRASAD Scheme of MoT. RTDC operated one bank account for funds received under both the Schemes. RTDC invested (2016) ₹30.48 crore in Fixed Deposit Receipts out of the funds received from MoT for Swadesh Darshan Scheme with the approval of State Government and earned interest of ₹1.37 crore but did not remit the interest to MoT.
- ix. The State Government was to ensure proper Operation & Maintenance (O&M) after completion of project. However, O&M of assets was not being carried out. Assets handed over to Sambhar Salt Limited (SSL) and Nagar Palika, Sambhar Lake were found locked. During physical verification, some of the assets were found to be in

dilapidated condition. Salt Train could not be operated as it lacked Safety Clearance Certificate. Further, the work of Mini Desert Night Safari at Naliasar was shifted to Sambhar Salt Complex along the bicycle track. During the joint physical verification, work relating to Mini Desert Night Safari was also not found along the bicycle track.

- x. As per the sanction letter issued by the Ministry, the State Government was to set up monitoring committee headed by Principal Secretary (Tourism). However, the State Level Monitoring Committee was constituted in August 2019 after a delay of almost four years, which had an adverse impact on the monitoring of sanctioned project. Further, the State Government was to submit Monthly Progress Reports in the prescribed formats giving physical and financial progress to the MoT. However, no records relating to Monthly Progress Reports were found during the Audit.

(10) Sikkim: Development of Tourist Circuit linking - Rangpo (entry)- Rorathang - Aritar - Phadamchen - Nathang - Sherathang- Tsongmo - Gangtok - Phodong - Mangan - Lachung -Yumthang - Lachen - Thangu - Gurudongmer - Mangan - Gangtok - Tumin Lingee - Singtam (exit)

Theme/Circuit	North-East Circuit
Date of recommendation by the Mission Directorate	10 June 2015
Date of approval by the Central Sanctioning and Monitoring Committee	26 June 2015
Date of conveying approval by the Ministry of Tourism	30 June 2015
Date of award of works by the State Government	February 2016 - November 2016
Date of completion of project	31 December 2019
Sanctioned cost	₹98.05 crore
Amount released by the Ministry of Tourism	₹92.77 crore
Physical progress	100 per cent
Financial progress	95 per cent
	
Significance of the circuit	The places selected in the circuit were endowed with natural splendor and were easily accessible to tourists. Basic infrastructure for the tourism activity required urgent augmentation which would boost tourism in the State in eco-friendly manner.

Audit observations

- i. As per the Scheme guidelines, tourist circuits/destinations were to be identified considering factors such as current tourist traffic, connectivity potential and significance attached to the site, holistic tourist experience. However, it was observed that the circuit was selected without any proper detailed study and the components were not integrated into a tourist circuit and were not connected with any tourist destination. As a result, out of 78 components in 13 destinations, 70 components were lying unutilised and 8 components were used for other purposes.
- ii. As per the Scheme guidelines, invitation and finalisation of all tenders for the project was to be completed by the States, within three months from date of sanction of the project. However, it was observed that there was delay in award of works ranging from 139 days to 419 days which resulted in delay in completion of the components. All the works were delayed ranging from 4 months to 22 months from the stipulated date of completion citing various reasons. Due to this, the intended benefits could not be delivered to the end users in a timely manner.
- iii. As per clause 2.5 of CPWD Manual, "technical sanction" amounts to a guarantee that the proposals are technically sound, and that the estimates are accurately prepared and are based on adequate data. However, Audit observed that tenders of all the projects had been called before the technical sanction was accorded due to which the authenticity of the estimates could not be ensured. Further, the Scheme guidelines stipulated that the implementing agencies were required to follow all codal formalities while awarding the contracts. However, it was observed that the work 'Development of Eco Log Huts (6 Nos.) at Aritar' with sanctioned cost of ₹5.78 crore was awarded to contractor on Gram Panchayat Unit (GPU) level instead of e-tendering within the district which resulted in limiting the chance of availing more bids for the work.
- iv. As per order of State Government of Sikkim, five *per cent* storage charges were to be recovered. However, five *per cent* storage charges were not found deducted from the Running Account Bills/Final Bills of the contractors. Non-deduction of storage charges not only led to undue benefit to the contractors but also loss of Government revenue to the tune of ₹0.28 crore. Further, the Department granted mobilisation advances amounting to ₹5.76 crore to seven contractors in contravention of Government of Sikkim notification (February 2016) for withdrawing the practice of grant of such advances.
- v. As per the Scheme guidelines, if there is any escalation/variation from approved DPR, the State Government must inform the Ministry and seek its approval before commencing the works. However, there were variations from the approved DPR for which approval of the Ministry was not obtained. This not only indicates irregular execution of work but also depicts that the DPR was prepared without proper survey and investigation.
- vi. Separate Bank Account for the two Scheme projects in the State was opened only in June 2017 and total expenditure of ₹19.6 crore was made directly through State Pay

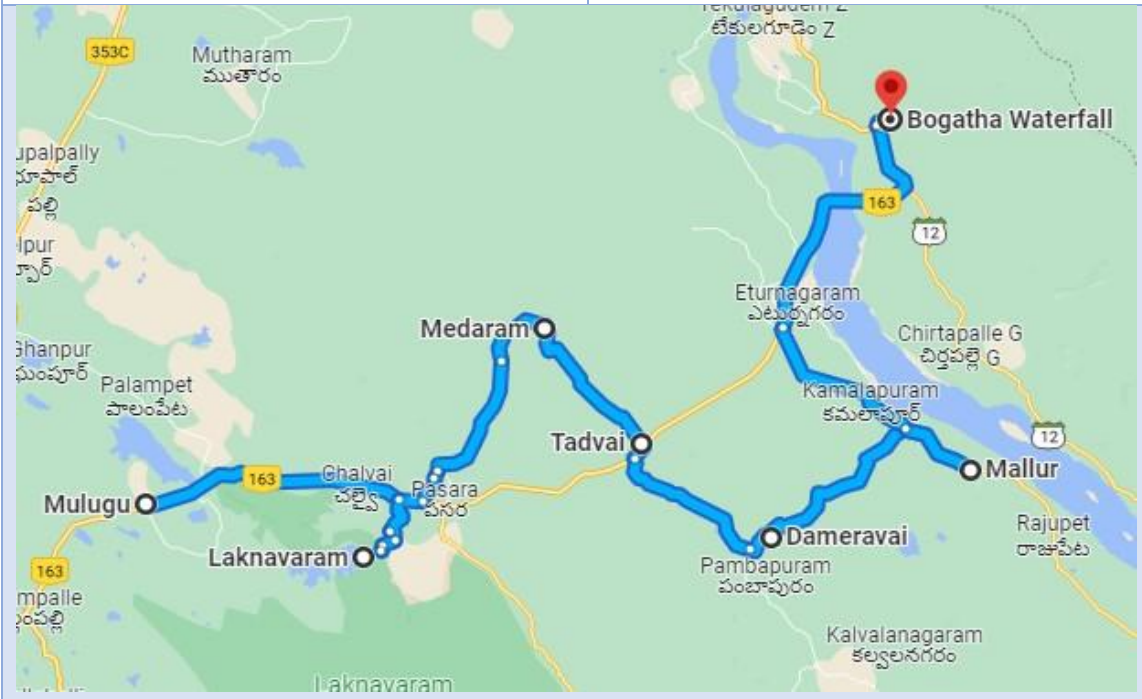
& Accounts office. This resulted in violation of Scheme guidelines and loss of interest. Further, the Department utilised the interest component of the fund, which resulted in irregular utilisation of interest amounting to ₹5.32 crore.

