

CHAPTER III: ECONOMIC SECTOR

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3.1 Introduction

This Chapter deals with the findings of audit on the State Government units under Economic Sector.

The details of the total budget allocation and expenditure of the departments under Economic Sector during the years 2020-21 and 2021-22 are given in **Table 3.1.1**.

Table 3.1.1: Details of allocation and expenditure under Economic Sector (Non-PSUs)

(₹ in crore)

Name of the Department	Budget allocation		Expenditure	
	2020-21	2021-22	2020-21	2021-22
Co-operation Department	35.60	40.34	30.43	33.48
Public Works (Roads and Buildings) Department	1,485.47	1,596.75	1,083.40	1,038.71
Power Department	145.46	384.83	89.78	187.80
Public Works (Water Resource) Department	214.74	308.90	125.33	164.29
Information, Cultural Affairs Department	47.78	58.19	42.35	47.35
Industries and Commerce Department	127.39	151.62	122.95	120.48
Industries & Commerce (Handloom, Handicrafts and Sericulture) Department	42.44	41.60	35.05	36.28
Fisheries Department	84.22	140.51	61.67	86.36
Agriculture Department	564.39	626.20	380.68	365.62
Horticulture Department	140.40	135.20	88.76	70.37
Animal Resource Development Department	128.23	178.43	105.40	128.36
Forest Department	200.76	324.20	153.73	228.67
Science, Technology and Environment Department	8.28	40.41	5.50	20.58
Factories and Boilers Organisation	3.13	3.59	2.90	2.87
Information Technology Department	33.12	56.77	15.99	25.37
Tourism Department	7.14	35.56	10.80	26.94
Total number of Departments = 16	3,268.55	4,123.10	2,354.72	2,583.53

Source: Appropriation Accounts 2020-21 and 2021-22

We audited 40 units during 2020-21 and 17 units during 2021-22 under this Sector, covering expenditure of ₹ 839.32 crore and ₹ 147.10 crore respectively (including expenditure of the previous years).

This Chapter contains one Subject Specific Compliance Audit on “Utilisation of the Compensatory Afforestation Fund” and four compliance audit paragraphs under Public Works (Drinking Water and Sanitation) Department, Public Works (Roads and Building) Department, Animal Resource Development Department and Tourism Department involving money value of ₹ 9.69 crore.

SUBJECT SPECIFIC COMPLIANCE AUDIT

FOREST DEPARTMENT

3.2 Utilisation of the Compensatory Afforestation Fund

3.2.1 Introduction

The Supreme Court of India directed (October 2002) that a ‘Compensatory Afforestation Fund’ (CAF) shall be created in which all the money received from user agencies towards Compensatory Afforestation (CA), Additional Compensatory Afforestation (ACA), Penal Compensatory Afforestation (PCA), Net Present Value (NPV)⁹⁷ of forest land, Catchment Area Treatment (CAT) plan funds, *etc.* shall be deposited. The CAF was to compensate for the loss of tangible as well as intangible benefits from the forest lands which were diverted for non-forest use. The Court observed that the fund would not be part of the general revenues of the Union, of the States or part of the Consolidated Fund of India. Ministry of Environment & Forests and Climate Change (MoEF&CC) issued a notification to constitute the Compensatory Afforestation Fund Management and Planning Authority (CAMPA) in April 2004 for the management of the compensatory afforestation fund. In May 2006, as the Supreme Court of India ordered that as CAMPA had still not become operational, an ad-hoc body (known as Ad-hoc CAMPA⁹⁸) should be constituted till CAMPA became operational and all monies recovered from October 2002 on behalf of CAMPA and lying with various officials of the State Government were to be transferred to *Ad-hoc* CAMPA.

Ministry of Environment & Forest and Climate Change (MoEF&CC), Government of India (GoI) framed (July 2009) State Compensatory Afforestation Fund Management and Planning Authority (CAMPA) guidelines for establishing CAMPAs in the States/ Union Territories and putting in place funding mechanism for enhancing forest and tree cover and conservation and management of wildlife by utilising funds received. The government of Tripura (GoT) constituted the State CAMPA in October 2009.

The GoI enacted the Compensatory Afforestation Fund Act, 2016 under which the constitution of “The Compensatory Afforestation Fund Management and Planning Authority” was notified and the State Authority was appointed by the GoI in September 2018. Further, as per Rules 2(6)&(8) of the Compensatory Afforestation Fund (Accounting Procedure) Rules, 2018 the monies received by the State Government shall be credited to ‘State Compensatory Afforestation Deposits’ at Minor Head level below ‘Major Head 8336-Civil Deposit’ in Public Account of State

⁹⁷ It is a mandatory one-time payment that a user has to make for diverting forestland for non-forest use under the Forest (Conservation) Act, 1980.

⁹⁸ In May 2006, the Supreme Court of India ordered that as CAMPA had still not become operational, an ad-hoc body (known as *Ad-hoc* CAMPA) should be constituted till CAMPA became operational. Accordingly, the *Ad-hoc* CAMPA under the Chairmanship of the Director General of Forests with the Special Secretary, MoEF, Inspector General of Forest (FC), MoEF, a representative of the Comptroller and Auditor General of India and a nominee of the Chairman of the Central Empowered Committee of Supreme Court as its members were formed.

and the State budget shall have provision for State schemes finance from State fund based on the Annual Plan of Operation of the State Authority.

3.2.2 Organisational set-up

State CAMPA in Tripura functions through a three-tier committee consisting of Governing Body headed by the Chief Minister of the State and two Committees viz., State Level Steering Committee headed by the Chief Secretary of the State and State Level Executive Committee headed by the Principal Chief Conservator of Forests (PCCF)&Head of Forest Forces (HoFF) of the State. Besides, there were eight Forest Districts headed by the District Forest Officers (DFOs) under which 17 Forest Sub-Divisions and four Wildlife Sanctuaries headed by the Sub-Divisional Forest Officers (SDFOs) and Wildlife Wardens (WLWs) respectively were responsible for implementing the activities of the State CAMPA at field levels. At the Range level, Range Forest Officers and Assistant Wildlife Wardens were responsible for executing the Compensatory Afforestation (CA) works.

3.2.3 Objectives of the State CAMPA

As per the notification (October 2009) furnished by the Department, Tripura State CAMPA was to act as an instrument to accelerate activities for the followings:

- a. conservation, protection, regeneration and management of existing natural forests;
- b. conservation, protection and management of wildlife and its habitat within and outside the protected areas including the consolidation of protected areas;
- c. collection of monies from user agencies towards CA, Additional CA, penal CA, NPV and all amounts recovered from such agencies under the provisions of the Forest (Conservation) Act, 1980 and presently lying with the Ad hoc CAMPA and utilisation thereof as per the guidelines governing the use of fund;
- d. compensatory afforestation; and
- e. environmental services, research, training and capacity building.

Audit Observations

3.2.4 Utilisation of funds under CAMPA during 2016-21

The year-wise details of funds received by the State CAMPA from the *Ad-hoc* CAMPA/ State Government and its further release to the DFOs *vis-à-vis* expenditure incurred during the period from 2016-17 to 2020-21 covered by the audit are shown in **Table 3.2.1**.

Table 3.2.1: Details of funds received, and expenditures incurred during 2016-17 to 2020-21 by State CAMPA

(₹ in lakh)

Year	Opening Balance	Amount received from Ad-hoc CAMPA/SG	Total funds available	APO approved	Fund utilised by the DFOs/ Divisions	Balance with State CAMPA	Percentage of approved funds utilised
2016-17	1,491.28	1,200.00	2,691.28	2,202.42	1,101.82	1,589.46	50.03
2017-18	1,589.46	710.00	2,299.46	1,982.69	686.86	1,612.60	34.64
2018-19	1,612.60	1,670.00	3,282.60	1,670.00	1,285.81	1,996.79	76.99
2019-20 ⁹⁹	1,996.79	498.00 ¹⁰⁰	2,494.79	2,083.66	1,865.19	629.60	89.52
2020-21	629.60	1,756.00 ¹⁰¹	2,385.60	2,150.65	1,771.80	613.80	82.38
Total	-	5,834.00	-	10,089.42	6,711.48	-	-

Source: Annual Reports and information furnished by the State CAMPA

The Ad-hoc CAMPA released ₹ 3,090.36 lakh up to March 2016 to the State CAMPA, out of which the State CAMPA spent ₹ 1,599.08 lakh up to the year 2015-16 leaving an unspent amount of ₹ 1,491.28 lakh. During the period from 2016-17 to 2018-19, the Ad-hoc CAMPA released ₹ 3,580.00 lakh to State CAMPA and during 2019-20, the entire funds of ₹ 18,365.00 lakh available with Ad-hoc CAMPA, were transferred to the State Government for further release to the State CAMPA from 2019-20 onwards. The status of the CAMPA fund lying with the Public Accounts of the State Government is shown in **Table 3.2.2**.

