

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 2022-23 are given in **Table 3.1.1**.

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

(₹ in crore)

Name of the Department	Budget allocation	Expenditure
Co-operation Department	54.32	46.98
Public Works (Roads and Buildings) Department	1,734.52	1,295.45
Power Department	385.96	357.13
Public Works (Water Resource) Department	475.96	152.37
Information, Cultural Affairs Department	79.10	68.33
Industries and Commerce Department	211.93	148.01
Industries & Commerce (Handloom, Handicrafts and Sericulture) Department	44.08	35.97
Fisheries Department	165.87	77.00
Agriculture Department	608.61	404.35
College of Agriculture	8.95	6.65
Horticulture Department	155.94	95.24
Animal Resource Development Department	216.80	145.31
Forest Department	471.92	270.36
Science, Technology and Environment Department	23.90	23.10
Factories and Boilers Organisation	4.36	3.23
Information Technology Department	155.66	138.69
Tourism Department	67.03	13.37
Total number of Departments = 17	4,864.91	3,281.54

Source: Appropriation Accounts 2022-23

We audited 19 units during 2022-23 under this Sector, covering expenditure of ₹ 108.10 crore (including expenditure of the previous years).

This Chapter contains one Subject Specific Compliance Audit on “Implementation of Pradhan Mantri Kisan Samman Nidhi (PM-KISAN)” under Agriculture Department, one long Draft Paragraph on “Sand Mining in Tripura” under the Forest Department and three compliance audit paragraphs under Public Works (Water Resource), Public Works (Building) and Public Works (Roads and Building) Departments involving money value of ₹ 9.81 crore.

AGRICULTURE AND FARMERS WELFARE DEPARTMENT

3.2 Subject Specific Compliance Audit on “Implementation of Pradhan Mantri Kisan Samman Nidhi Scheme in Tripura”

3.2.1 Introduction

3.2.1.1 Overview of the Scheme

Pradhan Mantri-Kisan Samman Nidhi (PM-KISAN) Scheme is a central sector scheme with 100 *per cent* funding by the Government of India (GoI), being implemented under the Direct Benefit Transfer (DBT) mode. The Scheme aims to provide farmers having cultivable land with financial support of ₹ 6,000 per annum per farmer family payable in three equal instalments of ₹ 2,000 each in every four months. The scheme was effective from December 2018 for transfer of benefit to eligible beneficiaries.

Initially the scheme was admissible only to small and marginal farmers (SMF) with combined landholding upto two hectors. The revised scheme guidelines (June 2019) extended the benefits to all farmer families irrespective of the size of their holdings.

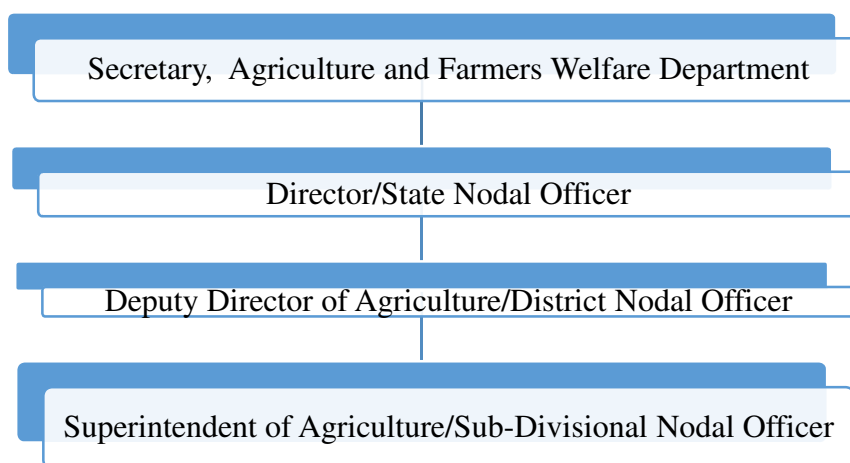
Land holding (cultivable land) is the main criteria to avail the benefit. Agriculture land used for non-agriculture purposes are not covered under the scheme. Similarly, farmers falling under certain specified categories of higher economic status are not covered under the scheme. Unique Biometric Identification Number seeded bank account of beneficiary is mandatory for release of all instalments with effect from December 2019.

3.2.1.2 Organisational set-up

In Tripura, PM-KISAN scheme is implemented through the Agriculture and Farmers Welfare Department, Government of Tripura (GoT) as the nodal department. Under the Department, a State Nodal Officer at the rank of Director has been appointed.

Chart 3.2.1 illustrates the organisational set-up of implementation of PM-KISAN.

Chart 3.2.1: Organisational set-up for implementation of PM-KISAN

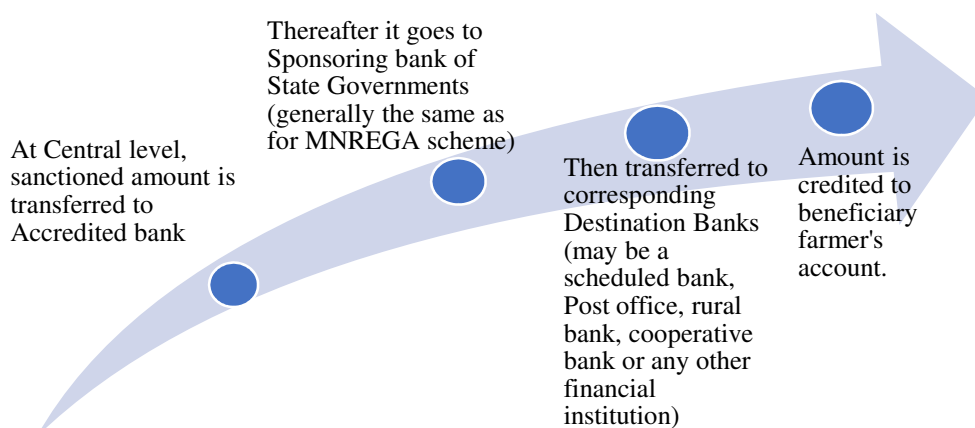


Source: Information furnished by the Department

3.2.1.3 Transaction flow

Financial benefit of the scheme is transferred to the bank accounts of the beneficiaries, held in destination banks, through the accredited bank of the Ministry of Agriculture, Cooperation and Farmers Welfare (MAC&FW), Government of India (GoI) and the sponsoring bank of the State Government⁷², using the Public Financial Management System (PFMS). The banking transaction is managed and monitored by National Payments Corporation of India (NPCI). The transaction flow is given in **Chart 3.2.2**.

Chart 3.2.2: Transaction flow



Source: PM-KISAN guidelines

3.2.1.4 Audit objectives

The audit objectives were to assess the:

- ☐ efficiency and effectiveness of the system put in place for identification and verification of beneficiaries by the State Government.
- ☐ financial management of the scheme including processing of payments to the beneficiaries, DBT, refunds, and their accounting; and
- ☐ efficiency and effectiveness of the monitoring mechanisms for the scheme.

3.2.1.5 Audit scope, methodology and sampling

The SSCA on implementation of PM-KISAN was conducted covering the period from 2018-19 to 2022-23. Audit examined the records of the Directorate of Agriculture (DoA), Deputy Director of Agriculture (DDA) of the three sampled districts and Superintendent of Agriculture (SA) of six sub-divisions. Besides, beneficiary survey was conducted in the sampled districts.

For conducting the audit, three⁷³ out of eight districts (38 *per cent*) in the State was selected through random sampling process taking saturation level as the criteria. From the three sampled districts, six blocks⁷⁴ (two blocks from each of the three sampled

⁷² State Bank of India

⁷³ Sepahijala, Khowai and North Tripura Districts

⁷⁴ Mohanbhog and Charilam under Sepahijala District, Padmabil and Teliamura under Khowai District and Panisagar and Laljuri under North Tripura District

districts) were selected for the audit. From each of the six sampled blocks, 18 villages (three villages from each of the sampled blocks) were selected for the purpose of the audit. Selection of both the blocks and villages were done through simple random sampling method.

In addition, 270 beneficiaries (15 beneficiaries from each of the 18 sampled villages) were selected through simple random sampling for verification of beneficiary records.

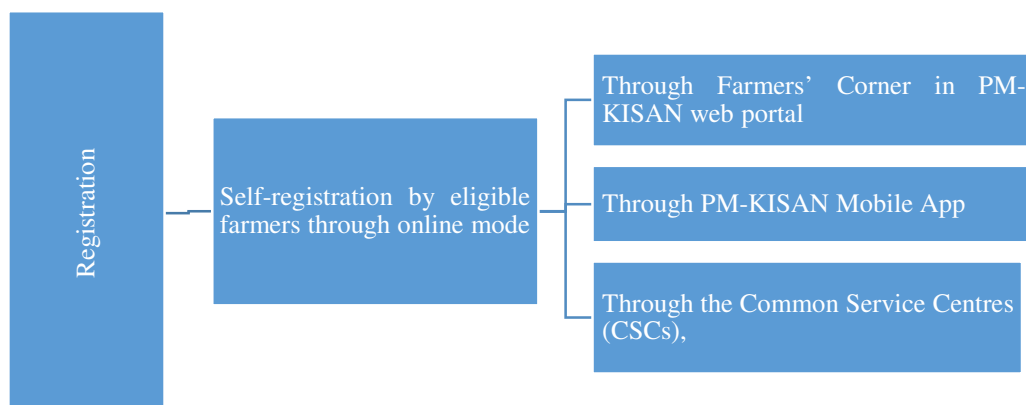
3.2.2 Audit findings

Audit objective 1 To assess the efficiency and effectiveness of the system put in place for identification and verification of beneficiaries by the State Government

3.2.2.1 Non-approval of self-registered farmers

Paragraph 3.3.1 of the User Manual for PM KISAN portal stipulates that a facility for approval of self-registered farmers has been provided to both State and district level users. It is the responsibility of State Government to verify the applications of the farmers submitted online. State Government need to ensure that the farmer is legitimate and is eligible for registration under the scheme. The method of self-registration process of the scheme is shown in **Chart 3.2.3**.