- vii. As per clause 3.1.1.3 (3) of CPWD Works Manual, 2019, contingencies could be utilised for construction of site office, engagement of watch and ward staff, job works, hiring of inspection vehicle and any other field requirements directly related to work. However, contingency provisions amounting to ₹1.28 crore were diverted for procurement of vehicles which was neither specified in the Scheme guidelines nor any approval sought from the Ministry of Tourism (MoT). The restoration and maintenance work was done by the Department from Central Financial Assistance (interest) instead of State funds, which led to irregular expenditure of ₹0.56 crore.
- viii. In contravention of the Scheme guidelines and breach of the undertaking given by the State Government, the Department constructed six approach roads from Central Assistance amounting to ₹3.22 crore as well as expenditure of ₹71.11 lakh on external electrification, external water supply, sewerage, furniture, and other items from the Scheme funds in five places although the same was to be borne by the State Government.
- ix. As per guidelines, the State Government was not to keep the amount released by MoT unutilised for more than six months. However, the State Government could not utilise the amount released by the Central Government under the Scheme within the stipulated time. Utilisation Certificates were submitted with delays ranging from one month to seven months.
- x. As per the Scheme guidelines, the State Government was to ensure proper Operation & Maintenance (O&M) after completion of project. However, there was no proper O&M of created assets. As a result, assets created were not utilised/leased out/rented which led to failure of the objective of the Scheme. Details are given below:
- Infrastructure created at Namrang Dhunga was in dilapidated condition.
 - Infrastructure created in Dhanbari was used for domestic purpose by the landowner without being leased out or rented.
 - Infrastructure at Gangtok consisted of five sub-components, out of which three were partially utilised (Ani gumpa, Zero point and Enchey Monastery), one was not utilised (Bakthang Falls) and only one sub-component (Gonang Monastery) was fully utilised.
 - Various sub-components of infrastructure at Rhenock, Aritar, Rongli were not put to use and were lying idle. Further, the work 'terracing and land development for flower cultivation' was in poor condition as the terracing was surrounded by wild grass.
 - The tourist infrastructure at Makha was lying idle for two and half years from the date of completion (September 2019) as of February 2022.
 - Even after 32 months of completion, wayside amenities at Rorathang were neither in operation nor leased out by the Department. 17 signages were not

available at the site and some of the signages were found damaged at the site with the total cost amounting to ₹8.62 lakh.

- xi. As per sanction letter, the State Government was to regularly furnish the monthly statement of progress of work and expenditure incurred to the MoT. Audit observed that monthly Progress Reports (MPR) sent by the State Government to MoT showed inflated progress and expenditure as the actual expenditure at Rangpo approach road, wayside amenity, approach road at Singhik showed discrepancies with the MPR data. Thus, MPRs were not based on facts and figures which indicates poor monitoring on the part of the MoT and the State Government.
- xii. As per sanction letter, the State Government was to set up a Monitoring Committee headed by Secretary (Tourism) to monitor physical and financial progress of the sanctioned project and submit the progress report to MoT on quarterly basis. However, the State Government constituted State Level Monitoring Committee (SLMC) with a delay of 7 months from sanction of the project. No documents were found indicating any monthly, quarterly, half-yearly, and yearly committee meetings held by the Committee to review progress of works and remedial measures thereon.

(11) Telangana: Integrated Development of Mulugu-Laknavaram-Medaram-Tadvai-Damaravai-Mallur-Bogatha waterfalls as Tribal Circuit

Theme/Circuit	Tribal Circuit
Date of recommendation by the Mission Directorate	3 December 2015
Date of approval by the Central Sanctioning and Monitoring Committee	10 December 2015
Date of conveying approval by the Ministry of Tourism	30 June 2016
Date of award of works by the State Government	February 2017 - September 2018
Date of completion of project	31 December 2021
Sanctioned Cost of the project	₹79.87 crore
Amount released by the Ministry of Tourism	₹75.88 crore
Physical progress	100 per cent
Financial progress	100 per cent
	
Significance of the circuit	Taking into consideration scenic beauty, tribal economic growth potential and tourist potential of the region, the circuit was selected to provide better tribal culture cum wildlife experience to tourists visiting the region.

Audit Observations

- i. The State Government had not prepared any long-term plan or action plan for promotion of tourism in the State. There was no Tourism Policy for the State of Telangana and as a result, no specific physical targets were fixed for the development of tourism in the State. Thus, the Project selection was not based on any prioritisation. Additionally, stakeholder consultation and convergence with other schemes were also not done resulting in selection of the circuit randomly.
- ii. Destinations were selected without feasibility or field survey. As a result, the State Government could not identify issues of non-availability of land or need for permission of Forest authorities. All the sites that were proposed in Tribal Circuit were under reserve forest area and hence required the specific permission of the Ministry of Environment, Forests and Climate Change before undertaking any work in those areas. Resultantly, the State Government could not execute 17 components of destination sites at Damaravai, Bogatha, Tadvai and Mallur due to lack of land availability or forest clearances, and these had to be dropped later.
- iii. There were delays in handing over of the sites to contractors ranging between 44 days and 157 days. This was primarily due to change of identified sites repeatedly. Further, the delays in handing over of the identified sites was due to lack of co-ordination between the Projects wing and Estate wing of Telangana State Tourism Development Corporation that resulted in proposing of sites located in reserve forest areas at destination sites (except Medaram). This necessitated change of sites multiple times at Mulugu and Bogatha Waterfalls resulting in delay in execution of works, cost escalations and dropping of some of the components proposed in the circuit.
- iv. As per the Scheme guidelines, finalisation of all tenders for the project was to be completed within three months from the date of sanction of the project by the Ministry of Tourism (MoT). However, there was an inordinate delay in finalising the tenders ranging from 128 days to 728 days, which also resulted in delay in completion of works with delays ranging from 288 days to 902 days. Thus, the intended benefits could not be delivered to the tourists timely.
- v. Irregularities were noticed during execution of projects, such as:
 - As per the Scheme guidelines, the State Government was to ensure that land to be used for the project must be free from all encumbrances. However, it was observed that the Management did not have the possession of the land which was taken over by it only in March 2018. Due to this, the project site was changed twice at Gattamma, Mulugu, and tenders were also cancelled two times (April 2017 and August 2017). When tenders were invited third time (August 2018) after possession of land, the Standard Schedule of Rates (SSR) were changed from 2016-17 to SSR of 2018-19. Consequently, the third time work was awarded at higher rates resulting in cost overrun of ₹1.49 crore and delayed execution of works.