Table 3.2.2: Status of CAMPA fund lying with State Government

(₹ in lakh)

Year	Opening balance	Amount received from Ad-hoc CAMPA/User Agencies	Total available fund	Funds released by the State Government	Fund Utilised by the Department	Closing balance
2019-20	0.00	18,365	18,365	650	498	17,867
2020-21	17,867	21,403	39,270	1,835	1,756	37,514

Source: Information furnished by State CAMPA

The State CAMPA approved the Annual Plan of Operations (APOs) for ₹ 10,089.42 lakh for 2016-17 to 2020-21 and released funds to the DFOs/ SDFOs for implementation of activities of State CAMPA leaving an unspent amount of ₹ 613.80 lakh with the State CAMPA as of March 2021. During 2016-17 to 2020-21, the percentage of funds utilised out of approved funds for the activities under CAMPA ranged between 34.64 and 89.52.

It was seen from the records that lesser utilisation of funds was due to delayed approval of APOs (**Paragraph 3.2.5**), delay in issue of funds allotment order, delay in

⁹⁹ After 2018-19, the Ad-hoc CAMPA released all the accumulated state share of ₹ 18,365.00 lakh to the State Government and from 2019-20, the State Government released the fund to the state CAMPA as per their requirement/ approved APO.

¹⁰⁰ ₹ 650 lakh was released by the State Government, but only ₹ 498.00 lakh was drawn by the State CAMPA.

¹⁰¹ ₹ 1,835.15 lakh was released by the State Government, but only ₹ 1,756.00 lakh was drawn by the State CAMPA.

sanction of expenditure and consequently delay in the release of funds, which led to Rush of expenditure (**Paragraph 3.2.4.1**). Non-utilisation of entire funds resulted in the non-achievement of targets of forest protection works such as fencing, works related to the improvement of wildlife habitat, use of Information and Communication Technology in forest resource management, capacity building, raising of dwarf species, etc.

The Deputy Conservator of Forest (DCF) CAMPA replied that (January 2023) some avoidable delays occurred initially for approval of the APOs and subsequent release of funds. However, there was no lack of initiative to utilise the CAMPA fund for the development of the State Forest. Efforts are being taken to avoid such delay in future. But the fact remained that only 66.52 per cent of the approved fund could be utilised by the Department during the period 2016-21.

3.2.4.1 Rush of Expenditure

As per Rule 62(3) of the General Financial Rules, 2017, the rush of expenditure particularly in the closing months of the financial year, shall be regarded as a breach of financial propriety and shall be avoided. The year-wise expenditure incurred in March as a percentage of total expenditure in respect of the State CAMPA scheme for the years 2016-17 to 2020-21 is given in **Table 3.2.3**.

Table 3.2.3: Statement showing the expenditure in the last month of the financial year

(₹ in lakh)

Financial Year	Total expenditure incurred during the year	Expenditure incurred in March	Percentage of total expenditure
2016-17	1,102.34	519.00	47
2017-18	626.38	266.68	43
2018-19	1,333.56	1,045.80	78
2019-20	1,865.19	865.99	46
2020-21	1,792.96	530.88	30

Source: Information furnished by the State CAMPA

Audit analysis revealed that funds ranging from 30 per cent to 78 per cent were spent during the closing months of financial years. The reasons for expenditure at the end of the financial year were delays in the issue of Fund Allotment orders and Expenditure Sanction orders. Delayed release of funds resulted in underachievement of physical as well as financial targets as discussed in **Paragraph 3.2.4**.

3.2.4.2 Delay in submission or APOs

As per the notification (October 2009) of Tripura CAMPA, the Executive Committee should submit the APOs to Steering Committee before the end of December for each financial year and to obtain the Steering Committee's concurrence for the release of funds. The approved APOs were to be submitted to the Executive Committee of National Authority (CAMPA), New Delhi for final approval. Details of the submission of APOs and approval are given in **Table 3.2.4**.

Table 3.2.4: Statement showing the delay in submission and approval of APOs

APO Year	Submission of APO to the Steering Committee	Date of approval by the Steering committee	Submission of approved APO to the National Authority	Date of final approval of APO by the National Authority	Delay in submission of APO to the Steering Committee (in days)
2016-17	18.03.2016	29.04.2016	02.05.2016	28.06.2016	77
2017-18	19.05.2017	19.05.2017	30.05.2017	13.07.2017	138
2018-19	16.05.2018	21.06.2018	30.06.2018	30.07.2018	135
2019-20	16.04.2019	16.04.2019	16.04.2019	21.06.2019	105
2020-21	10.01.2020	05.02.2020	19.02.2020	29.05.2020	9

Source: Information furnished by the State CAMPA

Audit observed that the APOs were submitted by the Executive Committee with a delay ranging between nine days and 138 days from the scheduled date of 31 December of each financial year for approval of the Steering Committee which was attributed to the overall delay in taking up CA works.

The DCF CAMPA replied (January 2023) that it was being ensured that delay in the submission of APOs does not occur and that the CA works do not get delayed due to this. The reply is not acceptable as the delayed submission will result in delayed release of funds due to which the entire funds released cannot be effectively utilised as is evident from the closing balances of CAMPA funds every year as detailed in **Paragraph 3.2.4**. However, the Government did not furnish any specific reply on the matter.

3.2.5 Issues related to the utilisation of funds under CAMPA

3.2.5.1 Expenditure under Compensatory Afforestation

As per Tripura CAMPA notification (October 2009), money received for compensatory afforestation, additional compensatory afforestation, penal compensatory afforestation, and catchment area treatment plan may be used as per site-specific scheme submitted by the State along with the approved proposal for the diversion of forest land under the Forest (Conservation) Act, 1980.

A test-check of the records of Tripura CAMPA revealed that ₹ 2,447.64 lakh was spent on Compensatory Afforestation during the period 2016-17 to 2020-21. Activity-wise expenditure is shown in **Table 3.2.5**.

Table 3.2.5: Statement showing the details of expenditure under CA
(₹ in lakh)

Activity	The amount approved in the APOs	Expenditure incurred against the activity
Maintenance of CA Plantation	814.18	888.95
Preparatory action	315.78	169.58
Creation of plantation	1,842.41	964.66
Raising of poly bag nursery	520	288.83
Monitoring and Evaluation of CA plantation	40.85	26.03
Construction of strong barbed wire fencing	180.00	109.61
Total	3,713.22	2,447.64

Source: APOs and Annual Report

The issues noticed under various components under CA, viz. preparatory action, creation of plantation, maintenance of plantation, etc. are discussed below.

- **Preparatory activities:** During 2016-21, ₹ 169.58 lakh on 308.89 hectares was spent for preparatory activities for plantation out of ₹ 315.78 lakh approved for over 1,308.46 hectares. It was noticed that no preparatory action was done during 2016-19 despite 1,182.13 hectares of CA plantation being done during 2017-20. In 2019-20, ₹ 15.62 lakh was spent for preparatory activities over 124.56 hectares (at the rate of ₹ 12,540/hectare) without approval in the APO while in 2020-21, ₹ 153.96 lakh was spent against the approved cost of ₹ 6.39 lakh for 182.57 hectares (at the rate of ₹ 84,329/hectare) i.e. 6.72 times more than the previous year.

Thus, the aim of preparatory action to give the seedlings a good start with rapid early growth could not be ensured for the plantation created during 2017-20. Also, the Department did not adhere to the approved APOs while carrying out the activities of APOs as well as incurring expenditures on these activities.

- **Creation of Plantation:** As per paragraph 2.3(i) & (iii) of Handbook on Forest (Conservation) Act, 1980 and Forest (Conservation) Rules, 2003, Compensatory Afforestation (CA) shall be done over an equivalent area of non-forest land in place of forest land diverted for non-forestry purpose.

It was noticed that, during 2017-18, CA on 572.21 hectares could be done against the targeted 840.46 hectares. Targets as per APO and achievements under the CA for the years 2016-17 to 2020-21, are given in **Table 3.2.6**.

Table 3.2.6: Statement showing the status of the plantation during 2016-17 to 2020-21

Year	Target as per APO		Achievement		Percentage of achievement	
	Physical (in hectares)	Financial (in lakh)	Physical (in hectares)	Financial (in lakh)	Physical	Financial
2016-17	650.00	637.00	649.00	476.96	100	75
2017-18	840.46	637.00	572.21	242.57	68	38
2018-19	125.58	128.72	125.58	71.17	100	55
2019-20	484.34	277.92	484.34	134.58	100	48
2020-21	182.80	161.77	182.80	39.38	100	24
Total	2,283.18	1,842.41	2,013.93	964.66	88	52

Source: Annual report of CAMPA and information furnished by the Department

It can be seen from **Table 3.2.6** that;

- During 2016-21, while the financial achievement ranged between 24 *per cent* and 75 *per cent*, 100 *per cent* of physical targets were shown as achieved which indicated a deficiency in budgeting besides unauthorised diversion of the savings to other components.
- During 2016-17, expenditure in three sampled districts¹⁰² compensatory plantation ranged between ₹ 49,900 (North Tripura District) and ₹ 81,399 (Gomati District) per hectare against the approved cost of ₹ 98,000 per hectare. Whereas, during 2020-21, expenditure on CA ranged between ₹ 18,228 (North Tripura District) and ₹ 25,075 (Gomati District) per hectare against the approved cost of ₹ 88,500 per hectare.