Chart 3.2.3: Self-registration process

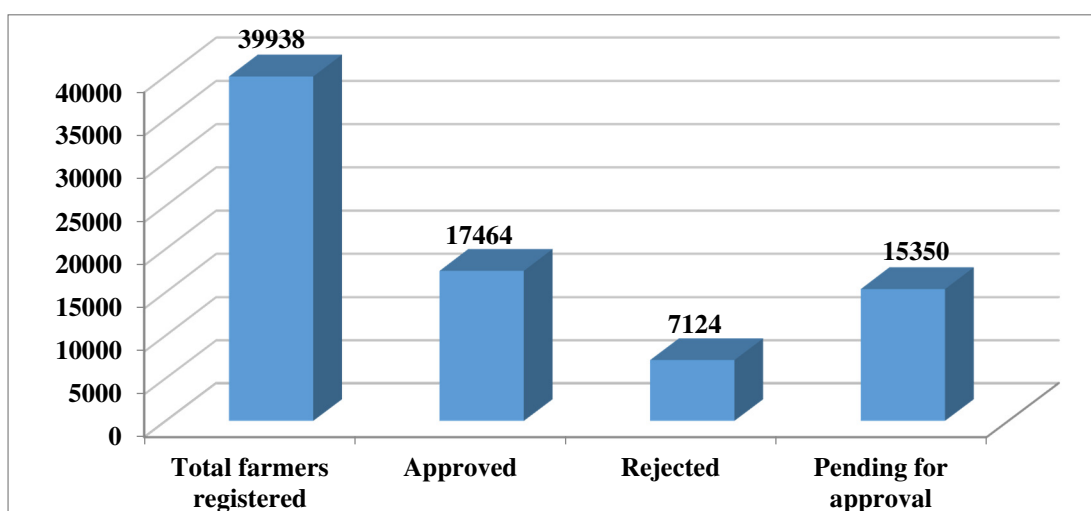


Source: User Manual of PM-KISAN portal

Farmers have been provided with the facility of self-registering themselves under PM-KISAN scheme. The farmers who have self-registered themselves by adopting any of the above methods were to be approved by the State Nodal Officer (SNO). The State approved farmers' records will then pass through the entire process of validation to proceed with the payments.

Scrutiny of the status report of self-registered farmers (SRFs) of the State revealed that a sizeable number of SRFs were pending for approval as depicted in the **Chart 3.2.4**.

Chart 3.2.4: Status of SRFs as of March 2023



Source: PM-KISAN portal

Thus, due to non-approval of SRFs by the Department, 15,350 farmers (as on 21 March 2023) were denied the intended scheme benefits.

The SNO informed (March 2024) audit that the Department did not deploy manpower to clear the pending applications.

In reply, the Government stated (December 2023) that approval of SRF requires physical presence of the farmer along with related documents for verification in the Sub-Division/ Block. The approval of SRFs is continuing and the pendency is getting reduced and is 11,854 as of December 2023.

The reply is not acceptable because the Department did not take appropriate steps like deployment of adequate manpower, fixing timeframe for clearance of pendency *etc.* Therefore, only 3,496 pending cases (23 *per cent*) were cleared during the period from March 2023 to December 2023.

3.2.2.2 Non-linking of land records with Unique Biometric Identification Number, bank account and mobile number

Paragraph 6.3 of the operational guidelines of the scheme stipulates that the existing land-ownership system in the concerned State will be used for identification of beneficiaries. Accordingly, it is of utmost importance that the land records are clear and updated. State will expedite the progress of digitisation of the land records and linking the same with Unique Biometric Identification Number and bank details of the beneficiaries.

Further, Revenue Department, Government of Tripura decided (July 2011) that the Unique Biometric Identification Number card number of the land holders should be incorporated in Computerised Khatian and Manual Khatian at the end of address of each land holder.

Scrutiny of the records revealed that though the land records were fully computerised and digitised by the Directorate of Land Records and Settlement (DLR&S), Revenue

Department, Government of Tripura, the land records were not linked with the Unique Biometric Identification Number number, bank account and mobile number of the respective landowners. The DLR&S informed (December 2021) audit that the programme for Unique Biometric Identification Number seeding with the Record of Rights (RoR)⁷⁵, integration of bank account details and mobile numbers was under process. However, the reasons for non-linking the land records with Aadhar, mobile number and bank account number were not provided.

Due to non-linking of the land records with the Unique Biometric Identification Number, bank details, *etc.* of the respective landowners, the eligibility of the scheme beneficiaries were not properly ensured.

In reply, Government stated (December 2023) that the issue is being pursued with the DLR&S. Further, a comprehensive farmer database of the State with the land linking and Geo-referencing of village map is now under preparation which may take considerable time. But the Government remained silent on the timelines for completion of the process.

3.2.2.3 Selection of ineligible beneficiaries

Paragraph 3 and Paragraph 4.1 (a) and (b) of the operational guidelines of the scheme stipulates that a landholder farmer's family is defined as "a family comprising of husband, wife and minor children who own cultivable land as per land records of the concerned State". Only one member from the defined farmer family is entitled to the scheme benefits. All institutional landholders and farmer families in which one or more of its members, *inter alia*, belong to following categories shall not be eligible for the benefit under the scheme.

- Former and present Ministers/ State Ministers and former/ present Members of Lok Sabha/ Rajya Sabha/ State Legislative Assemblies/ State Legislative Councils, former and present Mayors of Municipal Corporations, former and present Chairpersons of District Panchayats
- All serving or retired officers and employees of Central/ State Government ministries/ offices/ departments and their field units, Central or State Public Sector Enterprises (PSEs) and attached offices/ Autonomous Institutions under Government as well as regular employees of the Local Bodies (excluding Multi-Tasking Staff/ Class IV/ Group D employees)
- All superannuated/ retired pensioners whose monthly pension is ₹ 10,000 or more (excluding Multi-Tasking Staff/ Class IV/ Group D employees)
- All persons who paid Income Tax in last assessment year.

⁷⁵ The ROR is the primary record of land that proves the rights on land belongs to a particular landowner of that property. The right to record holds the information of property transactions.

- Professionals like Doctors, Engineers, Lawyers, Chartered Accountants, and Architects registered with professional bodies and carrying out profession by undertaking practices.

Scrutiny of records revealed that there were ineligible beneficiaries under PM-KISAN scheme in the State as discussed in **Paragraphs 3.2.2.3(i) to 3.2.2.3(iv)**.

3.2.2.3(i) Payment to ineligible beneficiaries

Paragraph 4.7 of the User Manual for PM KISAN portal stipulates that, in case, a farmer dies or is identified as ineligible at any point of time by the State/ field functionaries, the portal has been equipped with the function to permanently stop processing any future payments under this scheme to this farmer. This can be done by 'Death/ Ineligibility Cases' window provided in the correction module. Paragraph 4.8 of the User Manual stipulates that if the farmer's records have been marked as 'Death/ Ineligibility Cases', it must be approved by the SNO to mark them for permanent deletion from the system.

Scrutiny of the database of PM-KISAN revealed that 2911 beneficiaries were found to be ineligible up to March 2023 due to various reasons (untraceable, not having land ownership, beneficiaries do not belong to State, retired or serving government employees, and other exclusion criteria). Out of 2,911 beneficiaries, 2,763 ineligible beneficiaries were extended the benefit amounting to ₹ 4.18 crore⁷⁶, 127 beneficiaries did not receive any instalment and ineligibility of remaining 21⁷⁷ were revoked by the SNO. The district-wise number of ineligible beneficiaries detected, and total payments credited to their accounts are given in **Appendix 3.2.1**.

It was further noticed that out of the ₹ 4.18 crore, ₹ 4.44 lakh was credited to 173 beneficiaries even after the date of ineligibility request made by the field functionaries. This included ₹ 3.60 lakh credited to 151 beneficiaries due to non-implementation of 'Stop Payment activities' after acceptance of ineligibility by the SNO.

In reply, the Government stated (December 2023) that stop payment activities were revamped and continued with verification of opened lots by the district level and the process of recovery was also under implementation with support of the sponsoring banks. 365 stop payment activities had been performed by the SNO level during the period from April 2022 to March 2023.

The reply is not acceptable as a huge amount of benefit was extended to ineligible beneficiaries. Ineligibility requests of the field functionaries were also not accepted promptly. Further, the stop payment activities were not implemented in the cases of 151 ineligible farmers.

⁷⁶ This includes ₹ 4.96 lakh credited to 43 government employees separately mentioned in **Paragraph 3.2.2.3(ii)**.

⁷⁷ Out of 21 beneficiaries, seven beneficiaries received payment after revocation, payment of four beneficiaries was under process and payment status of remaining 10 beneficiaries was not available in the payment database.

3.2.2.3 (ii) Payment to the employees of Government of Tripura

Cross-check of the PM-KISAN database with Human Resource Management System (HRMS) managed by the Finance Department, Government of Tripura revealed that 337 out of 2,44,072 beneficiaries were State Government employees (Group B and Group C). Out of 337 beneficiaries, 297 (88 *per cent*) were registered through departmental login and the remaining through self-registration. A payment of ₹ 47.84 lakh was paid to 337 ineligible beneficiaries upto March 2023 in violation of scheme guidelines. The district-wise beneficiaries detected in audit, and total payments credited to their accounts are given in **Appendix 3.2.2**.

In reply, the Government stated (December 2023) that the DDAs are instructed to carry out verification if any of those are still active in the portal. However, inbuilt mechanism is functional now for removal of all those defaulters. Agriculture Department would take up the matter with the related departments to take appropriate action for recovery of the money from them.

3.2.2.3(iii) Payment to beneficiaries post their death

Scrutiny of the database of PM-KISAN revealed that 1155 beneficiaries were marked as dead up to March 2023. Out of 1,155, ₹ 54.20 lakh was credited to 848 beneficiaries post their death. The district-wise number of deceased beneficiaries detected, and total payments credited to their accounts are given in **Appendix 3.2.3**.

It was also noticed that ₹ 2.36 lakh, out of ₹ 54.20 lakh, was credited to 111 beneficiaries after the date of their ineligibility request made by the field functionaries. This consisted of ₹ 2.08 lakh credited to 97 beneficiaries due to non-implementation of 'Stop Payment activities' after acceptance of ineligibility by the SNO.

In reply, the Government stated (December 2023) that stop payment activities were revamped and continued with verification of opened lots by the district level and the process of recovery was also under implementation with support of the sponsoring banks. 365 stop payment activities had been performed by the SNO level during the period from April 2022 to March 2023.

The reply is not acceptable as a huge amount of benefit was extended to beneficiaries post their death. Ineligibility requests of the field functionaries were also not accepted promptly. Further, the stop payment activities were not implemented in the cases of 97 deceased farmers.

3.2.2.3(iv) Financial benefit to Income Tax payee farmers

Scrutiny of the database of the PM-KISAN revealed that 1,693 income taxpayers were registered as beneficiaries. The district-wise number of income tax payee farmers and total payments credited (₹ 2.27 crore) to the accounts of 1,637 beneficiaries are detailed in **Appendix 3.2.4**. Out of 1,693 beneficiaries, 56⁷⁸ beneficiaries did not receive any instalment.