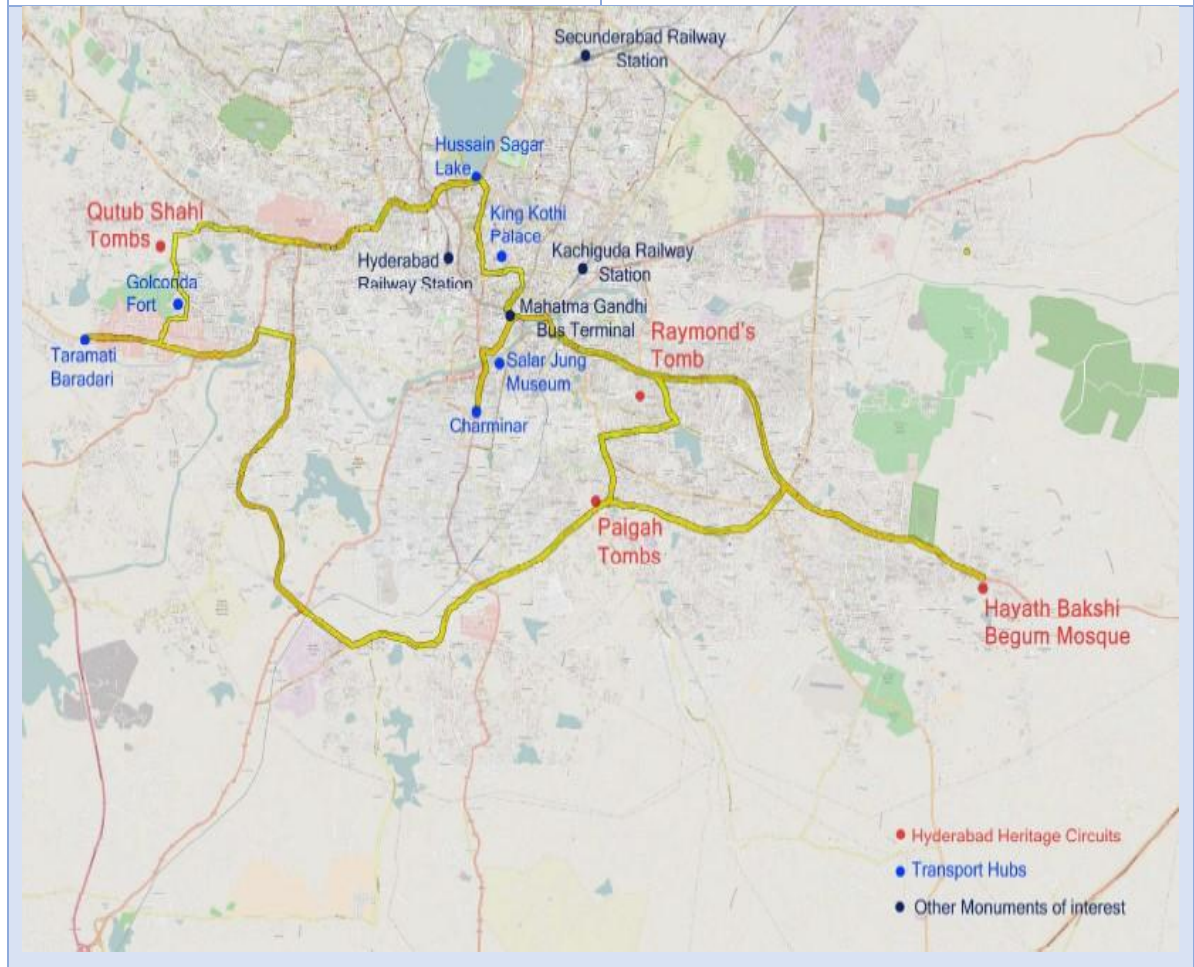
- As per para 4.4 (2) of the Scheme guidelines, DPR was to be prepared with focus on use of eco-friendly materials and equipment, and recycling and reuse was to be promoted. Further, DPR of the project stipulated that the accommodation shall be constructed with eco-friendly material like bamboo, etc. However, the Implementing Agency entered into agreements with the contractors for building the log-huts and cottages with Reinforced Cement Concrete (Laknavaram, Bogatha, Medaram and Tadvai) instead of eco-friendly material and sought permission from MoT. The permission from MoT was also not found in records. Thus, the construction was done neglecting using of eco-friendly sustainable material.
- As per guidelines of the Scheme, funds were to be released only after submission of all applicable clearances. Audit observed that the work of providing tourist amenities at Megalithic burials at Damaravai, which were located on top of the hillock in the reserve forest area, was dropped as clearance was not received from the Ministry of Environment, Forests and Climate Change. Hence, expenditure of ₹75 lakh on last mile connectivity, which was also part of the project, did not serve the purpose for which the road was laid.
- As against 30 numbers of water fleet (₹6.14 crore), only seven fleet amounting to ₹1.13 crore were delivered at Laknavaram and remaining 23 numbers valuing ₹5.01 crore were delivered at locations other than the designated ones. Similarly, at Bogatha waterfalls, out of seven numbers of water fleet valuing ₹77.19 lakh, none of the fleet was delivered at the desired destination. Thus, the amount could not be utilised for the purpose it was sanctioned.
- Despite the expenditure of ₹63.94 lakh, major work of installing electro-mechanical equipment of Sewage Treatment Plant was still not completed at Laknavaram, though physical completion certificate for the same had already been submitted to MoT (13 January 2022).
- The expenditure on account of maintenance of the assets created was to be borne by the State. However, an amount of ₹4.10 lakh was spent on maintenance of landscaping out of Scheme funds which was an inadmissible expenditure.
- During physical verification of the site at Mulugu, out of six Gazebos sanctioned, only three Gazebos were found at site. Interestingly, one Gazebo was found built at the camp office of the District Collector, Mulugu which did not serve any purpose.
- As per the bid documents of the works, liquidated damages at the rate of 10 *per cent* was to be deducted if the contractor fails to complete whole of the work or any part thereof within the stipulated time. However, it was noticed that undue benefit of ₹4.05 crore was extended to the contractor by not deducting liquidated damages (10 *per cent* of the total contract value) for delay in completion on the part of the contractor.

- As per the Scheme guidelines, any extra/excess expenditure was to be borne by the State Government. However, the Implementing Agency had spent an amount of ₹34.30 lakh in excess of sanctioned amount without obtaining the approval of MoT. Similarly, expenditure ₹61.01 lakh for repairs and renovation of the old suspension bridge at Laknavaram and payment of ₹3.35 crore made on items other than the approved items was met from the Scheme funds, which were inadmissible. Hence, the funds were not utilised for the intended purpose.
- vi. As per the Scheme guidelines, the State implementing agency was to refund the interest earned on Scheme funds to the Ministry at the year end. Audit noticed that the Implementing Agency had not refunded the interest of ₹16.18 crore⁴⁶ (calculated by Audit) on the Scheme funds parked in bank account which is in violation of the Scheme guidelines and could have been utilised by MoT for some other projects.
- vii. As per the Scheme guidelines, the State Government was to ensure proper Operation & Maintenance (O&M) after completion of project. However, irregularities were noticed during physical verification of sites. For instance, though an amount of ₹5.43 crore was spent for development of Mallur, the wayside amenities built were not put to use till date (December 2021). The property was also not being maintained and there was no security as gate and chain link fencing were missing, thus rendering the expenditure unfruitful.
- viii. Third party quality check at Medaram revealed serious quality issues viz., non-conduct of mandatory quality tests, cracks in plastering and use of different materials which was not specified in the agreement. However, these issues remained unattended.
- ix. A major portion of the expenditure incurred from Scheme funds was towards construction of restaurant/wayside amenities/cottages (branded as Haritha Hotels/Resorts and Restaurants). Since the O&M of the constructed restaurant/wayside amenities/cottages were leased out to a private firm, the access to facilities which were created in the leased out area was restricted to those tourists who booked accommodation, thus defeating the objective of community-based development and pro-poor tourism approach.
- x. Directional signages were not found, which were proposed at every 20 kms from Hyderabad and at the destination sites. This indicated that adequate attention was not paid to publicity/information.

⁴⁶ Interest has been calculated by audit from 2016-17 to 2021-22 at four per cent per annum.