Thus, the exaggerated estimation of CA and release of funds accordingly led to expenditure on other components in addition to their approved estimate without the approval of additional funds by the competent committee and also on the works which were not considered under the APOs.

The Government stated (January 2023) that the estimates were prepared based on the Schedule of Rates (SOR). But due to variable site conditions and requirements of works such as the fencing required/ not required in some cases and various other factors, the actual expenditure varies. To meet the unforeseen contingencies, the estimates were also kept on the higher side.

The reply is not acceptable as the scheme for CA is site specific. The selection of a site for the CA plantation is done before the final approval of the diversion of forest land. Therefore, the site condition for CA remains well known to the Department before plantation.

- **Maintenance of plantations:** As per paragraph 2.8(ii)(e) of Handbook of Forest (Conservation) Act, 1980 and Forest Conservation Rules, 2003, the scheme for CA should be site-specific and include a detailed work schedule including year-wise operations including saplings to be planted along with soil & moisture conservation, regeneration cleaning, silvicultural and other activities as

¹⁰² North Tripura, Unakoti and Gomati Districts.

prescribed in the working plan, species to be planted, including maintenance for 10 years and annual total costs in conformity with cost norms of the State/ UT.

It was noticed that during 2016-21, against the approved amount of ₹ 814.18 lakh in the APOs for the maintenance of CA Plantations, ₹ 888.95 lakh had been spent. During 2017-18, 2,039.91 hectare of the plantation was to be maintained at a cost of ₹ 287.41 lakh and during 2018-19, ₹ 125.49 lakh was approved for maintenance of 2,418.12 hectares of the plantation, the maintenance was found carried out at the rate substantially lower/ higher than the rates planned in the APO as detailed in **Appendix 3.2.1**.

This led to the expenditure of ₹ 96.76 lakh on maintenance of 1,724.20 hectares of plantation during 2017-18 *i.e.* less than 60 *per cent* of the approved cost and during 2018-19, overall ₹ 419.22 lakh was spent for maintenance of only 1,897.84 hectares of plantation *i.e.*, which was almost 426 *per cent* more than the approved cost.

- **Non-maintenance of older CA plantations:** The Department kept the provision for the maintenance of CA plantations for 10 years while submitting the proposals for approval of the diversion of forest land for non-forest purposes. Accordingly, the cost of maintenance as worked out by the Department was deposited by the User Agencies under the CA component. The details of CA plantations and their maintenance are given in **Table 3.2.7**.

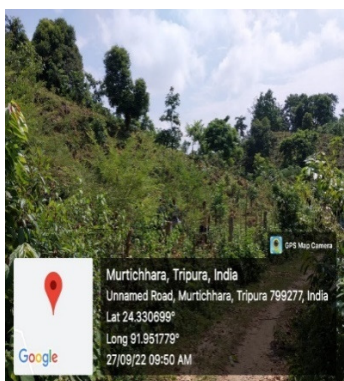
Table 3.2.7: Details of CA plantations and their maintenance

(Area in hectares)

Year	CA plantation required to be maintained	CA plantation approved for maintenance in the APOs	CA plantation for which maintenance was done	Percentage of maintenance of CA plantations
2016-17	1,390.91	1,390.91	1,240.90	89
2017-18	2,039.91	2,039.91	1,724.20	85
2018-19	2,612.12	2,417.92	1,897.84	73
2019-20	2,737.70	1,731.79	2,305.72	84
2020-21	3,221.70	1,830.79	1,830.79	57
Total	12,002.34	9,411.32	8,999.45	75

Source: Annual Report of State CAMPA and information furnished by the Department

During 2018-19, 194.20 hectares of CA plantations created during 2012-13 were not considered for maintenance in the APOs. Similarly, during 2019-20, 1,006.11 hectares of CA plantations created during 2012-13 to 2014-15 and during 2020-21, 1,390.98 hectares of CA plantations created during 2012-13 to 2015-16 were not considered for maintenance (Overall, 25 *per cent* of CA plantations could not be maintained during 2016-21). It was found that despite the absence of any provision in the APO during 2019-20, 573 out of 1,006.11 hectares were maintained involving ₹ 9.32 lakh without the approval of the Steering Committee. Lack of maintenance can be seen in **Photographs 3.2.1 to 3.2.3**.



Photograph 3.2.1: Artificial Regeneration (AR) Misc. Plantation, Kailasahar, Unakoti District, 2020-21



Photograph 3.2.2: Bamboo Rhizome Plantation, Udaipur, Gomati District, 2018-19



Photograph 3.2.3: Kanak Kaich Bamboo Plantation, Paratia Beat, Udaipur, Gomati District, 2016-17

As per CAF Rules, 2018, the Stock Register and Fixed Asset Register, Work Register recording all physical works and corresponding expenditures, and Plantation Journal were required to be maintained. Further, as per General guidelines of Schedule of Rates, 2019, Pre survey and re-survey must be done using GPS instruments before and after all planting programmes respectively and the findings/ outcome of plantation/ nursery in terms of survival percentage must be documented in the Journal. The supervising officer and inspecting officers were required to must check and verify the plantation journals during their visits and record their observations in the plantation journal as per Para 7.4.2 of a compendium of Forest Acts, rules, memoranda, *etc.* and standing instructions.

To assess the status of maintenance activities, joint physical verification (August 2022) of the 25¹⁰³ selected plantation works was taken up. The site visits and scrutiny of records revealed the following:

- In all the 25 works, geo-tagging of the works was not done before and after the execution of works.
- Out of the 12 works of plantations, in 11 works survival percentage of plantations was not available on records. However, **Photographs 3.2.4** and **3.2.5** shows sparse trees survival.



Photograph 3.2.4 & 3.2.5: Creation of miscellaneous plantation (CA) over 59.50 hectare, Udaipur, Gomati District, 2016-17

¹⁰³ 12 Nos. of plantation/nursery and 13 Nos. of construction/fencing works

- Out of the 25 works, in 22 cases higher authority did not visit the site of the project/ plantation/ work as per departmental norms.
- Out of the 12 works of the plantation, in 10 plantation works Plantation Journal was not maintained by the IOs.
- Out of the 25 works, in 19 cases assets/ project/ plantation created was not recorded in the Assets Register.

No records regarding the survival percentage of older CA plantations (up to the 10th year) were made available to audit by the PCCF or DFOs. In absence of such records, the survival of plantations and the core objective of the plantation could not be ensured.

The Government in its reply (January 2023) stated that up to 2018-19, there was a provision for five years' maintenance of the plantation as per CAMPA guidelines and from 2019-20, a provision for 10years of maintenance has been made. The Department had been making all efforts to maintain the plantations as per the provisions contained in the guidelines.

The reply is not acceptable as the Department kept the provision for maintenance of CA plantations for 10 years while submitting the proposals for approval of the diversion of forest land for non-forest purposes. Ten years' maintenance cost was also realised/ charged from the user agencies by the Department. Despite the availability of funds, the Department did not make provision for the maintenance of the plantations for up to ten years during the period covered in the audit.

Thus, the CA activities planned in the APOs could not be achieved and there were huge shortfalls in CA activities. Further, the actual expenditure incurred for the maintenance of plantations was much lesser/ higher than the approved costs in all the years. The APOs were not prepared in a realistic manner leading to variations in approved cost and actual expenditure.

3.2.5.2 Expenditure against interest accrued

Rule 6 of the Compensatory Afforestation Fund (CAF) Rules, 2018 stipulates the manner for utilisation of interest accrued on moneys in the state CAMPA fund. Further, the CAF Rules specifies that not less than 60 *per cent* of the interest transferred to the state fund should be spent on the activities for the conservation and development of forest as given in sub-rule (a) such as offsetting the incremental cost of wages, salaries, sitting allowances to the nominated members, *etc.*, and not more than 40 *per cent* of the interest transferred to the state fund should be utilised for the non-recurring and recurring expenditure of the state authority as detailed in sub-rule (b) such as management of office establishment, hiring of vehicles, buildings lease, *etc.* The details of interest earned *vis-a-vis* expenditure are given in **Table 3.2.8**.

Table 3.2.8: Statement showing the details of interest and expenditure

(*₹ in lakh*)

Year	Opening balance	Interest earned	Expenditure incurred	Closing balance
2016-17	64.74*	42.03	0	106.77
2017-18	106.77	42.12	0	148.89
2018-19	148.889	60.65	0	209.54
2019-20	209.54	57.81	104.28	163.08
2020-21	163.08	73.62	81.82	154.88
Total		276.23	186.09	

*Interest earned during 2015-16

Source: Annual Reports of State CAMPA

It may be seen from **Table 3.2.8** that ₹ 276.23 lakh was earned as interest on the CAMPA fund by the Department during 2016-17 to 2020-21. The Department did not spend any amount from the interest fund during the year 2016-17 to 2018-19. During 2019-20 and 2020-21, ₹ 261.06 lakh was approved for expenditure in the APOs against which ₹ 186.10 lakh was spent by the Department. Component-wise details of expenditure are given in **Table 3.2.9**.