⁷⁸ The beneficiaries were identified as IT payee before disbursement of the scheme benefit.

In reply, the Government stated (December 2023) that the process of recovery from the income taxpayers is under implementation with the support of the sponsoring banks and also, such individuals are de-registered in portal through inbuilt mechanism after physical verification. A payment of about ₹ 17 lakh had been recovered from ineligible farmers.

The reply is not acceptable because lapses in scrutiny of applications and approval led to extending the scheme benefits to the ineligible beneficiaries.

3.2.2.4 Ineligible beneficiaries noticed out of the sampled beneficiaries

3.2.2.4(i) Beneficiaries received benefits without land ownership

Paragraph 3 of the operational guidelines of the scheme stipulates that a landholder farmer's family is defined as "a family comprising of husband, wife and minor children who owns cultivable land as per land records of the concerned State". The existing land-ownership system should be used for identification of beneficiary for calculation of benefit.

In 29 cases, land ownership was found in favour of persons other than the beneficiaries. But those beneficiaries received the scheme benefit of ₹ 6.74 lakh without land ownership. Details are shown in the **Appendix 3.2.5**.

In reply, the Government stated (December 2023) that 38,047 farmers are cultivating in their ancestral piece of land and the matter was also discussed with the PM-KISAN Division, GoI. GoI modified the guidelines and uploading of land details is not mandatory in seven States including Tripura. Besides, a detailed survey was being conducted for preparation of a comprehensive farmer database having land linked to their activity. Out of 29 objected beneficiaries, a random verification was conducted against six cases. The Government, however, did not take action in respect of the remaining 23 beneficiaries.

3.2.2.4(ii) Benefits extended to the beneficiaries holding non-agriculture land

Paragraph 1 of operational guidelines of the scheme provides income support to all landholding farmers' families in the country, having cultivable land.

Scrutiny of the self-declaration forms (SDFs) of sampled beneficiaries along with relevant documents revealed that benefits were disbursed to seven beneficiaries of ₹ 1.82 lakh who did not possess agricultural land, in violation of the scheme guidelines. Details are shown in the **Appendix 3.2.6**.

In reply, the Government stated (December 2023) that the de-registration of ineligible beneficiaries after physical examination is being done to remove all such cases and the Deputy Director of Agricultures (DDAs), Superintendent of Agricultures (SAs) including Village Nodal Officers (VNOs) were directed to verify such cases and over 17,652 cases were made ineligible and de-registered from the portal.

3.2.2.5 Denial of benefit to the beneficiaries**3.2.2.5(i) Short disbursement of instalments**

Paragraph 5.4 of the operation guidelines of the scheme regarding methodology for calculation of benefit stipulates that the beneficiaries, whose names are uploaded in PM-KISAN portal by the State in a particular four-month period/ trimester, shall be entitled to receive benefit for that trimester and for further instalments pertaining to the subsequent trimesters for that financial year.

Further, as per the instructions issued (June 2019) by the Ministry of Agriculture, Cooperation & Farmers Welfare (MAC&FW), Government of India (GoI), release of benefits to the beneficiaries should commence from the four-monthly period in which their names have been identified and the data uploaded in PM-KISAN portal during the same period and subsequent release of instalments would be done for the remaining four-monthly periods of that financial year onwards.

However, it was noticed in the status report (March 2023) of the beneficiary that as many as 1,106 beneficiaries registered under the scheme were not extended the benefit of first instalment of ₹ 22.12 lakh pertaining to the trimester during which they were registered. Besides, first to fourth instalments amounting to ₹ 1.34 lakh were not released to 19 beneficiaries. As such, short disbursement of instalment of ₹ 23.46 lakh (*i.e.*, ₹ 22.12 lakh *plus* ₹ 1.34 lakh) was made to 1,125 beneficiaries (1,106 beneficiaries *plus* 19 beneficiaries). Details are shown in **Appendix 3.2.7**.

In reply, Government stated (December 2023) that request for fund transfers (RFTs) against opened lots were finally signed and uploaded in due time by the State. Further, there was no role to be played by the State.

The reply is not acceptable as the SNO inadequately monitored the PM-KISAN portal-interface wherein option namely 'Overall Summery Report' under 'Report' provides period-wise details of payments made to the farmers and also gives the details of farmers registered during a trimester, the records which were validated along with number of farmers who were paid the due instalments during that trimester. As such, the SNO's inadequate supervision/ monitoring relating to post RFT activities *viz.*, disbursement to actual number of beneficiaries against RFT⁷⁹ raised, subsequent corrective actions pertaining to non-paid beneficiaries, *etc.* led to such short disbursements.

3.2.2.5(ii) Non-authentication of beneficiaries' records with unique biometric identity

Paragraph 10.2 of operational guidelines of the scheme stipulates that the Scheme is being implemented through an Unique Biometric Identification Number linked electronic data base containing details of all members of the families of the farmers whose names appear in the land records. For transfer of the financial benefits to the

⁷⁹ Authority could not furnish the instalment wise RFTs raised for the beneficiaries, though called for (December 2023).

eligible farmers, Unique Biometric Identification Number shall be collected for all beneficiaries, since payment shall be done only on the basis of Unique Biometric Identification Number seeded database.

Further, the Ministry advised (March 2019) the State Governments and nodal officers (PM-KISAN) to make all out efforts for Unique Biometric Identification Number seeding of database. The Ministry also allowed the State Governments to spend fund from the administrative expenses released by the GoI under the scheme, if they hired the agencies authorised by the UIDAI who could undertake Unique Biometric Identification Number authentication of beneficiaries by going from house to house.

Scrutiny of the unique biometric identity Status Report (June 2023) revealed that 21,061 out of 28,050 records rejected during unique biometric identity authentication were corrected while 6,989 records were pending for correction. It was also noticed that 1,856 out of 8,349 invalid unique biometric identities were corrected and 6,493 records were pending for correction. Moreover, the State did not hire any agency for Unique Biometric Identification Number authentication.

In reply, the Government stated (December 2023) that the Directorate is supporting to resolve all techno-digital issues. Therefore, the dedicated agency involving huge expenditure was not considered by the Department. A 40 days' duration campaign is planned from 6 December 2023 to 15 January 2024 to include the last mile eligible farmer in the scheme.

Audit objective 2 To assess financial management of the scheme including processing of payments to the beneficiaries, DBT, refunds, and their accounting

3.2.2.6 Transfer to doubtful/ ineligible bank accounts

3.2.2.6(i) Disbursement of scheme benefits to the doubtful beneficiaries

The Ministry instructed (February 2019) that the field functionaries, while taking the declarations from the beneficiaries for not being in the exclusion category and consent for use of their Unique Biometric Identification Number, should ensure that the information captured related to names, Unique Biometric Identification Number number, bank account number and IFSC Code should be accurate.

Further, before launching the scheme, the Chief Secretary (CS), Government of Tripura instructed (February 2019) the Department to collect IFSC code of all banks of the State from the lead Bank Managers and circulate to all field functionaries.

Scrutiny of the payment database of PM-KISAN revealed that 337 beneficiaries of sampled districts possessed bank accounts outside⁸⁰ the State of Tripura wherein ₹ 43.50 lakh were credited as scheme benefit to such beneficiaries (up to March 2023). District-wise such disbursements are shown in the **Table 3.2.1**.

⁸⁰ Worked out on the basis of IFSC of Banks

Table 3.2.1: District-wise disbursement of instalments to the bank accounts outside State

Name of the district	Number of untraceable/ ineligible beneficiaries	Number of instalments disbursed	Amount involved (₹ in lakh)
Khowai	25	188	3.76
North Tripura	205	1,784	35.68
Sepahijala	107	203	4.06
Total	337	2,175	43.50

Source: SNO and beneficiary status report on PM-KISAN web portal

Further, the concerned field functionaries (Deputy Directors of Agriculture) replied (September-October 2023) that the beneficiaries mentioned in **Table 3.2.1** were ineligible/ untraceable. Moreover, the documents as proof of their residency in Tripura, such as ration card, Permanent Resident of Tripura Certificate (PRTC), land records, *etc.* of those beneficiaries have not been furnished to audit.

In absence of residential proof of the beneficiaries, ₹ 43.50 lakh was disbursed to the doubtful beneficiaries.

In reply, Government stated (December 2023) that registration under the scheme was continued under multi-facet mode, verification of such cases under SNO was also continued along with de-registration of ineligible cases. As of now, 2,912 such individuals⁸¹ were identified and made ineligible in Khowai, North Tripura and Sepahijala Districts respectively. The process of screening in accordance with existing guidelines of the scheme was continued and expected to be completed by 15 January 2024. But the Government reply remained silent on identification of 337 beneficiaries having bank accounts outside State.

3.2.2.6(ii) Benefit credited into wrong bank account

Test check of handwritten grievances revealed that PM-KISAN benefits in respect of 30 beneficiaries, ₹ 3.62 lakh were credited to wrong bank accounts. As a result, the beneficiaries were deprived from getting the scheme benefits. Details are shown in **Appendix 3.2.8**.

In reply, Government stated (December 2023) stated that the PM-KISAN scheme initially was guided for distribution of benefit through the bank account and the process continued up to third instalment. Subsequently, fund transfer was adopted under Aadhaar Based Payment System (ABPS) mode and correction made for bank accounts was not active in the portal at present. As such, the SNO had no role to play for correction of bank accounts.

The reply is not acceptable because the SNO could get the bank accounts corrected by pursuing the matter with the banks. Further, the grievances could not be redressed within two weeks of time by State/ District Level Grievances Monitoring Committees as stipulated in the scheme guidelines.

⁸¹ 940 in Khowai District, 711 in North Tripura District and 1,261 in Sepahijala District

3.2.2.6(iii) Release of instalments to the beneficiaries having the same Bank account number

Paragraph 4.1 of the operation guidelines of the scheme stipulates that State Government should prepare database of eligible beneficiary landholder farmer families in the villages capturing the Name, Age, Gender, Category (SC/ ST), Unique Biometric Identification Number, Bank Account Number, IFSC Code.

Scrutiny of the PM-KISAN database revealed that by pre-fixing zeros (to the extent of six zeros) to the same bank account number, multiple beneficiaries were registered and after registration, financial benefits of ₹ 10.80 lakh ranging from one instalment to 13 instalments were released to 156 beneficiaries which were ineligible/ not traceable/ PFMS rejected beneficiaries out of 169 beneficiaries belonging different groups of same bank account during the period from February 2019 to March 2023. Details are shown in **Appendix 3.2.9**.