(12) Telangana: Development of Qutub Shahi Heritage Park – Paigah Tombs – Hayat Bakshi Mosque – Raymond’s Tomb as Heritage Circuit

Theme/Circuit	Heritage Circuit
Date of recommendation by the Mission Directorate	30 January 2017
Date of approval by the Central Sanctioning and Monitoring Committee	14 February 2017
Date of conveying approval by the Ministry of Tourism	27 June 2017
Date of award of works by the State Government	December 2017- March 2020
Date of completion of project	Not Completed
Sanctioned Cost of Project	₹96.90 crore
Amount released by the Ministry of Tourism	₹70.61 crore
Physical progress	64 per cent
Financial progress	53 per cent

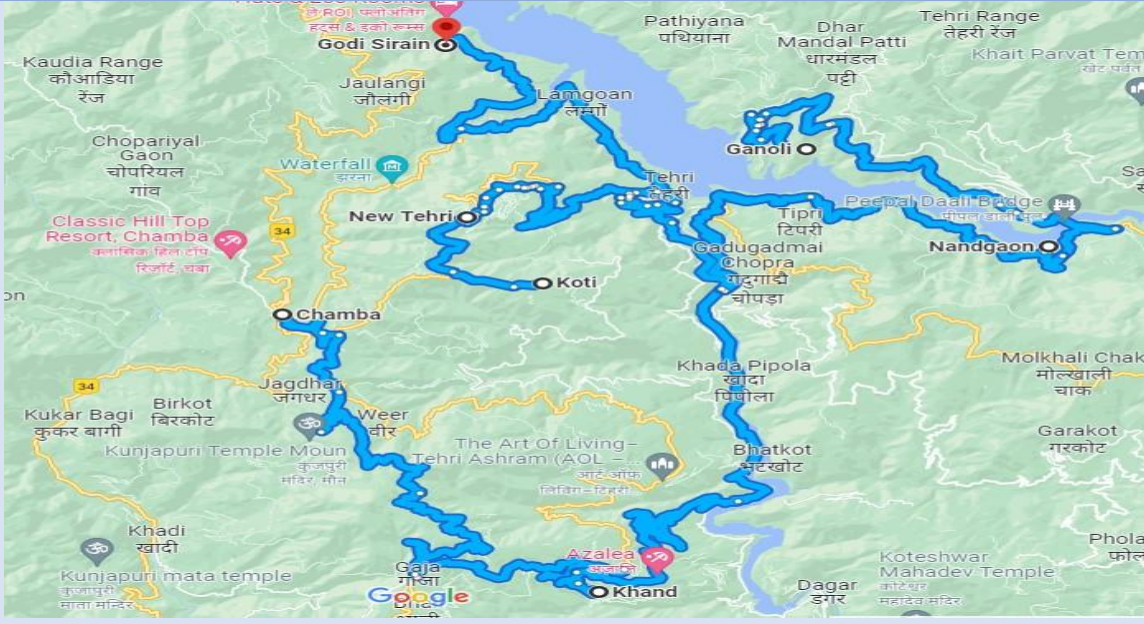


Significance of the circuit	The Circuit includes four heritage sites (Qutub Shahi Heritage Park, Paigah Tombs, Hayat Bakshi Begum Mosque and Raymond's Tomb) of Hyderabad. The Qutub Shahi Heritage Park and Hayat Bakshi Begum Mosque belong to the Qutub Shahi period of the Deccan region. The Paigah Tombs and Raymond's Tomb are landmark sites of the rich and glorious Nizam period of Hyderabad.
Audit Observations	
<p>i. There was no Tourism Policy and Long-term tourism plan for the State. Feasibility study was not conducted resulting in dropping of seven components in Paigah tombs. Project selection was not based on any prioritisation. DPR prepared did not have the requisite sanctity as deviations were observed. Due to this, the overall execution of the project was affected and issues such as delay in completion and unfruitful expenditure occurred.</p> <p>ii. Destinations were selected without feasibility or field survey. As a result, the State Government could not identify issues of non-availability of land or need for permission of authorities such as the Archaeological Survey of India, as all the proposed sites were heritage sites. Resultantly, due to litigation, the Implementing Agency/State Government expressed its inability in execution of components and subsequently the MoT had to drop many important works. MoT had to drop seven out of ten components of destination site at Paigah Tombs and two components at Hayat Bakshi Mosque due to litigation at the identified land. Although a civil suit was pending in the court of law, construction of Entrance Plaza and Building and Interpretation Centre at Qutub Shahi Heritage Park (QSHP) at Deccan Park/Aqua Park was proposed and taken up. Due to injunction from court, the work had to be stopped after incurring unfruitful expenditure of ₹9.01 crore. This indicates poor planning and selection of the components.</p> <p>iii. As per the Scheme guidelines, finalisation of all tenders for the project were to be completed within three months from the date of sanction of the project. However, there was inordinate delay in finalising the tenders (ranging from 71 days to 895 days). Further, there was delay in handing over of sites to the contractor up to 159 days. This also resulted in delay in completion of works which ranged from 6 months to 37 months. Even after extension of time, 20 out of 36 projects remained incomplete. Due to this, the intended benefit could not be delivered to the tourists in a timely manner.</p> <p>iv. As per the Scheme guidelines, the State implementing agency was to refund the interest earned on Scheme funds to the Ministry at the year end. Audit noticed that the State Government had parked the Scheme funds in separate savings bank account with sweep facility for earning interest on unutilised funds. Interest of ₹6.36 crore</p>	

calculated on money parked in separate bank account was not refunded to the Ministry of Tourism.

- v. An amount of ₹4.99 crore was given to M/s AKTC (contractor) towards advance payment on 27 July 2021 and left unadjusted by the end of March 2022. However, the Scheme guidelines did not envisage payment of advance to any contractor/agency. Thus, payment of advance to a third-party agency had not only resulted in deviation from the Scheme guidelines but also resulted in losing the opportunity of getting interest of ₹13.31 lakh.
- vi. No separate bank account was maintained by the executing agency viz., Heritage Department as envisaged in the Scheme guidelines. Rather, funds were operated through two current accounts maintained by the Department along with other schemes. As a result, the State Government lost opportunity to earn interest of ₹1.23 crore. Further, an amount of ₹20.31 crore was lying unutilised with the Department (₹15.32 crore) and with the contractor M/s AKTC (₹4.99 crore as advance payment) since October 2021. This indicates poor execution and inadequate utilisation of funds.
- vii. There was an instance of submission of inflated Utilisation Certificate for ₹51.14 crore by the State Government, as actual expenditure incurred was ₹29.47 crore only.
- viii. As per provisions of the sanction, Operation & Maintenance (O&M) expenditure was to be borne by the State Government. However, it was observed that an amount of ₹54.10 lakh was utilised from contingencies towards non-plan/O&M expenditure by the Heritage Department which was in deviation from the Scheme guidelines. Besides, ₹6.26 lakh was paid towards maintenance of lawns, individual shrubs, etc. in violation of the Scheme guidelines.
- ix. As per the Scheme guidelines, the State Government was to ensure proper O&M after completion of project. However, irregularities were noticed during physical verification of sites. There was improper maintenance of the landscaping at Hayat Bakshi Mosque and Raymond's Tomb (developed at a cost of ₹33.38 lakh and ₹29.08 lakh). Visitor amenities i.e., toilet block and ticket counters, were to be developed at Raymond's Tomb at a sanctioned cost of ₹55.16 lakh. However, ticket counters had not been constructed and toilet block though constructed was not put to use.