Table 3.2.9: Statement showing the activity-wise details of expenditure incurred

Provision under which the expenditures were made	Activity	Expenditure incurred against the activity (<i>₹ in lakh</i>)	Percentage of expenditure with Total Expenditure
Provision under Rule 6(a) of CAF Rules, 2018	Disbursement of salary and allowance	78.53	42.20
	Equipment/devices used for communication	15.89	8.54
Sub-Total		94.42	50.74
Provision under Rule 6(b) of CAF Rules, 2018	Other activities	91.68	49.26
Sub-Total		91.68	49.26
Total		186.10	100

Source: Annual Reports of State CAMPA

From **Table 3.2.9**, it can be seen that during the years 2019-20 and 2020-21, 49.26 *per cent* of total expenditure from interest fund was made for other activities *i.e.*, 9.26 *per cent* (₹ 17.23 lakh) more than the prescribed limit of expenditure which violated the CAF Rules, 2018.

Thus, despite the availability of funds during 2016-19, the expenditure which was required to be made from the accrued interest on the CAMPA fund was made from the NPV fund and the prescribed ratio of expenditure was not adhered to as per the provisions during 2019-21.

3.2.5.3 Expenditure under Net Present Value

Rule 5 of the Compensatory Afforestation Fund (CAF) Rules, 2018 stipulates the manner for utilisation of moneys received towards Net Present Value (NPV) deposited in the state fund. Further, the rule specifies that not less than 80 *per cent* of

the moneys should be utilised for the purpose as given in sub-rule (2) which means forest & wildlife management and not more than 20 per cent moneys shall be utilised for strengthening the forest and wildlife-related infrastructure and capacity building, *i.e.* administration related expenditure involved as detailed in sub-rule (3) *ibid*.

A test check of the records and information furnished by the state CAMPA revealed that ₹ 3,111.39 lakh was spent during the year 2018-19 to 2020-21 against the approved amount of ₹ 3,497.07 lakh under the NPV. Component/ activity-wise details of expenditure are given in **Table 3.2.10**.

Table 3.2.10: Statement showing the component-wise details of expenditure under NPV

Provision under which the expenditures were made	Activity	Expenditure incurred against the activity (₹ in lakh)	Percentage of expenditure with total expenditure
Provision under Rule 5(2) of CAF Rules, 2018	Artificial Regeneration (AR) of forestlands by plantations	591.62	19.01
	Nagar Van Udyan Yojana	41.90	1.35
	Protection of plantation and forest	1023.57	32.90
	Measure for pest and disease control in forest	78.79	2.53
	Improvement of wildlife habitat	157.06	5.05
	Soil and moisture conservation works in forest	201.89	6.49
	Forest fire prevention and control operation	17.36	0.56
	Management of biological diversity	98.41	3.16
Sub-Total		2,210.60	71.05
Provision under Rule 5(3) of CAF Rules, 2018	Infrastructural development for the protection of staff	791.66	25.44
	ICT and Capacity building & Training programme	76.96	2.48
	Establishment, up-gradation, <i>etc.</i> of modern nursery	28.40	0.91
	Monitoring & evaluation and public awareness	3.77	0.12
Sub-Total		900.79	28.94
Total		3,111.39	100

Source: Annual Reports of State CAMPA

As seen from the table and year wise analysis, Audit noticed that there was focus on expenditure on related infrastructure and capacity building above the prescribed norms, *i.e.* 42.43 per cent in 2018-19, 25.87 per cent in 2019-20 and 23.23 per cent in 2020-21 and overall 8.94 per cent more than the prescribed limit of expenditure (₹ 278.51 lakh) on related infrastructure and capacity building rather than preservation of forest and wildlife management.

Similarly, it was also observed from the Annual Reports that ₹ 77.69 lakh¹⁰⁴ was spent on components/ activities such as office support and other ancillary services,

¹⁰⁴ ₹ 77.69 lakh (₹ 54.28 lakh for office support and ₹ 23.41 lakh for other ancillary activities)

which were not permissible under NPV and were required to be spent from the accrued interest on the CAMPA fund under Rule 6(b) *ibid*.

Thus, the excess expenditure over the prescribed limit of 20 *per cent* was ₹ 408.57 lakh under components of related infrastructure and capacity building rather than forest and wildlife management.

3.2.5.4 Un-authorised expenditure from CAMPA

National CAMPA Advisory Council directed (June 2010 and January 2012) that expenditure of administrative nature, expenditure on the strengthening of infrastructure at headquarters, petrol, oil and lubricant expenditure on vehicles, construction, repairs and renovation of office, residential buildings, forest rest house, ministerial staff quarters above Range Forest Officer level, *etc.*, were not permissible out of the CAMPA funds. Further, the CAF Rules, 2018 envisage that money received under NPV shall not be utilised for the establishment, expansion and up-gradation of the Zoo and Wildlife Safari.

Test check of the records of three sampled districts revealed that the following works of ₹ 249.86 lakh which were inadmissible under NPV were included and approved in the APOs; the details are:

- An amount of ₹ 59.03 lakh was incurred on the construction of SDFO's Office at Dharmanagar, North Tripura District as per the approved in APOs for 2016-17 and 2017-18.
- Similarly, an amount of ₹ 71.64 lakh was incurred on the construction of DFO's Office at Belonia, South Tripura District as per the approved (₹ 47.96 lakh) in APOs for 2017-18 and the remaining amount (₹ 23.68 lakh) without the approval of the competent committee.
- Expenditure was also made on the construction of four new enclosures for ₹ 50.00 lakh, boundary fencing with RCC pillars over 1.344 km. for ₹ 43.44 lakh and segregation fencing for control of the population of spotted deer over 500 metres for ₹ 25.75 lakh at Sepahijala Zoological Park.

The inclusion of unauthorised expenditure in the APOs indicated poor budgetary management by the Department.

The Government in its reply (January 2023) stated that before 2018, construction of SDFO and DFO offices was permissible under the CAMPA scheme. Construction of enclosures for Zoo animals, boundary fencing, and segregation was also not prohibited as per CAMPA guidelines before 2018. Therefore, these constructions were carried out from the CAMPA fund.

The reply is not factually correct as it is a violation of the National CAMPA Advisory Council guidelines of 2010 and 2012, that residential buildings above Range Forest Officer level were not permissible from the CAMPA funds, there was also no provision of expenditure on Zoos as per CAMPA guidelines.

3.2.6 Non-maintenance of records of survival of plants

Scrutiny of the records/ information furnished by the State CAMPA as well as records maintained by the DFOs revealed that neither any norm was prescribed by the State CAMPA regarding the survival of plants below which the plantation should be termed as failure nor any record was being maintained showing the year wise rate of survival of plants under CAMPA plantation.

Audit observed from the records that year-wise concurrent monitoring and evaluation was done on a sample basis by a third-party agency “Centre for Forest Based Livelihood and Extension (a unit of Rain Forest Research Institute)” which was engaged by the State CAMPA. The agency conducted on-site verification within the sampled plantations and reported the percentage of survival of plants which was shown in **Table 3.2.11**.

Table 3.2.11: Statement showing the status of survival of plantations

Year	Total number of plantation sites covered	Number of sites below the survival rate of 50 per cent	Number of sites with a survival rate between 50 to 75 per cent	Number of sites with survival above 75 per cent
2016-17	15	2	11	2
2017-18	6	2	3	1
2018-19	12	2	4	6
2019-20	11	0	4	7
2020-21	Records not available			

Audit observed from analysis of the monitoring and evaluation reports that survival of plants ranged between 40 per cent and 85 per cent during 2016-17, between 42 per cent and 85 per cent during 2017-18, between 45 per cent and 87 per cent during 2018-19 and between 75 per cent and 97 per cent during 2019-20.

Some of the important measures repeatedly recommended by the evaluating agency during 2016-17 to 2019-20 were:

- (i) The plantations, particularly at hilltops, need special attention with regular monitoring.
- (ii) A proper signboard for CAMPA should be fixed.
- (iii) The plantation journal should be regularly maintained.
- (iv) Afforestation under the dense and mature tree canopies may be avoided.
- (v) The large size tree species are planted with less than 2m X 2m spacing, the corrective measures may be taken for new plantations, etc.

Repeated recommendations indicated that the Department did not take corrective measures as suggested by the evaluating agency to achieve the objective of the CAMPA plantations and irregularities continued till 2018-19 (*i.e.*, till the period against which the third party monitoring and evaluation Report was made available to audit).

The Government in its reply (January 2023) stated that necessary instructions had been issued to maintain the records/ Plantation Journal relating to the survival of plants.