Therefore, ₹ 10.80 lakh was irregularly disbursed to 156 ineligible/ inactive beneficiaries.

While accepting the fact, the Government stated (December 2023) that those were mostly related to funds transfer during 2019 and 2020 up to third instalment. It added that fund transfer was then adopted under Aadhaar Based Payment System (ABPS) mode and correction mode for bank accounts was not active. Awareness campaign regarding linking of bank accounts with Unique Biometric Identification Number was being continued.

The reply is not acceptable as the cases were found for 4th instalment to 13th instalment during 2021, 2022 and 2023.

3.2.2.7 Refund of funds

Standard Operating Procedure (SoP) issued (April 2021) by the GoI provides framework/ mechanism for recovery of funds, which has been credited to ineligible/ death/ income tax/ wrong account beneficiaries and refund of money from State account to Central Department account through 'Non-Tax Receipts portal (NTRP)'.

Scrutiny of the bank account opened by the Department for return of scheme benefits revealed that the Department had recovered ₹ 10.71 lakh (1.53 *per cent*) from the ineligible beneficiaries (up to March 2023) against ₹ 6.99 crore⁸² which was required to be recovered from ineligible beneficiaries. On the contrary, recovery status report of the PM KISAN portal revealed that only ₹ 3.24 lakh was recovered (May 2023) from the ineligible beneficiaries and was also communicated to the State Level Bankers Committee. Thus, recovery of funds transferred to ineligible beneficiaries was very slow. Further, it also showed that the recovery cases were not mapped correctly in the PM-KISAN portal in violation of the SoP.

⁸² ₹ 6.99 crore=₹ 4.18 crore {Paragraph 3.2.2.3(i)} plus ₹ 0.54 crore {Paragraph 3.2.2.3(iii)} plus ₹ 2.27 crore {Paragraph 3.2.2.3(iv)}

In reply, the Government stated (December 2023) that after deregistration of the farmers, it poses some challenges to make recovery of benefit transferred to their accounts. All necessary steps for recovery had been completed and almost ₹ 17 lakh had already been credited to the State recovery account. Recovery in the government account was continued.

The reply is not acceptable because the rate of recovery was very slow and moreover, the Department did not reconcile the mismatch of recovery amounts as shown in the portal with recovery reflected in the bank account opened for the purpose.

3.2.2.8 Failed transactions

A transaction is considered as failed when the transaction is returned or rejected by bank or NPCI. The payment response against each record is received from PFMS from Banks/ NPCI and the same is passed on to PM-KISAN portal. A report is made available to the States where they can see the list of failed transactions with the reason of failure against each record.

As per the Scheme portal, opportunity would be opened to the States for correction of the bank account details on receipt of response from PFMS as “transaction failure”. The records which need no bank account correction will be processed by the system automatically.

Analysis of the Transaction Failure report generated from the PM-KISAN portal revealed 3,032 failed transactions during 2018-23. The reasons and number of transaction failures are indicated in **Table 3.2.2**.

Table 3.2.2: Detail of reasons for failed transactions as of March 2023

Sl. No	Reasons	No. of cases	Percentage
1	Account blocked or frozen	165	5.44
2	Unique Biometric Identification Number number not mapped to account number	140	4.62
3	Account closed	2,217	73.12
4	Account closed or transferred	40	1.32
5	Account under litigation	4	0.13
6	Non-existence of account	68	2.24
7	Other reasons for failed transactions ⁸³	398	13.13
Total		3,032	100

Source: PM-KISAN database

It can be seen from **Table 3.2.2** that 2,634 out of 3,032 failed transactions (87 *per cent*) were related to bank accounts and 68 failed transactions (2.24 *per cent*) were due to inaccurate data entry by the Department. It was observed that details of failed

⁸³ Unique Biometric Identification number de-seeded from NPCI mapper by bank - customer to contact his/ her bank, Account Holder Expired, Document Pending for Account Holder turning Major, Inactive Unique Biometric Identification Number, Invalid account type (NRE/ PPF/ CC/ Loan/ FD), etc.

transactions were not shared with the beneficiaries and no attempt was made to obtain their correct bank details.

In reply, the Government stated (December 2023) that the awareness campaign regarding linking of bank accounts with Aadhar was being continued for completion of e-KYC to avoid transaction failure.

3.2.2.9 Non-utilisation of administrative expenses

Paragraph 8.3 of operational guidelines of the scheme stipulates that 0.125 *per cent* for the amount of instalments transferred to beneficiaries, can be transferred by the Centre to the State Government to cover the expenditure on their Project Monitoring Units (PMUs) and for meeting other related administrative expenses including cost to be incurred for procurement of stationary, field verification, filling of prescribed formats, their certification and its uploading as well as incentive for field functionaries, publicity, *etc.*

Further, the Ministry had also allowed the State Governments to spend fund from the administrative expenses released by the GoI under the scheme, if they hired the agencies authorised by the UIDAI who could undertake Unique Biometric Identification Number authentication of beneficiaries by going from house to house.

During 2018-19 to 2022-23, the Department received ₹ 51.08 lakh, for meeting the administrative expenses. Out of ₹ 51.08 lakh, the Department could utilise only ₹ 34.59 lakh leaving a balance of ₹ 16.49 lakh as of March 2023.

It was, however, noticed in audit that no publicity had been made in spite of availability of adequate fund during the years 2020-21 and 2021-22 to create better awareness among the farmers on the coverage and inclusion/ exclusion criteria of the scheme.

In reply (December 2023), the Government stated that expenditure of the said fund was committed against different digital activities including issuance of public notice through print and electronic media as per need basis. Further, no additional fund had been allocated during the years 2022-23 and 2023-24. The Department decided to utilise the unspent balance towards organising special campaign scheduled during the period from 6 December 2023 to 15 January 2024.

Audit objective 3: To assess efficiency and effectiveness of the monitoring mechanisms for the scheme

3.2.2.10 Monitoring Committee not constituted

Paragraph 7.1 of operational guidelines of the scheme stipulates that there should be stratified review/ monitoring mechanism at National/ State/ District levels. The National Level Review Committee (NLRC) should be headed by the Cabinet Secretary. The States should notify the State and District Level Review/ Monitoring Committees.

It was noticed that State and District Level Review/ Monitoring Committees were not constituted during 2018-19 to 2022-23. This indicates that there was inadequate monitoring at the State and District levels for effective implementation of the Scheme.

This aspect assumes greater importance, given the irregularities in identification of beneficiaries, payment to 5,542 ineligible beneficiaries amounting to ₹ 7.42 crore, denial of benefits to beneficiaries, *etc.* as discussed in **Paragraphs 3.2.2.3(i), 3.2.2.3(ii), 3.2.2.3(iii) and 3.2.2.3(iv).**

In reply, the Government stated (December 2023) that there were 539 Village Nodal Officers, 58 Block Nodal Officers and eight District Nodal Officers activated across the State. Besides, the Secretary of Agriculture and Farmers Welfare, Director of Agriculture review the progress at a regular interval and monitor the implementation of the scheme. However, the grievance monitoring committee headed by the Secretary, Agriculture and Farmers Welfare, Tripura at State level and District Magistrate & Collector in the district level had been constituted in January 2022.

The reply is not acceptable because ₹ 7.42 crore had been disbursed to ineligible beneficiaries due to inadequate monitoring at State, District and Block levels.

3.2.2.11 Physical verification of beneficiaries

Paragraph 10.5 of operational guidelines of the scheme stipulates that the State is required to undertake physical verification of around five *per cent* of the beneficiaries for the eligibility during the year. The State is required to conduct the physical verification of the beneficiaries randomly selected by the Ministry. Details of those beneficiaries are made available on the PM KISAN portal for verification.

It was noticed (September 2023) in audit that no physical verification as stipulated in the guidelines was conducted during the year 2019-20. However, physical verification was conducted during 2020-21 and 2021-22⁸⁴ and the result of verification is shown in **Table 3.2.3.**

Table 3.2.3: Year-wise details of physical verification conducted during 2020-22

Year	Verific ation percen tage	Total	Reported eligible	Reported ineligible / Death	Verification conducted (4)+(5)	Verification pending (3)-(6)	Shortfall (in percentage)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
2020-21	5	10,137	8,084	679	8,763	1,374	13.55
2021-22	10	19,234	12,516	1,052	13,568	5,666	29.45
Total		29,371	20,600	1,731	22,331	7,040	43.01

Source: Records furnished by the SNO

From **Table 3.2.3**, it can be seen that the State had conducted only 43 *per cent* of the total randomly selected beneficiaries.

The SNO informed (November 2023) that the physical verification was not conducted during the year 2022-23 as Ministry did not set target for the same.

If the State had completed the physical verification of remaining beneficiaries, then ineligible beneficiaries could have been weeded out.

⁸⁴ Ministry selected 10 *per cent* instead of five *per cent*

In reply, the Government stated (December 2023) that target and selection of random farmer for physical verification during the year 2022-23 had not been made available in the portal by the GoI. However, the Department was continuing the completion of the remaining 5,745 physical verification of 2020-21 and 2021-22 for saturation of more farmers under the scheme during the special campaign scheduled during 6 December 2023 to 15 January 2024.

3.2.2.12 Excess advertisement cost paid to the newspaper agencies

Paragraph 8.1 of operation guidelines of the scheme stipulates that there will be a dedicated Project Monitoring Unit (PMU) at State level to monitor and coordinate with the Central Government with regard to implementation of Income Support Scheme. It shall also undertake publicity campaign (Information, Education and Communication-IEC) in the State.

The SNO published advertisement of the self-declaration form (SDF) for information, awareness and seeking applications from the eligible farmers for availing benefits under the scheme.

Scrutiny of the records revealed that the SNO paid ₹ 15.48 lakh for display of advertisement in the newspapers against the admissible amount of ₹ 10.83 lakh {as per clause 12 and 13 of Tripura Advertisement Guidelines (Third Amendment), 2014⁸⁵}. This resulted in excess payment of ₹ 4.65 lakh to newspaper agencies as depicted **Appendix 3.2.10.**

In reply, the Government stated (December 2023) that scheme was implemented with participation of people that requires wide publicity of the benefit/ guidelines/ instructions of the Ministry. The State was very scrupulous in spending administrative fund. The payment towards advertisement costs were made through the Information and Culture Affairs Department as per related norms of the State Government.

The reply is not acceptable as excess payment of ₹ 4.65 lakh was paid in violation of the Tripura Advertisement Guidelines (Third Amendment), 2014.