(13) Uttarakhand: Integrated development of Eco-Tourism, Adventure Sports, Associated Tourism related infrastructure for Development of Tehri Lake & surroundings

Theme/Circuit	Eco Circuit
Date of recommendation by the Mission Directorate	19 August 2015
Date of approval by the Central Sanctioning and Monitoring Committee	10 September 2015
Date of conveying approval by the Ministry of Tourism	30 September 2015
Date of award of works by the State Government	October 2015 – May 2018
Date of completion of project	7 January 2021
Sanctioned Cost of Project	₹69.16 crore
Amount released by the Ministry of Tourism	₹65.71 crore
Physical progress	100 per cent
Financial progress	95 per cent
	
Significance of the circuit	The project involves development of Tehri Lake which is Asia’s largest manmade lake. The lake has tremendous potential to become a national hub for eco-tourism and adventure tourism including water sports activities, mountaineering, paragliding, etc.

Audit Observations

- i. As per the Scheme guidelines, a tourist circuit was a route on which at least three major tourist destinations were located such that none of those were in the same town, village, or city. At the same time, it was to be ensured that they were not separated by a long distance. It should have well defined entry and exit points. The eco-circuit deviated from the definition of Tourist Circuit, as the work was executed mainly at two sites namely Koti and Sirain located few kilometers apart, on the edge of Tehri Lake. Other components were found to be scattered at different places like New Tehri, Chamba and around Tehri Lake which cannot be considered as tourist destination in view of the Scheme guidelines. Thus, most of the work was executed at one destination viz., Tehri Lake and surroundings, with some components scattered at different places. As a result, purpose of the Scheme to develop a circuit covering at least three tourist destinations with well-defined entry and exit points was defeated.
- ii. As per the Scheme guidelines, tourist circuits/destinations were to be identified considering factors such as current tourist traffic, connectivity potential and significance attached to the site, holistic tourist experience. However, no document regarding basis for selection of the project was found in the records produced to Audit. It shows that the project was selected without following any criteria. Out of 40 approved sub-components, four components were completely dropped and one was partially completed due to which comprehensive development of the circuit could not be done.
- iii. Despite undertaking given by the Implementing Agency during submission of DPR that encumbrance-free adequate land was in possession of the State Government, land for one component i.e. construction of Multi level parking and interpretation center at Burari, New Tehri was made available (April 2017) to the executing agency after 18 months of sanction of the project (September 2015) which delayed its construction. Further, three sub-components (Development of Eco-Park at Ranichauri, Construction of gazebo (five numbers) and Raulakot approach road) had to be dropped due to lack of forest clearance and land dispute.
- iv. As per the Scheme guidelines, implementing agencies were required to follow all codal formalities while awarding the contracts. However, it was observed that the consultant hired for preparation of DPR, detailed estimates, drawings, etc. was selected without floating tenders, as the consultant was engaged previously with Product/Infrastructure Development for Destinations and Circuits (PIDDC) Scheme, and his services were continued by the Tourism Department under Swadesh Darshan Scheme also. Further, no agreement was signed with the consultant even though previous agreement of consultant for PIDDC project was to end in November 2016 and no project specific clauses/terms and conditions were added to the previous agreement. The DPR of the project submitted to the Ministry of Tourism (MoT) was not according to the DPR submission toolkit of MoT and there was no mention of circuit description and map, details of tourist destinations and sites etc.
- v. As per the Scheme guidelines, finalisation of all tenders was to be completed within three months from date of sanction of the project. However, there was inordinate delay

(24 months to 38 months) in award of work in three components due to which those components could not be executed within stipulated time.

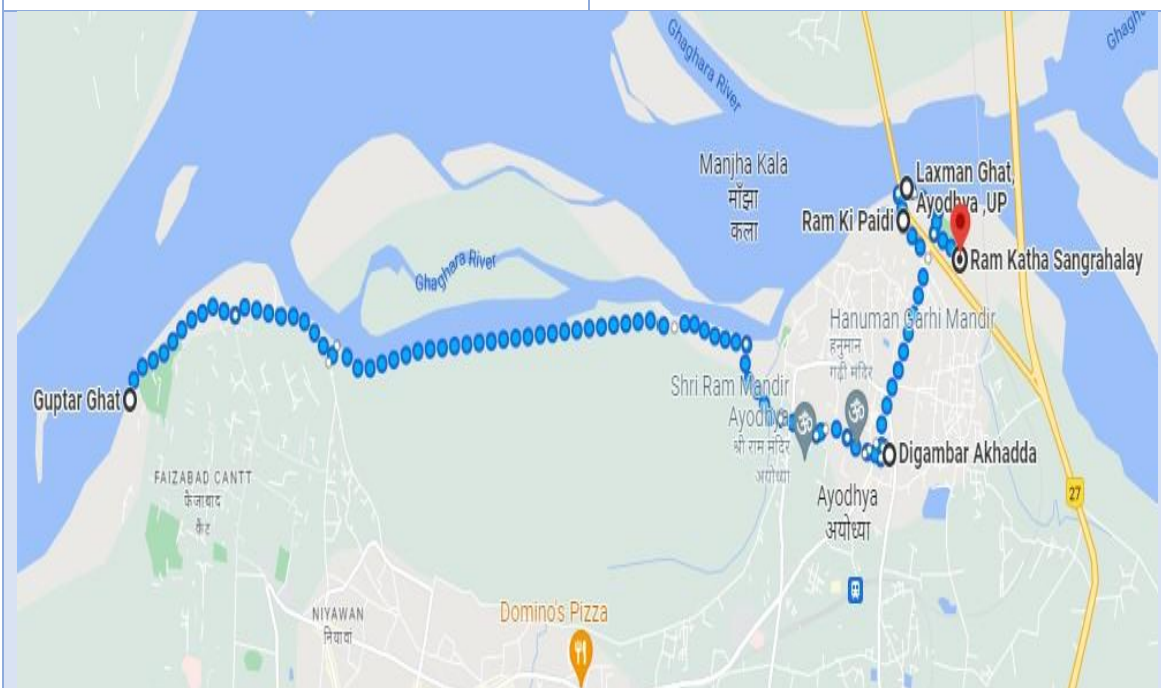
- vi. There were irregularities in execution of project, such as:
- Unfruitful expenditure on account of dropping of one approach road due to land disputes with locals, though floating jetty of ₹29.56 lakh had already been purchased.
 - Three approach roads (costing ₹4.34 crore) remained unutilised as parts of the roads remained submerged in water during increase in the water level of the lake (February 2022) due to which the ultimate benefit could not be delivered to the tourists.
 - The Adventure Climbing wall was constructed inside the area provided to ITBP. The area was restricted to the entry of general tourists thereby defeating the objective of creation of the component.
 - Expenditure of ₹9.45 lakh was incurred on repair and maintenance which was inadmissible since as per the Scheme guidelines, expenditure on account of maintenance was to be borne by the State Government.
 - A gender-based toilet block at Chamba was constructed for ₹29.43 lakh in parking area, which was being built under State funded project. As per the DPR of the parking project, toilets were already provided in the project itself. This resulted in diversion of Scheme funds.
- vii. As per the Scheme guidelines, the State implementing agency was to refund the interest earned on Scheme funds to the Ministry at the year end. Audit noticed that an amount of ₹1.68 crore⁴⁷ had accrued as interest on Scheme funds. However, Uttarakhand Tourism Development Board deposited ₹75.97 lakh in the State Treasury and the remaining ₹92.39 lakh was lying with them. Consequently, interest could not be earned on the amount deposited in the Treasury. In addition to this, an amount of ₹47.95 lakh of accrued interest on released project funds was lying with the executing agency (viz., Uttar Pradesh Rajkiya Nirman Nigam).
- viii. As per the Scheme guidelines, the State Government was to ensure proper Operation & Maintenance (O&M) after completion of project. However, irregularities were noticed during physical verification of sites. As a result, components amounting to ₹3.96 crore (Mountain biking track from Khand to Ganoli: ₹3.67 crore and Gender-based toilet block at Chamba: ₹29.43 lakh) remained unutilised due to faulty planning and lax approach of the State Government on O&M. Further, the Project Engineer for site at Sirain was not appointed even after a lapse of 24 months from the agreement due to which review and monitoring of the activities under the project could not be undertaken effectively.
- ix. As per the Scheme guidelines, the State Government was to appoint a State Level Monitoring Committee (SLMC) for monitoring and timely implementation of the

⁴⁷ This amount includes interest earned on another Swadesh Darshan project (Heritage circuit) of the State, as the bank account of both the projects was same.

project. However, the Committee was formed (August 2019) after a lapse of 47 months from the date of sanction of the project. Further, no meeting of the said Committee has been held so far. Thus, non-formation of the State Level Monitoring Committee affected overall monitoring of the project.