3.2.7 Inadequate monitoring and supervision

The State CAMPA suffered from many deficiencies and monitoring was inadequate at all levels as detailed below:

- The Governing Body headed by the Chief Minister of the State was mandated to lay down the broad policy framework for the functioning of State level CAMPA and review its working from time to time. The Governing Body held only two meetings against nine¹⁰⁵ meetings during 2016-21. Due to a shortfall in the conduct of meetings, the working of State CAMPA could not be reviewed properly which resulted in a shortfall in the achievement of targets approved in APOs.
- The Steering Committee headed by the Chief Secretary of the State was mandated to hold meetings once every three months wherein the utilisation of funds released from the State fund was also to be monitored. Only six out of 18 mandated meetings were held during 2016-21, due to which expenditure could not be properly monitored which resulted in a rush of expenditure at the end of each financial year as well as a shortfall in the utilisation of funds as approved in the APOs and incurring expenditure on the works which were not approved in the APOs as detailed in the **Paragraphs 3.2.4** and **3.2.5.4**.
- The Executive Committee of the State CAMPA headed by PCCF was mandated to formulate proposals, APOs and reports to submit to Steering Committee and undertake any work as assigned by Governing body or the Steering committee or the State Government. Against these mandates, the issues noticed have been discussed in **Paragraph 3.2.4.2** and **Paragraph 3.2.7**. As against the required 18 meetings during 2016-21, only eight meetings were held. The committee was also mandated to undertake qualitative and quantitative supervision of works being implemented from the State CAMPA fund, but no works were inspected by the Executive Committee during the period 2016-17 to 2020-21. Lack of inspection allowed the deficiencies in various works as pointed out in **Paragraph 3.2.5.1**.

The Government in its reply (January 2023) stated that efforts would be made to conduct the meetings as per provisions of the Scheme guidelines.

3.2.8 Conclusion

The objectives of the State CAMPA could not be fully achieved as the funds released could not be utilised fully and the funds were diverted for unauthorised components. There was a shortfall in the creation and maintenance of CA plantations. The records relating to the year-wise survival of CA plantations were not maintained. The monitoring of the activities of the CAMPA was deficient.

¹⁰⁵ Two meetings in each year.

3.2.9 Recommendations

The Department should take proper action for better implementation of compensatory afforestation by;

- *timely and efficient utilisation of the CAMPA funds,*
- *use the funds for authorised components only,*
- *plantations should be cared for in subsequent years to achieve the objective of afforestation, and*
- *monitoring at the higher levels be strengthened.*

COMPLIANCE AUDIT PARAGRAPHS

PUBLIC WORKS (Drinking Water and Sanitation) DEPARTMENT

3.3 Unfruitful expenditure

The Construction agency could not complete the construction of Water Treatment Plant even after lapse of 10 years from its stipulated completion date, but the Department did not take pecuniary action to recover damages under the provisions of the agreement. This resulted in unfruitful expenditure of ₹ 5.50 crore on incomplete works. Besides, the objectives to provide iron free and adequate piped water supply to an estimated population of 15,377 at Srimantapur and its vicinities, could not be achieved.

Public Works Department (erstwhile Public Health Engineering¹⁰⁶), Government of Tripura accorded (September 2007) Administrative Approval and Expenditure Sanction of ₹ 4.55 crore for the work “Water Supply scheme at Srimantapur under ARWSP¹⁰⁷ (Sub-Mission)/ Design, supply and construction of 0.55 MGD¹⁰⁸ (2.50 MLD¹⁰⁹) Water Treatment Plant (WTP) including testing and successful commissioning of the plant at Srimantapur under Kathalia R.D. Block, erstwhile West Tripura¹¹⁰. The main objective of the work was to provide iron free and adequate piped water supply at Srimantapur and its vicinities covering three Gram Panchayats with an estimated population of 15,377.

With the approval (November 2008) of Works Advisory Board (WAB), Executive Engineer, Drinking Water & Sanitation (DWS) Division, Bishalgarh awarded (December 2008) the work to the lowest tenderer¹¹¹ at a tendered value of ₹ 3.13 crore

¹⁰⁶ Drinking Water and Sanitation (DWS).

¹⁰⁷ Accelerated Rural Water Supply Programme.

¹⁰⁸ Million gallons per day.

¹⁰⁹ Millions of litre per day.

¹¹⁰ Sepahijala District.

¹¹¹ M/s. Harbour India Pvt. Ltd., Kolkata.

(i.e. 74.61 per cent above the estimated cost of ₹ 1.79 crore) with a direction to start the work immediately after issue (December 2008) of the work order. But the agency did not commence the work. The Department rescinded (July 2010) the contract, forfeiting the earnest money deposit as per clause 17 of the agreement. The Department invited (December 2010) second call of tender for the work and with the approval (June 2011) of WAB, the work was awarded (July 2011) to the lowest tenderer¹¹² as a lumpsum contract valuing ₹ 2.96 crore (i.e. @ 65 per cent above the estimated cost of ₹ 1.79 crore) with stipulation to complete the work within 18 months (i.e. January 2013).

Scrutiny of the records (January 2021) of the Executive Engineer (EE), DWS Division, Bishalgarh, Public Works Department revealed that though the agency was instructed in the work order to start the work immediately, the work commenced (August 2012) after one year from the date of award of the work due to delay on the part of the agency as revealed from the Hindrance Register¹¹³ of the work. It was also not completed within the stipulated date of completion of the work (January 2013) because the construction agency had suspended the work in many spells during execution for the reasons attributable to them. Against the total value of work done up to 11th RA Bill, the agency was paid ₹ 2.63 crore¹¹⁴ (March 2022) and the work was in progress (March 2023).

Clause 17 of the agreement, which was concluded with the contractor stipulates that, in case the contractor committed a breach of any terms and condition of the contract, contractor is liable to pay compensation and the Divisional Officer shall have the power to rescind the contract and forfeit the security deposit. Moreover, on rescinding of the contract any excess expenditure incurred to complete the balance work should be borne by the original defaulting contractor.

But the Department did not take any pecuniary action against the agency under clause 17 of the agreement and allowed the agency to continue the work even after a lapse of nine years from the scheduled completion date.

EE replied (June 2022) that the contract of M/s. Anir Engineers Inc., Kolkata, could not be rescinded by the Department as repeated termination of the contract might adversely affect completion and commissioning of the project. The reply of the EE was not acceptable as the defaulting agency was allowed to continue the work even beyond nine years of the stipulated date of completion (January 2013) without taking any action and thereby depriving the beneficiaries of safe drinking water.

Further, the EE invited (August 2018) tender for the ancillary work to the WTP 'Providing and laying of rising main and distribution of pipeline of the WTP at Srimantapur'. The ancillary work was taken up through separate agreement to ensure commissioning and use of the WTP because it was expected that the WTP would be

¹¹² M/s. Anir Engineers Inc., Kolkata.

¹¹³ To be maintained by the Division for each work as per para 28.7 of CPWD Manual 2007 (as adopted by State PWD) where nature and period of hindrances should be recorded.

¹¹⁴ Voucher No.14 dated 31 March 2022.

completed shortly. The work was awarded (November 2018)¹¹⁵ to a contractor¹¹⁶ at a tendered value of ₹ 58.08 lakh (*i.e.*, 12.51 *per cent* above the estimated cost of ₹ 51.62 lakh) with stipulation to complete the work within six months (*i.e.*, May 2019). The work commenced in November 2018 and was in progress (March 2023). The contractor was paid (January 2021) ₹ 51.06 lakh¹¹⁷ against the total value of work done up to 3rd RA Bill (March 2020). Further, the departmentally supplied materials worth ₹ 2.36 crore¹¹⁸ (**Appendix 3.3.1**) were also consumed in the work (laying of rising main and distribution pipelines) without completion of the main work. During joint physical verification (28 October 2022) with the departmental officials, Audit noticed that some components of the WTP remained incomplete¹¹⁹ as shown in **Photographs 3.3.1 to 3.3.4**.



¹¹⁵ *vide* Agreement No. 02/EE/DWS/BLG/2019-20).

¹¹⁶ Md. Renu Hossain Mir, Khayerpur.

¹¹⁷ upto last Voucher No. 21 dated 11 January 2021.

¹¹⁸ As per the terms of the agreement, materials were issued departmentally with no cost to the contractor.

¹¹⁹ Intake well-Operating System of M.S Gate, railing and bottom floor; Flash mixer-motor installation; Clariflocculator- electrical and mechanical accessories; Rapid Gravity Filter House- Operating System of Sluice Valve, mechanical works of inspection chamber; *etc.*

Thus, the construction agency could not complete the construction of Water Treatment Plant even after lapse of 10 years from its stipulated completion date, but the Department did not take any penal action against the agency under the provisions of the agreement. This resulted in unfruitful expenditure of ₹ 5.50 crore¹²⁰. Besides, the objectives to provide iron free and adequate piped water supply to an estimated population of 15,377 at Srimantapur and its vicinities, remained unaccomplished.