3.2.3 Conclusion

Non-linking of land records with Unique Biometric Identification Number, Mobile number, Bank accounts of the respective landowners led to disbursement to the ineligible beneficiaries. Undue financial benefits were extended to the ineligible beneficiaries even after the date of approval of their ineligibility. Improper verification/ validation of farmers' requisite documents resulted in irregular disbursement to the Government employees, IT payees, farmers not-possessing agricultural land, duplicate bank account holders, ineligible farmers having bank accounts outside the State. Benefit was also denied to the eligible beneficiaries due to non-approval of SRFs by the Department, pendency of Unique Biometric Identification

⁸⁵ Rate of advertisement of category A, B & C newspapers was ₹ 75, ₹ 65 & ₹ 50 *per column per centimetre* (Black and White) respectively. The rate of coloured advertisement was 45 *per cent* above the rate of black & white advertisement and negotiable case to case basis.

Number correction, short disbursement of first instalment. Inadequate monitoring and insufficient physical verification resulted in payment to the ineligible beneficiaries.

3.2.4 Recommendations

For proper implementation of the scheme, the Government may consider to;

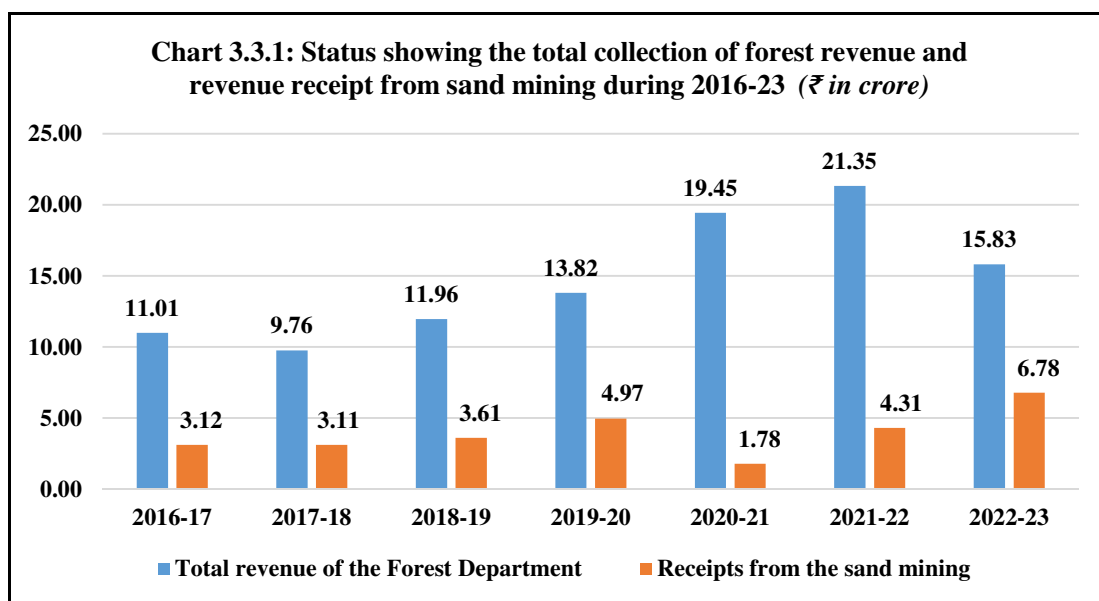
- *link the land records with the Unique Biometric Identification Number, bank details and mobile number of the respective landowners.*
- *properly scrutinise the self-declaration forms to weed out the ineligible applicants in a time bound programme; and*
- *strengthen the monitoring mechanism at block, district and State levels.*

FOREST DEPARTMENT

3.3 Sand Mining in Tripura

3.3.1 Introduction

Forest revenue is one of the sources of non-tax revenue of the State Government. Royalty from sand mining lease holders is the major revenue of the Forest Department. During the period 2016-17 to 2022-23, the Forest Department collected revenue of ₹ 27.67 crore from royalty of sand mining activities, whereas the total revenue of the Department was ₹ 103.17 crore. The total revenue of the Forest Department *vis-à-vis* receipts from the sand mining activities during 2016-23 is shown in **Chart 3.3.1**.



Source: Information furnished by the Department

The sand in Tripura has been classified as ‘Riverine resources’. As of March 2023, 2,05,747 cum river sand was available in Tripura. River sand mining is a widespread practice as habitations concentrates along the rivers and the mining locations are preferred near the markets or along the transportation route. Excessive removal of sand may significantly distort the natural equilibrium of the river stream channel. It can damage private and public properties as well as aquatic habitats.

In order to have a control on sand mining in Tripura, the State Government, in exercise of power conferred by section 15 of the Mines and Minerals (Regulation and Development) Act, 1957 (Central Act 67 of 1957), framed (September 2014) Tripura Minor Mineral Concessions (TMMC) Rules, 2014 for regulating the grant of mining leases and other concessions in respect of minor minerals (including sand) in the State. TMMC Rules 2014 is the only legal framework to control the extraction of river sand in the State.

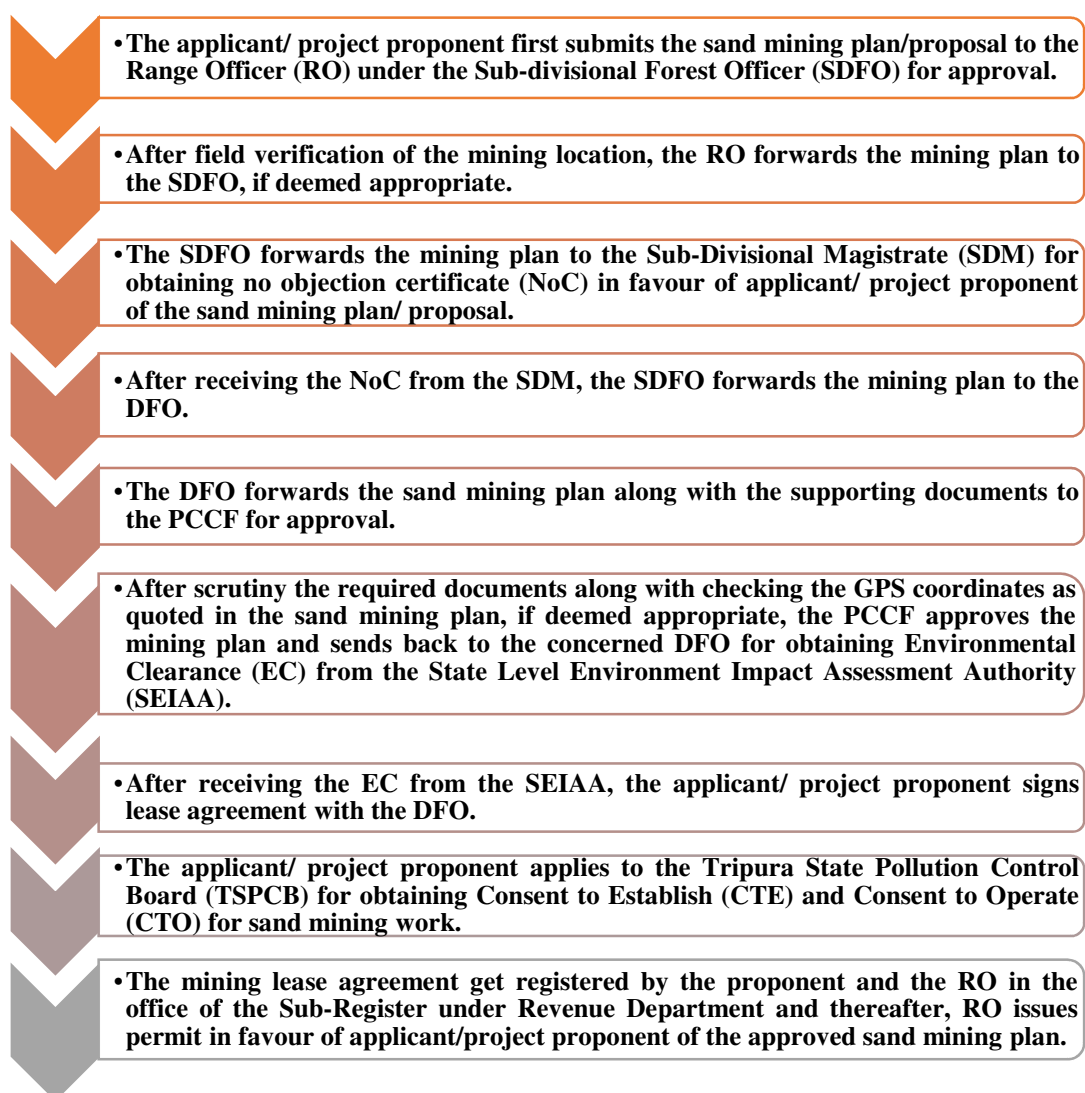
3.3.2 Organisational set-up

The Principal Secretary, Forest Department, Government of Tripura is the administrative head and overall, in charge of the Department. The Principal Chief

Conservator of Forests (PCCF) is the Head of the Department and Head of Forest Forces. The PCCF is responsible for policy decision making, budgetary control, direction, and overall working of the Department. The PCCF is assisted by the Additional Principal Chief Conservator of Forests (APCCF)/ Chief Conservator of Forests (CCFs)/ Deputy Chief Conservator of Forests (DCFs)/ Conservator of Forests (CFs) at headquarter level.

The District Forest Officers (DFOs) at district level and Sub-Divisional Forest Officers at Sub-division level are responsible for monitoring the activities of sand mining and collection of royalty/ revenue from the sand mining activities at the district level and sub-division level, respectively. The procedures for approval of sand mining plans are given in **Chart 3.3.2**.

Chart 3.3.2: Flow chart showing procedures for approval of sand mining plan



3.3.3 Audit objectives

The audit was conducted to get a reasonable assurance that;

- a. the procedures for approval of sand mining plans and process of execution of lease agreements were as per provisions contained in the relevant act and rules,

- b. an effective monitoring mechanism was in place to prevent illegal mining.

3.3.4 Audit criteria

Audit findings were benchmarked against the criteria derived from the following sources:

- i. Tripura Minor Mineral Concession Rules, 2014,
- ii. Mines and Minerals (Development and Regulation) Act, 1957,
- iii. National Mineral Exploration Trust Rules, 2015,
- iv. Sustainable Sand Mining Management Guidelines, 2016, and
- v. District Survey Report (DSR), and
- vi. Government orders, notifications, departmental manual/ policies/ rules and regulations, *etc.*

3.3.5 Audit scope, sample and methodology

Audit methodology involved test check of the records of the offices of the PCCF at the State level; DFOs of two sampled districts (Unakoti and South Tripura Districts) at district level; two Forest Sub-Divisions (Kumarghat and Kailashahar) under the Unakoti District and three Forest Sub-Divisions (Sabroom, Bagafa and Trishna Wildlife Sanctuary (WLS)) under South Tripura District. Besides, joint physical verification of 56 randomly selected sand mining sites of the sampled districts were also conducted with the departmental officials.