(14) Uttar Pradesh: Development of Ayodhya under Ramayana Circuit

Theme/Circuit	Ramayana Circuit II
Date of recommendation by the Mission Directorate	02 August 2017
Date of approval by the Central Sanctioning and Monitoring Committee	21 August 2017
Date of conveying approval by the Ministry of Tourism	27 September 2017
Date of award of work by the State Government	April 2018-November 2018
Date of completion of project	In progress
Sanctioned Cost of the Project	₹127.21 crore
Amount released by the Ministry of Tourism	₹115.46 crore
Physical progress	97 per cent
Financial progress	88 per cent



Significance of the circuit	Ayodhya is an ancient city associated with Lord Rama. The project would enhance the future prospects of turning the Ramayana circuit into a pilgrimage destination leading to an improved economy, better revenue generation, employment opportunities and skill development.
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Audit Observations

- i. As per instruction issued by the Ministry, the DPR for the project was to be prepared as per the toolkit. However, the DPR prepared by the State Government was not in line with the said DPR toolkit of the Ministry. Further, no feasibility study/survey of the projects or concurrent data was found collected for proposal and selection of the projects. As per the Scheme guidelines, the Detailed Perspective Plan (DPP) was to be prepared for the identified circuits to identify the gaps in infrastructure amenities and related skills. However, DPP for Ramayana Circuit was not prepared. These resulted in delay in the overall execution such as delay in completion of the projects and non-utilisation of infrastructure.
- ii. Despite an undertaking given during submission of DPR that encumbrance-free adequate land was in possession of the State Government, construction of Toilet and Parking at Pateshwari Devi Temple was started without obtaining prior permission from Cantonment Board. Later, the work was dropped and thus, expenditure of ₹2.10 lakh became infructuous due to faulty planning.
- iii. In contravention to the provisions of the General Financial Rules and CVC guidelines, selection of consultant for preparation of DPRs was done on nomination basis which restricted competitive and fair bidding.
- iv. As per sanction order issued (September 2017) by the Ministry, the project was to be completed and commissioned within 36 months i.e., August 2020. There were inordinate delays of 90-322 days in award of works, which resulted in overall delay in execution and completion of the project.
- v. During execution, irregularities were noticed such as:
 - Undue benefit to the contractors due to irregular measurement of work at Guptar Ghat resulting in payment of ₹57.73 lakh, execution of similar nature of work at same place at different rates resulting in avoidable excess payment of ₹19.13 lakh, irregular payment towards GST of ₹19.58 lakh to contractors having GST registration cancelled, reduction of performance bank guarantee of contractor (₹1.86 crore against ₹3.11 crore).
 - As per policy decision of the State Government, five *per cent* departmental discount was to be reduced while formulating project estimates. However, State Government did not reduce the same, which resulted in increase in project cost by ₹3.86 crore. Further, infructuous expenditure of ₹26.14 lakh was incurred due to replacing of already executed work of laying of granite cobble stone by cement concrete roads which indicates faulty planning.
 - Department of Tourism failed to exercise due care in assessment of actual amount payable towards centage, GST and labour cess and sanctioned/released excess amount due to considering incorrect cost (estimated instead of actual) of the works carried out by the executing agencies. As a result, excess payment of ₹6.07 crore towards centage, GST and labour cess was made, as estimated cost was taken into account instead of actual cost and the recovery of the excess payment made is still pending.

- Out of 100 number of shelters to be constructed at Panchkosi Parikrama Marg, 56 shelters (eight under construction) were constructed at the Choudahkosi Parikrama Marg. Thus, adequate shelters on whole Parikrama Marg were not constructed. Further, the shelters were found constructed in multiple numbers (3 to 13) at one place together instead of one shelter each at 100 different locations, thus depriving the intended facilities to the tourists/visitors at other places.
 - Procurement of items valuing ₹37.70 lakh was made without requirement. Further, in contravention to the Scheme guidelines that no portion of sanctioned project cost should be executed/implemented on land/property owned by a private individual or a Trust, an expenditure of ₹3.06 crore was incurred by State Government on construction of a multipurpose hall on the land owned by the Trust of Digambar Akhada.
 - As per instructions issued by the State Government, cost towards centage and GST was to be borne by the State Government itself. However, it was noticed that centage and GST amounting to ₹85.82 lakh was included in the Utilisation Certificate submitted to MoT against the Scheme funds which resulted in submission of inflated Utilisation Certificate. Further, the Executing Agency submitted the requirement of ₹42.24 crore for the works (relating to development of ghats) to the State Government. However, State Government released ₹43.38 crore to the agency which was in excess by ₹1.14 crore.
- vi. Uttar Pradesh State Tourism Development Corporation Limited (UPSTDC) did not open separate bank account for the project but kept the funds in savings bank account common for all centrally funded schemes. Further, as per the Scheme guidelines, the State implementing agency was to refund the interest earned on Scheme funds to the Ministry at the year end. However, it was observed that it did not remit interest of ₹34.56 lakh on Scheme funds earned from that account. Similarly, Uttar Pradesh Rajkiya Nirman Nigam also earned interest of ₹93.65 lakh which was not refunded to MoT. In addition to the above, the State Government did not remit the interest of ₹36.51 lakh to MoT, which was earned on mobilisation advance.
- vii. Executing Agencies (viz., Uttar Pradesh Rajkiya Nirman Nigam and Irrigation Department) had executed the work at cost lesser than sanctioned cost. As a result, there was saving of ₹8.20 crore, which was not refunded to the MoT, which could have been utilised by MoT in other ongoing/new projects under the Scheme.
- viii. As per sanction letter, the State Government was to regularly furnish the quarterly statement of progress of work and expenditure incurred to the Ministry of Tourism. Audit observed that the progress reports submitted by the State Government contained expenditure towards consultancy and contingency charges at ₹1.29 crore and ₹1.94 crore respectively. However, no amount had been released by the State Government to the executing agencies under these heads.
- ix. As per the Scheme guidelines, the State Government was to ensure proper Operation and Maintenance (O&M) after completion of project. However, irregularities were noticed during physical verification of sites. For instance, against provision of three stone benches in each Gazebo at Tulsi Udhyan, no stone bench was found in two Gazebos; Drinking water kiosks constructed at Tulsi Udhyan and Ram ki Paidi were

found non-operational and water taps were found missing and the power connection required for running the water machines was not taken yet; Public Toilets were found locked and not in operation; batteries of the installed solar lights were found stolen; steel dustbins installed under Solid Waste Management were found missing at certain places. Due to poor O&M, the facilities created remained non-operational and were lying in dilapidated condition thereby depriving the tourists from their intended benefits.