In reply, the Government stated (September 2022) that the remaining work of WTP (12 per cent in respect of physical progress) would be completed within two months and also added that the ancillary works related to WTP “Providing & laying of rising main & distribution pipeline of WTP at Srimantapur” had been taken up for smooth distribution of treated water to the locality immediately after commissioning of the Water Treatment Plant.

The reply is not acceptable as the Department had not initiated any action to investigate the causes of delay and take proper action against the Agency.

It is recommended that -

- *The Government may fix responsibility to the delinquent authorities for not recovering damages under the provisions of the agreement with the construction agency for not completing the construction.*
- *The Department should ensure immediate completion of the project so that the intended benefit is extended to the beneficiaries/ population.*

PUBLIC WORKS (Roads and Building) DEPARTMENT

3.4 Extra expenditure

The Department irregularly cancelled the tender on grounds of non-submission of break-up of rates by the lowest bidder stating that the quoted rates were on the higher side despite L1 rate being lower than the cost analysis prepared by the Department. PWD accepted the tender at a higher rate in subsequent call resulting in extra expenditure of ₹ 1.51 crore.

Paragraph 20.4.3 and paragraph 20.4.3.1 of CPWD Works Manual, 2014 as adopted by State Government states that the tender accepting authority shall satisfy himself about the reasonability of rates before acceptance of the tenders. Reasonability of rates shall primarily be assessed based on justified rates. The justification of tenders should be prepared based on prevailing market rates only and the items used are of specified quantity and conform to standards/ specification laid down in the tender document. Paragraph 20.2 (1) *ibid* states that after opening of tender and preparation of a comparative statement, it will be sent by the Executive Engineer to the

¹²⁰ Payment of ₹ 2.63 crore made for WTP work plus ₹ 0.51 crore paid for the rising and distribution pipelines plus cost of materials amounting to ₹ 2.36 crore.

Superintending Engineer (SE)/ Chief Engineer (CE) (tender accepting authority) for detailed scrutiny. The market rates for preparation of justification will, however, be sent by the Executive Engineer.

Scrutiny (November 2021) of records of the Executive Engineer, Division-I, Public Works Department (Roads and Building) {PWD (R&B)} revealed that Chief Executive Officer, Agartala Smart City Limited accorded (January 2018) administrative approval and expenditure sanction for work 'Improvement of road from Fire Brigade Chowmuhani to ICP¹²¹ under Agartala Smart City Mission' and the 1st call of tender was invited (January 2018) for the work at an estimated cost of ₹ 36.41 crore (based on Tripura Schedule of Rate, 2017) and three bidders participated in the tender. The lowest bidder¹²² quoted ₹ 40.51 crore (*i.e.*, 11.25 *per cent* above the estimated cost of ₹ 36.41 crore put to tender). It was noticed from the records that Department prepared cost analysis which showed the probable cost of the work as 20.94 *per cent* above the estimated cost. Therefore, the Department submitted (April 2018) a proposal to Works Advisory Board (WAB) for its approval citing that the rate quoted by the lowest bidder was reasonable. The WAB deferred (June 2018) the proposal with an instruction to re-submit the same along with justification of rates quoted by the lowest bidder. But the Department in violation of provisions contained in Paragraphs 20.2(1), 20.4.3 and 20.4.3.1 of CPWD Works Manual, 2014 did not prepare justification of rates for re-submission to WAB; instead, it directed (June 2018) the bidder to submit item-wise analysis/ break up of rate in support of his quoted rates. In response, the bidder stated (July 2018) that his quoted rates were based on the cost of men and material prevailing at the time of submission of tender which would increase due to high inflationary trend in the market and also added that he was willing to execute the work at his quoted rate to maintain amiable relation with the Department and to safeguard the goodwill of the Government before the public at large. However, the Department instead of furnishing the justification of quoted rates to the WAB cancelled (July 2018) the tender on the ground that the lowest bidder had failed to submit breakup of his quoted rate and the rate seems to be in the higher side. The action taken by the Department was irregular because:

- i) as per the provisions of CPWD Works Manual, 2014, the Department should prepare the justification of rates quoted by the tenderer; and
- ii) as per cost analysis prepared by the Department, probable cost of the work was 20.94 *per cent* above the estimated cost and the rate quoted by the lowest bidder was 11.25 *per cent* above the estimated cost *i.e.*, well below the probable cost of the work as worked out by the Department.

After that, the Department invited second call of tender in July 2018. In the second call, the lowest bidder of the first call again became the lowest bidder with his quoted rate of ₹ 42.57 crore (*i.e.* 16.91 *per cent* above the estimated cost put to tender). The bidder submitted (December 2018) analysis of rates of the work on cost of principal

¹²¹ Integrated Check Post

¹²² Sri Shibu Saha

materials and labour as per the prevailing market trend in support of justification of his quoted rate in the second call. The Department in its proposal for acceptance of rates in the second call informed (January 2019) the WAB that the initial tender was cancelled (July 2018) on the ground that, the agency had failed to submit break-up of rates. The WAB accepted (February 2019) the tender of the second call at a negotiated rate of ₹ 42.39 crore (*i.e.* 16.41 *per cent* above the estimated cost put to tender).

The work was awarded (February 2019) with stipulated completion period of 24 months (March 2021). The work commenced in March 2019 and was in progress¹²³. ₹ 34.30 crore was paid¹²⁴ (upto February 2023) to the contractor for the value of work done up to 18th Running Account bill (February 2023).

Thus, due to improper acceptance of tender in subsequent call at a higher rate the Department had to bear extra liability of ₹ 1.88 crore (*i.e.* tender value as per agreement *minus* quoted rate in the first call), of which an extra expenditure of ₹ 1.51 crore¹²⁵ was already incurred (upto February 2023). Moreover, this delayed the project completion by over two years.

In reply, the Government stated (September 2022) that during submission of second call of tender for recommendation of WAB, the reasons for cancellation of the first call of tender was placed before WAB and ex-post-facto approval had been accorded against cancellation of the first call of tender.

The fact remains that the Department irregularly cancelled the tender for non-submission of break-up of rates by the lowest bidder stating that the quoted rates were on the higher side. Actually, the rate quoted by the lowest bidder was lower than the cost analysis prepared by the Department. However, it accepted the tender at a higher rate in subsequent call resulting in extra expenditure of ₹ 1.51 crore (till February 2023) and the project is still under progress.

It is recommended that the Department should fix responsibility on the concerned officers who cancelled the tender rather than furnishing the details to the WAB as required which led to extra expenditure and failed to ensure timely completion.

¹²³ 81 *per cent* as on 26 March 2023

¹²⁴ including extra items valued ₹ 0.33 crore

¹²⁵ Gross bill amount paid to agency *i.e.* ₹ 34.30 crore including contractor profit (16.41 *per cent*). Value of work done as per estimated cost in second call without contractor profit= ₹ 29.22 crore. Therefore, extra expenditure incurred = ₹ 29.22 crore x (16.41 *per cent* as per negotiated rate in second call *minus* quoted rate in first call *i.e.*, 11.25 *per cent*)

ANIMAL RESOURCES DEVELOPMENT DEPARTMENT

3.5 Unfruitful expenditure

The Department took up (March 2018) Rural Infrastructure Development Fund assisted project financed by NABARD without proper planning and co-ordination in its implementation. The project was finally dropped after over two years without actually taking it up stating that the project was not required which rendered an expenditure of ₹ 0.93 crore on the project unfruitful.

Animal Resource Development Department (ARDD), Government of Tripura (GoT) submitted (August 2015) a Detailed Project Report (DPR) to Finance Department (FD), Government of Tripura for 'Establishment of Pellet Feed Mill with production capacity of 10 MT per hour' with the estimated project cost of ₹ 15 crore {₹ 14.25 crore (95 *per cent*) under Rural Infrastructure Development Fund (RIDF) Assistance and ₹ 0.75 crore as State share} during 2015-16. The Finance Department, GoT in turn sent the project proposal of ₹ 15 crore to the National Bank for Agriculture and Rural Development (NABARD) in October 2015 for consideration of sanction of project and funding under RIDF. Subsequently, the FD, GoT had sent (December 2015) two DPRs to the NABARD to setup (i) one Pellet Mill of 45 MTPD¹²⁶ costing ₹ 29.83 crore (ii) one Mineral Mixture Plant of 12 MTPD at a project cost of ₹ 0.27 crore under RIDF during 2015-16 on 10 acre of land owned by the ARDD at R. K Nagar Farm Complex¹²⁷ premises in West Tripura District. As earlier DPR was found inadequate for sanctioning loan as per NABARD guidelines, the ARDD requested (July 2016) NABARD for preparation of the DPR through NABARD Consultancy Services (NABCONS)¹²⁸ to setup (i) one Pellet Mill of 45 MTPD and (ii) one Mineral Mixture Plant of 12 MTPD at a project cost of ₹ 29.83 crore and ₹ 0.27 crore respectively under RIDF during 2015-16.