The draft report was issued to the State Government in November 2023 and Government's reply was received in March 2024. The audit findings were discussed (March 2024) at the level of the Principal Secretary, Forest Department where senior officers of the Department were also present. The views expressed by the Department during the discussion were suitably incorporated in the report along with the Government's reply.

Audit objective 1: Whether the procedures for approval of sand mining plans and process of execution of lease agreements were as per provisions contained in the relevant act and rules

3.3.6.1 Non-establishment of the District Mineral Foundation

Tripura Minor Mineral Concession (TMMC) Rules, 2014 were framed under the provisions of the Mines and Minerals (Development and Regulation) Act, 1957 to regulate the grant of mining leases and other concessions in respect of the minor minerals (including sand) in Tripura. As per Section 9B of the Mines and Minerals (Development and Regulation) Act, 1957 (as amended in January 2015), the State Government had to establish/ constitute by notification a trust as a non-profit body to be called the District Mineral Foundation (DMF). The objective of the DMF shall be to work for the interest and benefit of persons, and the affected areas by mining related operations in such manner as may be prescribed by the State Government. The idea behind the contribution being that local mining affected communities mostly tribal and

among the poorest in the country, also have the right to benefit from natural resources at entrusted from where they live.

Further, the Government of India framed (January 2015) the Mines and Minerals (Contribution to District Mineral Foundation) Rules, 2015. The rules provide that every holder of a mining lease or a prospecting licensee-cum-mining lessee shall, in addition to the royalty, pay to the Mines and Minerals Foundation of the district in which the mining operations are continued, an amount at the rate of (a) ten *per cent* of the royalty paid in terms of the Second Schedule to the Mines and Minerals (Development and Regulation) Act, 1957 (67 of 1957) in respect of mining leases or prospecting licence-cum-mining lease granted on or after 12 January 2015.

The State received ₹ 27.67 crore as royalty from sand mining during the period 2016-17 to 2022-23 against which ₹ 2.77 crore should have been collected and paid to the DMF as shown in **Table 3.3.1**.

Table 3.3.1: Details of royalty received *vis a vis* amount to be collected for DMF

(₹ in crore)

Year	Amount of royalty received from sand mining	Amount to be collected and paid (10 <i>per cent</i> of the royalty) to the DMF
2016-17	3.12	0.31
2017-18	3.11	0.31
2018-19	3.61	0.36
2019-20	4.97	0.50
2020-21	1.78	0.18
2021-22	4.31	0.43
2022-23	6.78	0.68
Total	27.67	2.77

Source: Information furnished by the Forest Department

Audit observed that the State Government, did not frame the District Mineral Foundation Rules, 2015 (June 2023). Consequently, the State Government did not realise ₹ 2.77 crore during 2016-23. Thus, the objective of creation of DMF for the interest and benefit of persons, and the affected areas by mining related operations, could not be achieved.

The Government replied (March 2024) that in Tripura Minor Mineral Concessions Rules, 2014 (TMMC Rules), there was no provision of the District Mineral Foundation and hence, no efforts had been taken. The Department, however, assured (March 2024) that steps for amendment of the TMMC Rules would be considered.

3.3.6.2 Non-realisation of royalty for contribution to National Mineral Exploration Trust Fund

Section 9C of the Minor Mineral (Development and Regulation) Act, 1957 as amended in 2015 stipulates that: (1) The Central Government shall, by notification, establish a trust, to be called the National Mineral Exploration Trust (NMET). (2) The object of the trust shall be to use the funds accrued to the trust for the purposes of regional and detailed exploration in such manner as may be prescribed by the Central Government. (3) The composition and functions of the trust shall be such as may be prescribed by

the Central Government. (4) The holder of a mining lease or a mineral concession shall pay to the trust, a sum equivalent to two *per cent* of the royalty paid in terms of the Second Schedule, in such manner as may be prescribed by the Central Government.

Rule 7 (3) of the National Mineral Exploration Trust Fund Rules, 2015 states that the holder of a mining lease and prospecting license cum mining lease shall make payment for the contribution of trust fund of amount payable under sub-section 4 of section 9C of the Act to the State Government simultaneously with payment of the royalty. Rule 7(6) of the National Mineral Exploration Trust Rules, 2015 stipulates that the responsibility of collection and depositing the amount so collected in the trust fund and maintaining necessary accounts to be shared with the Central Government shall be that of the State Government.

Test check of the records revealed that during 2016-23, the Department did not collect two *per cent* of the royalty amounting to ₹ 55.34 lakh (two *per cent* on ₹ 27.67 crore) from the sand mining lease holders for contribution to the NMET Fund because there is no provision in the TMMC Rules for realisation of contribution to the NMET fund.

The Government replied (March 2024) that in TMMC Rules, there was no provision for National Mineral Exploration Trust and hence, no efforts had been taken. The Department assured (March 2024), at the instance of Audit, that steps for amendment of TMMC Rules would be considered in accordance with the provisions of The Mines and Minerals (Development and Regulation) Act, 1957 (as amended in 2015).

3.3.6.3 Allotment of mining blocks not identified in the District Survey Report

As per Paragraph 7 (iii) (a) and Annexure (X) of notification⁸⁶ and Sustainable Sand Mining Management Guidelines, 2016 issued by the Ministry of Environment, Forest and Climate Change (MoEF&CC), Government of India (GoI), a District Survey Report (DSR) of sand mining or river-bed mining and mining of other minor minerals had to be prepared for each district of the State. The DSR will guide systematic and scientific utilisation of natural resources, so that present and future generation may be benefited at large.

The purpose of the DSR is to identify the areas of aggradations or deposition where mining can be allowed and identification of areas of erosion and proximity to infrastructural structures and installations where mining should be prohibited. The period of district survey report was for five years. Further, the State Level Expert Appraisal Committee in their 24th meeting (September 2020) recommended that mining should be done only in areas/ stretches identified in the DSR suitable for mining and so certified by the Sub-Divisional Level Committee after site visit.

As per DSR, 2018 of Unakoti District, 52 sand mining blocks were identified for extraction of sand in the district. Audit scrutiny of the records and information furnished by the District Forest Officer (DFO), Unakoti, revealed that with the approval

⁸⁶ No. SO-141(E) of January 2016

of the PCCF, the DFO, Unakoti had allotted total 56 sand mining blocks. Out of 56 blocks approved, 30 sand mining blocks were not identified in the DSR. Details of the sand mining blocks allotted beyond the DSR are shown in **Appendix 3.3.1**.

Thus, the Department violated the instructions of MoEF&CC, GoI and Sustainable Sand Mining Management Guidelines, 2016 while allotting the sand mining blocks.

Extraction of sand in areas beyond the sand mining blocks identified in the DSR had caused weakening of river embankment and erosion of riverbed as detailed in the subsequent case studies. It may also cause negative impact on aquatic ecosystem of the area.

The Government replied (March 2024) that the matter had been taken up with the Member-Secretary, State Level Environment Impact Assessment Authority (SEIAA)/ State Level Expert Appraisal Committee (SEAC). It added that the SEAC in its 10th meeting (August 2023) had decided to consider the creation of new Block IDs and Moujas for mining plans till the finalisation of new District Survey Report (DSR).

The reply is not acceptable as 30 unidentified sand mining blocks were approved by the Department during the period from September 2019 to April 2022, *i.e.*, much earlier than the holding of 10th meeting of SEAC in August 2023.

3.3.6.4 Unauthorised sand mining

Rule 3(1) of TMMC Rules envisages that no person shall undertake any mining or quarrying operations in any area except under and in accordance with the terms and conditions of a mining lease or mining permit, as the case may be, granted in accordance with the provisions of these rules.

During joint physical verification (June-October 2023) in the two sampled districts, it was noticed that there were 10 cases⁸⁷ of illegal/ unauthorised sand mining sites with the stacks of sand and machines. A few photographs of the Illegal sand mining sites are shown in **Photographs 3.3.1 to 3.3.10**. Details of approximate quantity of sand found at sites and value of loss of royalty are given in **Appendix 3.3.2**.

⁸⁷ These 10 cases were not included in the 56 randomly selected sand mining sites

Sites of illegal sand mining

Location of illegal sand mining and approx. quantity of sand found at site	
 <p>Latitude: 24.184602 Longitude: 92.026275 Elevation: 30.86±6.57 m Accuracy: 8.10 m Time: 21-06-2023 17:11:37</p>	 <p>Latitude: 24.267243 Longitude: 92.025011 Elevation: 32.68±11.00 m Accuracy: 38.01 m Time: 19-07-2023 10:15:38</p>
<p>Photograph 3.3.1: Indira Colony, near School Playground, Fatikroy, Kumarghat, Unakoti, 500 cum</p>	<p>Photograph 3.3.2: Near approved sand mining site of Parijat Singha, Bilaspur, Gournagar, Kailashahar, Unakoti, 400 cum</p>
 <p>Latitude: 24.216005 Longitude: 91.986051 Elevation: 43.64±12.11 m Accuracy: 9.50 m Time: 19-07-2023 11:58:11</p>	 <p>Latitude: 24.216514 Longitude: 91.986382 Elevation: 43.22±14.34 m Accuracy: 17.49 m Time: 19-07-2023 11:51:52</p>
<p>Photograph 3.3.3: Near approved sand mining site of Jail Sing Debbarma, Panchamnagar, Chandipur, Kailashahar, Unakoti, 350 cum</p>	<p>Photograph 3.3.4: Near the approved sand mining site of Jail Singh Debbarma, Panchamnagar, Chandipur, Kailashahar, Unakoti, 300 cum</p>
	 <p>Latitude: 23.255893 Longitude: 91.488664 Elevation: 16.88±10.76 m Accuracy: 9.98 m Time: 09-10-2023 16:06:10</p>
<p>Photograph 3.3.5: Near Kamranga Bari bridge at Chaintail, Chandipur, Kailashahar, Unakoti, 600 cum</p>	<p>Photograph 3.3.6: Illegal Sand Mining site under Abhaya Range of Trishna WLS, Trishna, South Tripura District, 700 Cum</p>



Photograph 3.3.7: Santibazar of Bagafa Range under SDFO, Bagafa, South Tripura, 3500 cum