- x. As per the Scheme guidelines, the State Government was to appoint a State Level Monitoring Committee (SLMC) for monitoring and timely implementation of the project. However, the Committee was formed (August 2019) after delay of two years from date of sanction of the project. Further, no progress report was sent to MoT prior to February 2021 and even after that financial and physical progress reports were not sent on monthly basis to MoT indicating inadequate monitoring by the State Government.

Annexure-III
(Referred to in para 2.1)

Overlapping of objectives of Swadesh Darshan Scheme with other ongoing schemes of the Ministry

Scheme	Type	Objectives
Product/Infrastructure Development for Destination and Circuits (PIDDC)	Centrally Sponsored Scheme	<ul style="list-style-type: none"> • Improvement of existing tourism products and development of new tourism products to world standards • Integrated Infrastructure development of new tourism sites including the development of: <ol style="list-style-type: none"> i. Improvement of the surroundings of the destination, which would include activities like landscaping, development of parks, fencing, compounding wall, etc. ii. Illumination of tourist destination and the area around, and Sound and Light shows, etc. iii. Providing for improvement in solid waste management and sewerage management, public conveniences, etc. iv. Improvement of road connectivity leading to the tourist sites, especially from the National Highways/State Highways and other entry points. v. Construction of wayside public conveniences vi. Construction of budget accommodation, restaurants and wayside amenities including one-time assistance for its air-conditioning and furnishings (only in selected places of Jammu & Kashmir and all North-East States and Eco-tourism projects, where private sector investment is not forthcoming or not possible) vii. Procurement of equipment directly related to tourism, like water sports, adventure sports, eco-friendly modes of transport for moving within the tourism zones and equipment for cleaning of the tourist destinations viii. Refurbishment of the monuments ix. Signages and display boards <ol style="list-style-type: none"> x. Tourist arrival centres, reception centres, interpretation centres xi. Improvement of municipal services directly related to tourism xii. Other works/activities directly related to tourism.

Scheme	Type	Objectives
National Mission on Pilgrimage Rejuvenation and Spiritual Augmentation Drive (PRASAD)	Central Sector Scheme	<ul style="list-style-type: none"> • Integrated development of identified pilgrimage and heritage destinations. • Infrastructure development such as development/upgradation of destination entry points viz., passenger terminals (of road, rail and water transport), basic conveniences like tourism information/interpretation centres, improvement of road connectivity, procurement of equipment for eco-friendly modes of transport and equipment for tourist activities. • Shoreline development & rejuvenation of natural water bodies.
Assistance for Large Revenue Generating Projects	Central Sector Scheme	<ul style="list-style-type: none"> • Ensure public sector and private sector partnership in the development of tourism infrastructure in the country by attracting techno-managerial efficiencies and resources of the private sector and providing congenial and conducive atmosphere with liberalised policies by the public sector. • Promote large revenue generating projects like Tourist Trains, Cruise Vessels, Convention Centres, Golf Courses, Health and Rejuvenation facilities and last mile connectivity to tourist destinations (air and cruise including heli tourism), etc. in public private partnerships.
Domestic Promotion and Publicity including Hospitality	Central Sector Scheme	<ul style="list-style-type: none"> • Activities for promotion of domestic tourism and spread of social awareness messages. Campaigns through electronic and print media to promote important tourist products of the country. • Financial Assistance to various organisations/stakeholders to organise training programmes, workshops, etc. on tourism related topics.
Overseas promotion and publicity including Market Development Assistance	Central Sector Scheme	Publicity and marketing campaigns with the aim to position India globally as the most favoured destination, marketing of brand Incredible India .
Capacity Building for Service Providers	Central Sector Scheme	Under the Scheme, a programme ‘Hunar Se Rozgar Tak’ was launched to train youth to meet the skilled manpower requirement of the sector and to reach out

Scheme	Type	Objectives
		to the poor in the society to give them employable skills.
Market Research including 20 Years Perspective Plan	Central Sector Scheme	Undertaking various studies and surveys relating to tourism. Preparation of Perspective Plans and Master Plans for different regions/destinations and Detailed Project Reports for destinations.
Computerisation and Information Technology	Central Sector Scheme	Financial Assistance to States to upgrade their tourism related computer facilities, innovative Information Technology projects of State Governments relating to tourism
Assistance to Central Agencies for Tourism Infrastructure Development	Central Sector Scheme	To ensure tourism infrastructure development through Central Financial Assistance and successful project implementation, proper maintenance and management of the illumination/preservation of monuments, development of cruise terminals, etc. by the concerned central agencies like Archaeological Survey of India, Port Trust of India, India Tourism Development Corporation, Ministry of Railways, etc.

Annexure-IV
(Referred to in para 2.9)

Details of components dropped and added in the project ‘Integrated Development of Himalayan Circuit, Himachal Pradesh’

Sl. No.	Components of the Project	Remarks
1.	<p>Convention Centre at Kiarighat:</p> <ul style="list-style-type: none"> (i) Reception/Lobby (ii) Convention Hall (iii) Auditorium (iv) Conference Rooms (v) Restaurant (vi) Covered Parking (vii) <i>Open Parking</i> (viii) <i>Open Air Theatre</i> (ix) <i>Gazebo</i> (x) Landscaping (xi) Solar Illumination (xii) Water Tank and Sewage Treatment Plant 	In the Regional Review Meeting held on 18 January 2020, three components viz., Open Parking, Open Air Theatre and Gazebo were dropped by the Ministry of Tourism as no work had been started by the State Government on these components.
2.	<p>Ice Skating Rink at Shimla:</p> <ul style="list-style-type: none"> (i) Development of Rink (ii) Cafeteria (iii) Public Toilets (iv) Changing Room (v) Waiting Hall (vi) Open Parking (vii) Path/Walkway (viii) Refrigeration Equipment (ix) Solar Illumination 	Since permission/clearance from National Green Tribunal was not received, all the components relating to ‘Ice Skating Rink at Shimla’ were dropped by the Ministry of Tourism in its Regional Review Meeting held on 18 January 2020.
3.	<p>Heliport at Shimla:</p> <ul style="list-style-type: none"> (i) Development of Heliport (ii) Reception (iii) Waiting Hall (iv) Cafeteria (v) Retaining Wall (vi) Open Parking (vii) Landscaping (viii) Toilets (ix) Development of Road (x) Solar Illumination 	No change in components

Sl. No.	Components of the Project	Remarks
4.	Water Sports Centre in Sunni Area: <ul style="list-style-type: none"> (i) Water Sports Centre (ii) Platform for Tents (iii) Open Parking (iv) Landscaping (v) Walkway (vi) Riverside Decks 	All the components were dropped (February 2019) due to non-availability of forest clearance.
4(a).	Water Sports Equipment at Sunni: <ul style="list-style-type: none"> (i) Speed Boat (ii) Sailing Boats (iii) Paddle Boat (iv) Water Scooters (v) Life Jackets 	All the components were dropped (February 2019) due to non-availability of forest clearance.
5.	Wayside Amenities at Tipra near Parwanoo: <ul style="list-style-type: none"> (i) Tourist Reception Area (ii) Cafeteria (iii) Souvenir Shops (iv) Public Toilets (v) Parking (vi) Landscaping & Solar Street Lights 	All the components were dropped (February 2019) due to non-availability of forest clearance.
6.	Multi-Level Parking with Cafeteria and TRC at Manali: <ul style="list-style-type: none"> (i) Multi-Level Parking (ii) Cafeteria (iii) Tourist Reception Area (iv) Meeting Room (v) Exhibition Room (vi) Equipment Room (vii) Landscaping (viii) Open Parking (ix) Sewage Treatment Plant (x) Solar Street Lights 	All the components were dropped (February 2019) due to non-availability of forest clearance.
7.	International Standard Free-Standing Artificial Climbing Wall: <ul style="list-style-type: none"> (i) Development of Artificial Climbing Wall (ii) <i>Climbing Gym</i> (iii) <i>Training Boards</i> (iv) <i>Zip Line Equipment</i> (v) <i>Body Zorbs</i> 	In the Regional Review Meeting held on 18 January 2020, five components viz., Climbing Gym, Training Boards, Zip Line Equipment, Body Zorbs and Solar Illumination were dropped by the Ministry of Tourism as no work had