Test check (November 2020) of records of the Deputy Director, ARDD (Farm Complex), R. K Nagar Farm, West Tripura for the period from January 2015 to September 2020 revealed that the NABARD had sanctioned (March 2018) the project "Setting up of Pellet Feed Mill and Mineral Mixture Plant in West Tripura District of Tripura" at a cost of ₹ 22.66 crore with a stipulation to complete the project by 31 March 2020. NABARD sanctioned loan of ₹ 21.53 crore at 4.75 *per cent* interest per annum for a period of seven years from the date of drawal, including a grace period of two years with the State share of ₹ 1.13 crore. NABARD released (March 2018) ₹ 6.46 crore as 1st instalment. Of which, FD, GoT released (June 2019) ₹ five crore to the ARDD which was placed (June 2019) with the Executive Engineer, Engineering Cell of ARDD in Civil Deposit Accounts. The fund was not utilised and remained unspent (December 2022).

¹²⁶ Metric Ton Per Day

¹²⁷ About eight Km from the capital town, Agartala

¹²⁸ A wholly owned subsidiary engaged by the NABARD in providing consultancy in all spheres of agriculture and rural development and allied areas (<https://www.nabcons.com/services.aspx>)

As per Clause 2 (iii) (a) & (b) of the sanction order of the project, if the State Government fails to initiate the implementation of the project within a period of 12 months, the project will be treated as 'Non Starter'. Further, the sanction for RIDF assistance will lapse if the project is not grounded within a period of 18 months from the date of sanction of the project.

Department requested (February 2019) Tripura Industrial Development Corporation Limited (TIDCL)¹²⁹ to take up the construction of the project. The TIDCL conveyed (March 2019) its consent for taking up the construction of the project and requested (July 2019) early placing of fund. However, the Director, ARDD informed (October 2019) the TIDCL that as per FD, GoT's notification (September 2019), no advance could be placed to state/ central agencies without concurrence of FD and fund would be released only against requisition by the implementing agency as per progress of work and submission of bills of contractors. The ARDD moved FD for permission for placement of ₹ five crore to the TIDCL so that the TIDCL could start the process of calling and finalisation of tender and issuing of work order, *etc.* But, the FD instructed (October 2019) the ARDD to follow the FD's notification (September 2019) and to move the FD for permission for placement of fund to TIDCL only after the work starts and on specific requisition against work done. The work could not be started by the TIDCL as fund was not placed at its disposal. Moreover, as per Clause 2 (iii) (a) & (b) of the sanction order of the proposed RIDF project, the project had become a 'Non Starter'. The RIDF assistance sanctioned had lapsed as the project could not be grounded within a period of 18 months from the date of sanction of the project.

Thus, the Department took RIDF assisted project without proper planning and co-ordination for its implementation. The project become a 'Non Starter' and the funds sanctioned for RIDF assistance lapsed. The project was finally dropped (May 2020) by the Department stating that the project had lapsed and was not required. As a result, ₹ 0.77 crore was paid as interest on the fund drawn without actually taking up the project and ₹ 0.16 crore incurred for preparation of DPR for the project became unfruitful. Moreover, ₹ five crore released to the Executive Engineer, Engineering Cell of ARDD remained un-utilised (December 2022).

The Government stated (December 2022) that since the DPR was duly accepted and loan was sanctioned by NABARD against the DPR, it was clear that the expenditure of ₹ 0.16 crore incurred on preparation of DPR got fully fructified. The work could not be started though the Department had proposed to the FD for concurrence so that fund could be placed to the TIDCL in advance. As the project could not be started, it was decided to drop the project and to propose new project for construction of Veterinary Hospitals, Veterinary Dispensaries and Veterinary Sub-centres in all districts where needed. Thus, it was clear that there was no irregularity or omission on the part of ARDD on this issue.

¹²⁹ A State Government Public Sector Undertaking

The contention of the Government was not justifiable as the construction of the project could not be started and hence, the payment of ₹ 0.16 crore made for the preparation of the DPR turned out to be unfruitful. Moreover, the Government had to pay interest of ₹ 0.77 crore to NABARD for the loan sanctioned.

It is recommended that the government should establish a system of proper planning and implementation of any project before taking loan for the same to avoid undue payment of interest.

TOURISM DEPARTMENT

3.6 Wasteful expenditure

Injudicious decision of the Department to construct the roads without permission of wetland authority in Ramsar site of international importance violating the Wetland (Conservation and Management) Rules led to the wasteful expenditure of ₹ 1.75 crore¹³⁰ on construction and subsequent dismantling of the Ring Roads. The decision also reduced the water level and compromised the ecological balance of the Ramsar site.

Rule 4(1) (vi) of Wetland (Conservation and Management) Rules, 2010¹³¹ (subsequently amended in September 2017) provides that activity of any construction of a permanent nature except for boat jetties within fifty metres from the mean high flood level observed in the past ten years calculated from the date of commencement of these rules shall be prohibited within the wetlands. Rule 3(1) *ibid* provides that wetlands categorised as Ramsar Wetlands of International Importance under the Ramsar Convention shall be regulated under this rule.

Rudrasagar lake in Sepahijala District, Tripura was identified (November 2005) as Ramsar site¹³² and it received (February 2007) the status of wetland of international importance. The mission of the Ramsar Convention, as adopted by the Parties in 1999 and refined in 2002, is “the conservation and wise use of all wetlands through local and national actions and international cooperation, as a contribution towards achieving sustainable development throughout the world”.

The State Government constituted (May 2017) the Wetland Authority of Tripura (WAT) to co-ordinate and oversee the affairs related to wetland conservation, regulation and management under various statutes in force. The authority has 13 members with Minister, Forest Department being the Chairman, Minister, Science, Technology & Environment Department being the Co-Chairman and

¹³⁰ ₹ 1.43 crore on the partially constructed Ring Road and ₹ 31.84 lakh for removal of the partially constructed Ring Roads

¹³¹ which came into force from November 2010

¹³² The Ramsar Convention on wetlands is an inter-governmental treaty adopted on 2 February 1971 in Ramsar, Iran. The convention entered into force in 1975 and has 169 contracting parties, or member States, in all parts of the world. The “flagship” of the convention is the list of wetlands of international importance (the “Ramsar list”). Presently, the parties have designated for this list more than 2,220 wetlands for special protection as “Ramsar Sites”.

Additional Principal Chief Conservator of Forests (Planning & Development) is a member.

In October 2012, it was decided to construct the Ring Road surrounding Neermahal¹³³ by which tourist could walk and enjoy the beauty of Rudrasagar lake. Tourism Department, Government of Tripura (GoT) accorded (October 2013) administrative approval and expenditure sanction of ₹ 6.73 crore based on the estimates prepared by Public Works Department (Roads and Building) {PWD (R&B)} for construction of the Ring Roads covering total area of Rudrasagar lake and placed (between February 2014 and February 2016) ₹ 4.24 crore to PWD (R&B). However, permission for construction of roads at Rudrasagar lake from the Forest Department¹³⁴, GoT could not be furnished to Audit by the Forest and Tourism Departments. The scope of the works *inter alia* included (i) construction of diversion road from Pacharmarghat point to Rajghat crossing a portion of water body and touching the existing bank of the water body and to fill up the existing pond located nearby the Rajghat and (ii) construction of a Ring Road from Rajghat to Yubarajghat crossing a huge portion of water body and touching the existing bank of water body and to fill up the existing two ponds located near Sagarmahal. Details of the partially constructed Ring Roads are shown in **Table 3.6.1**.

Table 3.6.1: Details of the partially constructed Ring Roads

(₹ in crore)

Name of the work	Estimated cost	Date of issue of work order to the contractors	Scheduled completion date	Date of commencement	Total value of work done	Present status
Work No. 1 ¹³⁵	₹ 3.34	July 2016 ¹³⁶	July 2017	July 2016	₹ 1.25	Agreement closed (November 2020)
Work No. 2 ¹³⁷	₹ 6.48	December 2017 ¹³⁸	June 2019	January 2018	₹ 0.20	

Scrutiny (January 2021) of records of the Executive Engineer, PWD (R&B), Sonamura Division (EE) revealed that, against a Public Interest Litigation¹³⁹, the Hon'ble High Court of Tripura observed (February 2020) that the roads under construction had given access to the small vehicles upto the palace¹⁴⁰ site and the roads had divided the lake in parts leaving some parts totally dry giving imminent threat to Rudrasagar lake and directed (February 2020) to (i) immediately break down

¹³³ 'Neermahal' is the palace surrounded by the Rudrasagar lake is an important architectural, historical and tourism site.

¹³⁴ In Tripura, Forest Department is in charge of wetland development (including Ramsar site).

¹³⁵ Construction of Ring Road along the existing alignment of the Rudrasagar water reservoir-1st phase/ SH: formation, protection and soiling, *etc.* (Length 1,100 metre) portion from Rajghat to Pacharmarghat"

¹³⁶ M/s Sanjit Kr. Saha, agreement No. 30/CE/SE-IV/EE/SNM/2016-17.