Photograph 3.3.8: Kakulia Range under SDFO, Bagafa, South Tripura, 200 cum



Photograph 3.3.9: Near Madhya Pilak High School under, Joliabari, Kakulia Range under SDFO, Bagafa, South Tripura, 2000 cum



Photograph 3.3.10: Paschim Ludhua of Satchand Range under SDFO Sabroom, South Tripura, 500 cum

Illegal mining indicates, inadequate patrolling/ lapse of departmental monitoring by the concerned SDFOs which resulted in loss of Government revenue of ₹ 7.72 lakh as shown in **Appendix 3.3.2** and caused serious damages to the environment. Further, analysis of Google Earth Images⁸⁸ for a considerable period ranging from February 2016 to October 2023 are shown in **Appendix 3.3.3**. Besides, illegal sand mining had adversely affected the water level of Muhuri River under South Tripura District. Two case studies regarding decrease in water level of Muhuri river of South Tripura District due to illegal and unscientific sand mining are given below:

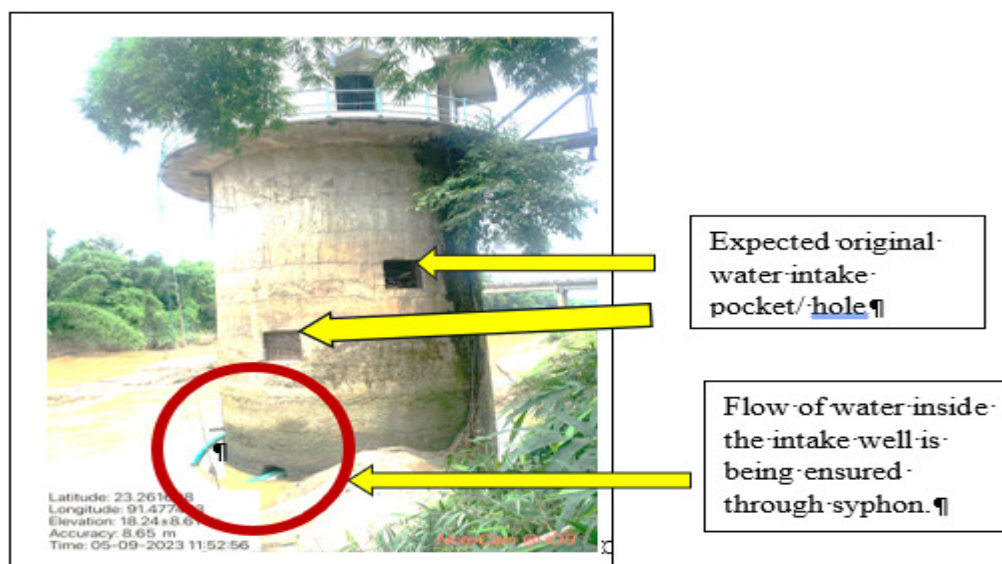
Case Study 1

The Executive Engineer (EE), Drinking Water & Sanitation (DWS), Division, Belonia, South Tripura District informed (September 2022) the DFO, South Tripura District that the water level in the Muhuri river had decreased due to unscientific sand mining. Consequently, the required amount of raw water was not entering smoothly inside the intake well of Surface Water Treatment Plant (SWTP) on Muhuri River, near Ratan Mani Setu, Belonia, through its pockets due to descending water level of Muhuri River.

⁸⁸ As per availability of images in the Google Earth

During joint physical verification (September 2023) of SWTP with the representative of EE, DWS Division, Belonia, it was noticed that the water level of the Muhuri river level was far lower than the openings/ pockets of intake well of the SWTP and water was not entering inside the well on its own.

To ensure smooth inflow of water into the intake well, water was being pumped into the intake well through a syphon so that supply of drinking water could be ensured in the Belonia town and its adjoining area. The present status of intake well and water level is depicted in **Photograph 3.3.11**.



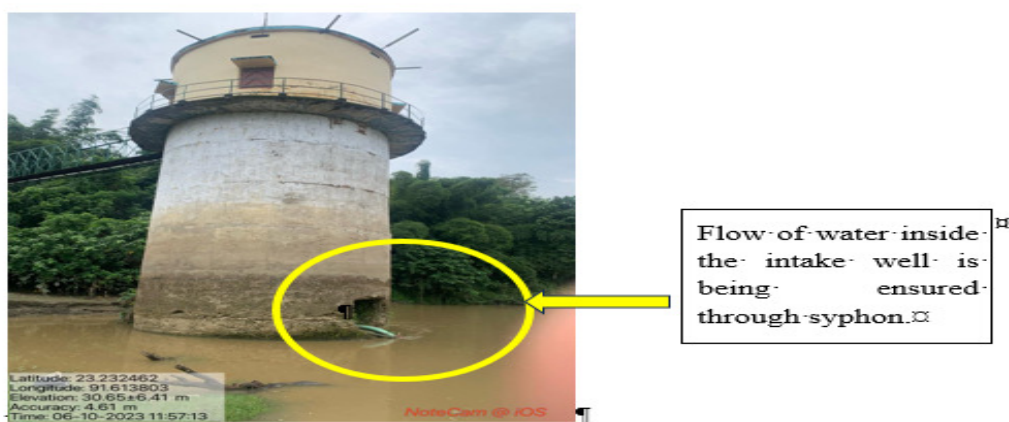
Photograph 3.3.11: SWTP over Muhuri River, Belonia, South Tripura

Case Study 2

The Assistant Engineer (AE), DWS Sub-Division, Jolaibari of South Tripura District had informed (March 2019) the EE, DWS Division, Belonia about the decrease in water level of Muhuri river. The AE also informed (December 2021) the DFO, South Tripura District about lifting of sand by unknown persons in Muhuri River, which had led to the formation of scouring⁸⁹ in the river. Further, the residents of North Jolaibari area had submitted (April 2021 and December 2021) representations to the PCCF about the extraction of sand in Muhuri River adjacent to intake well of mini SWTP at Jolaibari. It was alleged that due to lifting of the sand from the Muhuri river the mini SWTP and lift irrigation scheme had been affected. The PCCF directed (December 2021) the DFO, South Tripura District to investigate the matter. During joint investigation carried out (January 2022) by the SDFO, Bagafa and the AE, DWS Sub-Division, Jolaibari, it was found that that machines were used by unknown persons for lifting of sand from the Muhuri river near Water Pump Resource area of mini SWTP at Jolaibari. But follow-up action taken on the investigation was not be made available to audit.

⁸⁹ Removal of sediments from the riverbed or bank

The Sub-Divisional Magistrate (SDM), Santir Bazar, South Tripura District had also received (January 2022) a complaint from the local people of North Jolaibari regarding lifting of Sand from the Muhuri River near the Mini SWTP, Jolaibari by one licensed proponent of sand mining due to which residents were not getting drinking water. To investigate the matter a team was constituted by the SDM, Santirbazar with the Deputy Collector and Magistrate, Jolaibari; AE, DWS Sub-division, Jolaibari; Range Officer, Jolaibari; and Tehsildar, Jolaibari Tehsil. After conducting enquiry, the team reported (February 2022) that the lifting of sand had been carried out by one proponent within 135 metre of the intake well of mini SWTP, Jolaibari and 195 metre from the Kakulia bridge and National Highway. The enquiry team recommended to cancel the license of the proponent. Based on the recommendation of the enquiry team, license of the proponent was cancelled.



Photograph 3.3.12: Mini SWTP over Muhuri river, Joliabari

The Department stated (March 2024) that the forest officials were on regular vigil and assured that patrolling would be further strengthened to prevent illegal sand mining.

3.3.6.5 Non-compliance of Rules and Guidelines of Sand Mining

3.3.6.5(i) Permission granted for extraction of Sand without Consent to Operate from the Tripura State Pollution Control Board

MoEF&CC, GoI constituted (November 2018) the State Level Environment Impact Assessment Authority (SEIAA), Tripura. The State Government notified (January 2019) the Tripura State Pollution Control Board (TSPCB) to act as a Secretariat of the SEIAA, Tripura.

Rule 6 of the TMMC Rules provides that Forest Department, Government of Tripura approves the mining plans of proponents and sends them to the SEIAA for Environmental Clearance (EC) and accordingly, Consent to Operate (CTO) is to be issued by the TSPCB to the proponents.

Test check of the records of DFO, South Tripura District revealed that the following proponents had been given permission for extraction of sand but the proponents did not obtain the CTO from the TSPCB. Details of the permission for extraction of sand and total quantity extracted by these proponents were shown in **Table 3.3.2**.

Table 3.3.2: Cases where permission was granted for extraction of sand without CTO

Name of the proponents	Name of the SDFO	Block ID	Permit issued for extraction of sand (in cum)	Sand extracted (in cum)
Apaito Mog	Bagafa	ST-69	500	500
Nirmal Malla	Bagafa	ST-84	4,000	4,000
Total quantity			4,500	4,500

The proponents did not obtain the Consent to Operate from the TSPCB but the DFO, South Tripura District issued the permits to the proponents for extraction of sand violating the provisions of the TMMC Rules.

While accepting the fact, the Government replied (March 2024) that the sand mining in those locations had been stopped. However, the Department did not take any action against the concerned DFO for irregular issue of permits.

3.3.6.5(ii) Stamp duty and Registration fees not levied due to non-registration of lease agreements

As per Section 17 (d) of the Indian Registration Act, 1908, leases of immovable property from year to year, or for any term exceeding one year, or reserving a yearly rent, shall be registered.

Further, the lease agreement so executed should be got registered with the Revenue Department with proper stamp duty on consideration on price of royalty. The supplementary agreement for the extended period is required to be registered with the Revenue Department.

Test check of the records in the sampled districts revealed that after expiry of initial lease period of two years of eight proponents under Unakoti District lease agreements were executed between the DFO and the proponents for another two years. But the proponents did not get the agreements for second term, registered as per Rule 24 of TMMC Rules.

Therefore, the State Government sustained loss of revenue of ₹ 1.31 lakh on Stamp duty and Registration fees, due to non-registration of supplementary sand mining lease agreements during 2016-23.

While accepting the fact, the Government stated (March 2024) that the supplementary agreement for the extended period would be made.

3.3.6.5(iii) Permission issued for extraction of sand beyond the limit prescribed in the CTO and EC

The sand mining plan, EC, and CTO of each proponent fixed the prescribed limit for extraction of sand per year according to the deposition of sand and also considering the erosion of riverbed and diversion of flow of water in river.