Sl. No.	Components of the Project	Remarks
	(vi) <i>Solar Illumination</i>	been started by the State Government on these components.
8.	Development and Beautification of Dal Lake at Dharamshala: <ul style="list-style-type: none"> (i) Cafeteria (ii) Landscaping (iii) Development of Path/Walkway (iv) Installation of Benches (v) Open Parking (vi) Solar Street Lights 	No change in components
9.	Paragliding Centre at Bir: <ul style="list-style-type: none"> (i) Tourist Reception Area (ii) Equipment Room (iii) First Aid Room (iv) Office (v) Cafeteria (vi) Kitchen (vii) Staff Room (viii) Store Rooms (ix) Public Toilets 	In the Regional Review Meeting held on 18 January 2020, all the components were dropped by the Ministry of Tourism as no work had been started by the State Government on these components.
9(a).	Paragliding Equipment: <ul style="list-style-type: none"> (i) Paragliders (ii) Helmet (iii) Safety (iv) Harness (v) Parachutes (vi) GPS (vii) Radio Set 	In the Regional Review Meeting held on 18 January 2020, all the components were dropped by the Ministry of Tourism as no work had been started by the State Government on these components.
10.	Wayside Amenities cum Rafting Centre at Nadaun: <ul style="list-style-type: none"> (i) Rafting Centre (ii) Souvenir Shop (iii) Café (iv) Waiting Area (v) Cloak Room (vi) Public Toilets (vii) Open Parking (viii) Landscaping (ix) Water Sports Equipment like Rafts, Life Jackets, Helmets and Paddle 	All the components were dropped (February 2019) due to non-availability of forest clearance.

Sl. No.	Components of the Project	Remarks
11.	Light and Sound Show at Shimla	Two new components at Sl. Nos. (11) and (12) viz., Light and Sound Show at Shimla and Development of Maa Hateshwari Temple at Hatkoti at Hatkoti were added (February 2019) in place of the dropped components mentioned at Sl. Nos. (4), 4 (a), (5), (6) and (10). Later, in the Regional Review Meeting held on 18 January 2020, the newly added component ' Development of Maa Hateshwari Temple at Hatkoti ' was also dropped as no work had been started by the State Government thereon.
12.	Development of Maa Hateshwari Temple at Hatkoti: (i) Improvement of Pathway and drains around the temple area (ii) Sitting Benches (30 nos.) (iii) Dustbins (10 nos.) (iv) Street Lights (v) Construction of Rain Shelters (vi) Illumination of Temple Area (vii) Construction of Parking Area	
13.	Saurav Kalia Van Vihar: (i) Landscaping (ii) Gazebos (iii) Solar Lights (iv) Public Toilets	In the Regional Review Meeting held on 18 January 2020, all the components were dropped by the Ministry of Tourism as the construction work done by the State Government was washed away by the flash floods.
14.	Village Haat at Kangra: (i) Haat (ii) Cafeteria (iii) Public Toilets (iv) Open Air Theatre (v) Landscaping (vi) Solar Street Lights (vii) Open Parking	No change in components
15.	Art & Craft Centre at Bhalei Mata, Chamba: (i) Cafeteria (ii) Craft Rooms (iii) Open Air Theatre (iv) Landscaping (v) Toilets Parking (vi) Solar Street Lights	No change in components

Sl. No.	Components of the Project	Remarks
16.	Signages, Gantries, CCTV and WIFI for the entire circuit	No change in components

Annexure-V
(Referred to in Para 5.9)

Gist of observations of National Productivity Council Report 2019 on Impact Assessment Study of Swadesh Darshan Scheme

The Impact Assessment study by National Productivity Council (NPC) included detailed field studies of 10 projects selected in consultation with the Ministry of Tourism. The NPC observed that:

- None of the projects could adhere to the timelines as per milestones specified for completion of the project. Deviations were found in all the projects in the range of 10-30 *per cent*. During the field visit by NPC team, it was observed that a lot remains to be done in terms of the upkeep, operation and maintenance of the developed sites/components. There are major connectivity issues within the various sites (intra) in the entire circuit. Some components lack basic facilities like water/electricity/security that are critical to the success of the project.
- Delays were observed in most of the projects with respect to timely implementation. All the stakeholders particularly the Mission Directorate, Project Implementing Agencies including their Consultants, Construction/Executing Agencies and Central Project Management Consultant need to work in tandem as per the sanctioned project timelines for the timely completion, quality adherence and local tourism development for achieving the objectives of the “Swadesh Darshan” Scheme.
- In the case of Arunachal Pradesh and Sikkim, the project components were thinly spread across in a very wide area. It is suggested that the number of Project sites should be restricted to 5-6 with intensive development of well-conceived areas rather than spreading it all around.
- There were major deviations found in the project on Integrated Development of New Adventure Tourism in Arunachal Pradesh wherein component of adventure sports which was the base of the project theme was not taken up as specified in DPR and land leveling and kaccha road of 7 Kms was made under the component which was actually meant for Adventure sports based equipment component.
- Tendering issues, lack of competence of contractors, unsatisfactory work from contractors, lack of proper conceptualisation of DPR at the inception stage, unavailability of technical drawings, lack of technical support and management of the project progress by Central Project Management Consultant, etc. have been found as major issues that need to be addressed.
- Coordination among State Tourism Department, Other Departments and District Authorities need to be strengthened. The promotion & publicity component of all the 10 locations was found lacking. There is an urgent need to undertake promotion and awareness campaigns to ensure the project viability and making these locations known to the tourists.

**Annexure-VI
(Referred to in Para 5.10)**

**Gist of the observations and recommendations of the Parliamentary Standing
Committee on Transport, Tourism and Culture**

Sr. No.	Report No. (Date)	Gist of Observations/Recommendations of the Committee
1.	275 (March 2020)	<p>The Committee observed that several proposals sent by the State Governments for inclusion under the Scheme were pending approval by the Ministry. It had recommended that approval to such pending projects should be expedited.</p> <p>The Committee also recommended that for better promotion of rural tourism, more Rural circuit projects may be sanctioned and implemented for promotion of niche tourism and more funds may be earmarked for Rural circuits under the Scheme.</p>
2.	284 (February 2021)	<p>The Committee observed that the approach of the Ministry for preparing the Budget Estimates was casual and routine in nature. The manner, in which the Budget Estimates were being prepared showed that the Ministry was not very serious about the activities to be undertaken by them. Therefore, the Committee had recommended the Ministry to have the entire requirement of funds realistically assessed after collecting timely information on requirement of funds from the State Governments and other stakeholders and take steps to rectify and improve upon the existing system of assessing requirement of funds.</p>
3.	298 (August 2021)	<p>The Committee recommended the Ministry to develop an effective and efficient mechanism for timely submission of Utilisation Certificates. This would not only speed up execution of all the projects well within the approved cost, but also help in prevention of cost overruns in the projects.</p> <p>The Committee observed that the progress of projects under the Scheme was not satisfactory. It had recommended the Ministry to take stringent measures for expediting the completion of the projects in a time bound manner.</p>

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