¹³⁷ "Construction of Ring Road from Rajghat to Yubarajghat including widening and improvement of old Ring Road (500 metre)/ SH: Formation, soiling, protection wall, CD structures, *etc.* during the year 2016-17 (Length 1,750 metre)"

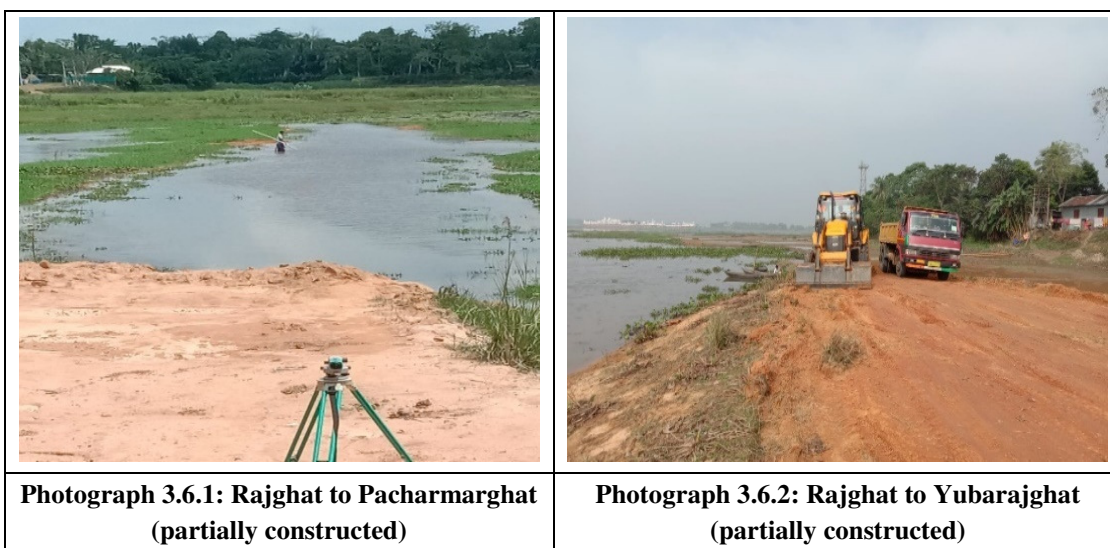
¹³⁸ M/s Ashutosh Bandyopadhyay, agreement No. 159/CE/SE-IV/ EE/ SNM/ PWD/ 2017-18

¹³⁹ WP(C)(PIL) No.5/2017

¹⁴⁰ 'Neermahal' palace surrounded by the Rudrasagar lake is an important architectural, historical and tourism site.

at least a portion of the roads and (ii) completely remove the roads within six months. As a result, the partially constructed Ring Roads were temporarily disconnected (February 2020) and the agreements of both the works were closed (November 2020). Against the total value of works done for ₹ 1.45 crore¹⁴¹, the agencies were paid (April 2019 and January 2020) ₹ 1.42 crore¹⁴². The balance fund of ₹ 2.82 crore (*i.e.*, fund placed by Tourism Department: ₹ 4.24 crore *minus* amount paid to the contractors: ₹ 1.42 crore) is lying unutilised with the State PWD.

For removal of earth of partially constructed Ring Roads, Tripura Tourism Development Corporation Limited¹⁴³ accorded (August 2020) administrative approval based on the estimate of ₹ 55.81 lakh prepared (August 2020) by the PWD (R&B) and the work was awarded (December 2020) to a contractor¹⁴⁴, at his tendered value of ₹ 48.76 lakh (*i.e.* one *per cent* below the estimated cost put to tender) with the stipulation to complete the work by five months (*i.e.*, June 2021). The contractor was paid (October 2021) ₹ 31.84 lakh against the value of work done for ₹ 31.84 lakh (upto March 2022). The status of partially constructed Ring Roads, during and after removal of earth from the Ring Roads are shown in **photographs 3.6.1 to 3.6.7**.

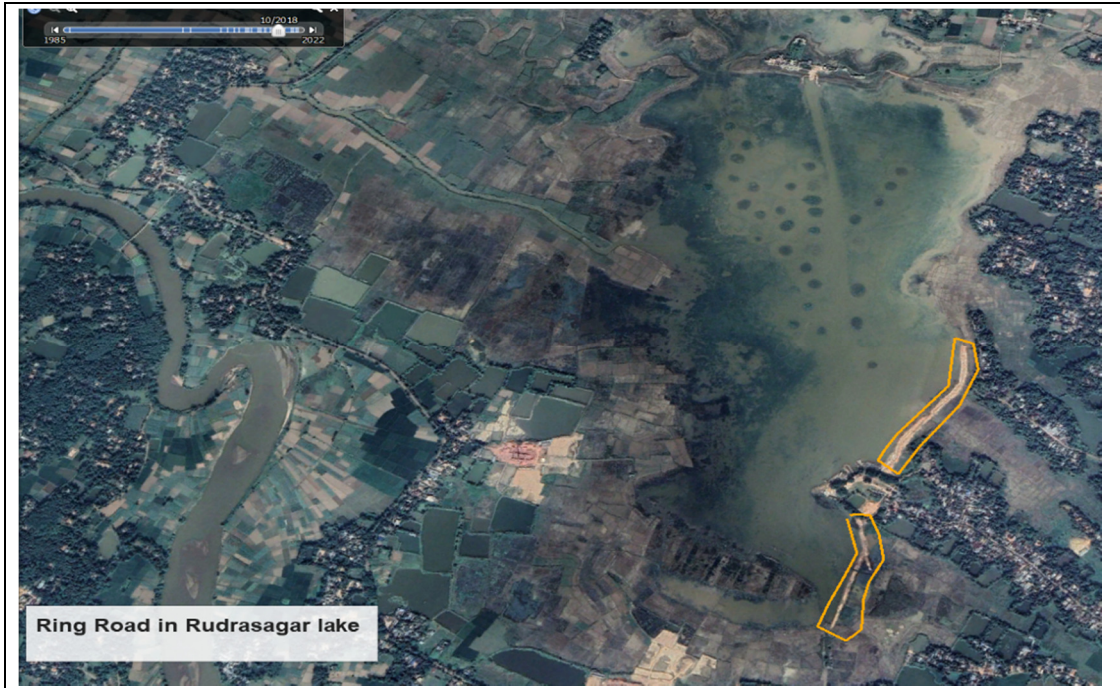


¹⁴¹ Total value of work done for Work No. 1: ₹ 1.25 crore *plus* total value of work done for Work No. 2: ₹ 0.20 crore

¹⁴² ₹ 1.22 crore paid for Work No. 1 *plus* ₹ 0.20 crore paid for Work No. 2

¹⁴³ Government of Tripura undertaking

¹⁴⁴ Shri Nikhil Ch. De



Photograph 3.6.3: Partially constructed Ring Roads at Rudrasagar lake



Photograph 3.6.4: Rajghat to Pacharmarghat (during removal of earth)



Photograph 3.6.5: Rajghat to Yubarajghat (during removal of earth)



Photograph 3.6.6: Rajghat to Pacharmarghat (after removal of earth)



Photograph 3.6.7: Rajghat to Yubarajghat (after removal of earth)

In reply to an audit query (September 2022), the Principal Conservator of Forest, GoT informed (December 2022) that the depth of water decreased due to construction of the Ring Road and it disturbed the ecological balance at Rudrasagar lake.

The Government, while accepting the fact, stated (August 2022) that the decision to construct the Ring Road was taken for protection of the land of Neermahal Palace from illegal encroachment.

The contention of the Government was not acceptable because the project was in a Ramsar site of international importance and prior to commencing this massive project permission/ approval of the Forest Department/ wetland authority was necessary, which was not taken. The Forest Department was also at fault for not taking timely cognizance of this high visibility project which disturbed the ecological balance of the protected Ramsar site. Besides, Tourism Department had taken up the project in violation of Wetland (Conservation and Management) Rules, 2010. Moreover, the WAT had failed to perform its duty of overseeing the ongoing road construction work at Rudrasagar lake (a Ramsar site).

Therefore, injudicious decision of the Department to construct the roads without permission of wetland authority in Ramsar site of international importance violating the Wetland (Conservation and Management) Rules led to wasteful expenditure of ₹ 1.75 crore¹⁴⁵ on construction and subsequent dismantling of the Ring Roads. The decision also reduced the water level and compromised the ecological balance of Ramsar site.

It is recommended that -

- ***State Government should investigate the matter and take appropriate actions against the officials responsible for showing disregard to the established rules and procedures and not performing the duties and checks prescribed under the relevant rules.***
- ***The Government should also enforce the provisions of the rules to guard against the repetition of such mistakes in future.***
- ***Government should ensure that Forest Department is consulted before taking up any activity in wetlands/ Ramsar sites.***
- ***Government may also initiate action for conservation of wetlands in the State.***

¹⁴⁵ ₹ 1.43 crore on the partially constructed Ring Road and ₹ 31.84 lakh for removal of the partially constructed Ring Roads