Test check of the records revealed that five proponents had been granted permission by the DFO, South Tripura District for extraction of sand beyond their prescribed quantity per year as indicated in the relevant ECs and CTOs. Details of prescribed quantity,

actual extraction, and excess extraction of sand beyond the limit prescribed in the ECs and CTOs are shown in **Table 3.3.3**.

Table 3.3.3: Excess extraction of sand

Sl. No.	Name of the proponent	Block ID No.	Forest Sub-Division	Permissible quantity in a year (in cum)	Permission issued by the Forest Department for extraction of sand in a year (in cum)	Excess extraction (in cum)
1	Kamal Shil	ST-48	Sabroom	426.375	1,500	1,073.625
2	Tutul Laskar	ST-51	Sabroom	583.725	1,500	916.275
3	Sasanka debnath	ST-53	Sabroom	687.110	3,000	2,312.890
4	Jadu Nath	ST-44	Sabroom	283.500	1,500	1,216.500
5	Basu Deb Das	ST-63	Sabroom	389.920	1,500	1,110.080
Total excess extraction of sand beyond the permissible limit				2,370.630	9,000	6,629.370

From **Table 3.3.3**, it may be seen that the DFO, South Tripura issued permission for extraction sand beyond the prescribed limit which resulted in excess extraction of 6,629.370 cum sand.

Extraction of sand in excess of limit prescribed in the ECs and CTOs may cause the erosion of the riverbed and diversion of flow of water in river. The reasons for giving the permission beyond the prescribed limit by the DFO, South Tripura District in violation of terms and conditions of ECs and CTOs, were not found on records.

While accepting the fact, the Government stated (March 2024) that issue of granting permission beyond the limit had happened by mistake and it assured that henceforth, no new permission beyond the limit prescribed in the CTO and EC would be granted.

3.3.6.5(iv) Extraction of sand without demarcation of sand mining sites

As per Rule 16(i) and 19 of TMMC Rules and terms and conditions of EC issued by the SEIAA, mining should be done only in areas/ stretches identified in the District Level Survey Report suitable for mining and mining should begin only after pucca pillar marking the boundary of lease area is erected at the cost of the lease holder after certification by the Forest Department.

During joint physical verification (June-July and October 2023) it was found that 10 out of 56 selected sites in Unakoti and South Tripura Districts, prescribed area was not demarcated with pillars by the lease holders (details shown in **Appendix 3.3.4**). Non demarcation of sites may lead to extraction of sand beyond the specified area.

The Government replied (March 2024) that all extraction sites were identified and demarcated by pillar. The reply is not acceptable because during joint physical verification 10 out of 56 selected sand mining sites had not been found demarcated with the pillars.

3.3.6.5(v) Non-realisation of penalty for extraction of sand outside the specified area

Test check of the records of the DFO, South Tripura District revealed that the Range Officer, Hrishyamukh Range had submitted a demarcation report (February 2022) of sand mining sites of 14 proponents under Belonia Beat near Muhuri river. As per the report submitted by the Range Officer, six out of the 14 proponents had lifted 14,614 cum of sand outside their actual designated land as mentioned in their mining plans, in violation of Rule 16(i) and 19 of TMMC Rules and terms and conditions of the ECs.

It was further noticed that the DFO had imposed penalty (July 2022) of ₹ 10.23 lakh against all the six proponents, out of which four proponents had deposited penalty (₹ 6.45 lakh) and the remaining two proponents⁹⁰ did not deposit the penalty (₹ 3.78 lakh). This resulted in non-realisation of penalty of ₹ 3.78 lakh.

While accepting the fact, the Government replied (March 2024) that reminder would be issued for recovery of penalty from the defaulters.

3.3.6.5(vi) Use of machinery for sand mining

As per paragraph 7 of the approved sand mining plan, no machinery should be allowed in case of riverbed mining. The sand mining should be manual with the help of spade, hands shovel in which the riverbed materials would be collected in its existing form.

However, explanation below Rule 16 of the TMMC Rules, provides that mining operations include the erection of machinery laying of tracks or construction of a road in connection with the working of the mine.

During joint physical verification (June-October 2023) of 56 randomly selected sand mining sites it was found that in 54 cases machinery were used, and in two cases both the machinery and manual method were used for extraction of river sand in violation of approved sand mining plans as shown in **Photographs 3.3.13 to 3.3.16**. Details are given in **Appendix 3.3.4**.



Photograph 3.3.13: Use of machinery (Pump Machine) at Pecharthal Range under SDFO, Kumarghat, Unakoti



Photograph 3.3.14: Use of machinery (Pump Machine) at Kumarghat Range under SDFO, Kumarghat, Unakoti

⁹⁰ (a) Shri Santhosh Nath of Uttar Sonaichari (4) Sand Mines, Block-ID – ST 21A ₹ 1,68,210
(b) Shri Subrata Das of Uttar Sonaichari (5) Sand Mines, Block-ID – ST 20C ₹ 2,09,930



Photograph 3.3.15: Use of machinery (Pump Machine) at Abhaya Range under Wildlife Warden, Trishna WLS



Photograph 3.3.16: Use of machinery (Pump Machine) at Hrishyamukh Range under SDFO, Bagafa, South Tripura

These lease holders violated the terms and conditions of approved sand mining plans thereby increasing the chances of soil erosion in the riverbed.

Due to lifting of sand by machinery, the embankment of river became weak and unstable. But the Department did not take any action against the defaulters due to incorporation of the “explanation” clause below Rule 16 of TMMC Rules.

In reply, the Government stated (March 2024) that the ‘explanation’ below Rule 16 (1) (h) of the TMMC Rules provided that mining operations should include the erection of machinery, laying of tracks or construction of a road in connection with the working of the mine. The Department agreed (March 2024) to the suggestions made by the audit to prohibit the use of machineries for extraction of sand as the pumping of sand from the riverbed for extraction of sand damages the rivers’ eco-system, and the ‘explanation’ clause be appropriately modified by amending the TMMC Rules.

Audit objective 2: Whether the effective monitoring mechanism for sand mining were in place to prevent illegal mining

3.3.7 Inadequate monitoring

3.3.7.1 Non-submission half-yearly compliance report for prior stipulated Environmental Clearance conditions to the State Pollution Control Board

As per the terms and conditions stipulated in the EC issued by the SEIAA and Enforcement & Monitoring Guidelines for Sand Mining, 2020 issued by the MoEF&CC, GoI, the proponents are required to submit half-yearly compliance reports for prior stipulated EC terms and conditions (in hard and soft copies) to the TSPCB on 1st June and 1st December of each Calendar Year.

Further, in the 29th meeting of State Level Expert Appraisal Committee (SERC) it was decided that the all the reports and data pertaining to prior stipulated EC terms and conditions should be submitted to the Member Secretary, SEIAA for needful action by the supervising authorities/ committees/ regulators.

However, in all the 56 randomly selected sand mining sites, none of the proponents had submitted half yearly compliance reports to the TSPCB (district-wise details shown in **Appendix 3.3.4**) which indicated that the Department did not evolve any monitoring mechanism for compliance of terms and conditions of EC. The SEIAA and TSPCB also did not ensure the compliance of terms and conditions of EC. Details of action taken by the SEIAA and TSPCB for ensuring submission of half yearly compliance reports by the proponents were not furnished, though called for (April 2024) by audit.

The Department assured (March 2024) that the matter regarding non-submission of half yearly compliance report would be taken up with the State Environment Impact Assessment Authority (SEIAA) for ensuring compliance.

3.3.7.2 Non-submission of reports and returns by the proponents

Rule 41(3) of TMMC Rules, 2014 stipulates that every lessee or permit holder shall submit every month to the PCCF/ DFO or authorised officer a true and correct return for minor minerals in **FORM-H** by the 5th Day of the following month to which it relates.

Rule 16(1)(b) of TMMC Rules, 2014 stipulates that the lessee shall submit a quarterly royalty statement in **FORM-I** to the competent authority by 15 July, 15 October, 15 January and 15 April for the preceding quarter respectively.

Rule 16(1)(n) of TMMC Rules, 2014 stipulates that the lessee shall submit an annual return on mineral raised, despatched, royalty paid, manpower employed, *etc.* in **FORM-J** to the PCCF/ CCF/ DFO as the case may be, by the 20 April for the preceding financial year.

However, test check of the records revealed that none of the proponents of randomly selected 24 sand mines in Unakoti District had submitted the above-mentioned returns during 2016-23. In South Tripura District, only one out of 32 randomly selected cases had not submitted the reports and returns to the competent authority (details shown in **Appendix 3.3.4**). Therefore, the actual quantity of sand extracted, despatched, royalty paid, workforce employed, *etc.* could not be ascertained in audit.

Non-submission of mandatory returns by the proponents indicated lack of monitoring by the departmental officers which led to unauthorised sand mining and loss of revenue, use of machinery, *etc.* as detailed in **Paragraphs 3.3.6.5 and 3.3.6.6(vi)**.

While accepting the fact, the Government stated (March 2024) that the action would be taken by the DFOs for submission of reports and returns by the proponents.

3.3.7.3 Inadequate inspection of sand mining sites

As per Rule 16.1(k) of TMMC Rules, 2014 read with the terms and conditions of EC, lease holder shall keep a correct account of date wise quantity of minerals mined out, dispatched from the mine, mode of transport, registration number of vehicle, person in-charge of vehicle and mine plan. This should be produced before officers of the Central Government and the State Government for inspection.

During the joint physical verification (June-October 2023) of 56 randomly selected sand mining sites under two sampled districts, it was noticed that the lease holders of 40 sites have not maintained records relating to quantity of sand extracted, dispatched from the mine (date wise) which indicated that the Departmental officers had not conducted inspection of mining sites, in violation of the TMMC Rules and conditions of EC. The details are shown in **Appendix 3.3.4**.

Non-maintenance of accounts of sand mining by the proponents coupled with non-inspection by the departmental officers indicated inadequate monitoring of the mining sites by the Department, which led to unauthorised sand mining and loss of revenue.

The Government replied (March 2024) that the monitoring would be ensured by conducting review meetings at the District/ State Levels and physical site inspections, visits, *etc.*

3.3.8 Conclusion

Audit of sand mining revealed that non-establishment of District Mineral Foundation, and non-contribution to National Minerals Exploration Trust resulted in non-realisation of revenue. Mining Blocks were allotted outside the mining sites identified in District Survey Report in violation of guidelines issued by MoEF&CC.

Inadequate monitoring resulted in instances of unauthorised sand mining, use of machinery and extraction of sand beyond permissible limit thereby increasing the chances of the soil erosion of riverbed, non-submission of half-yearly compliance report for Environment Clearance and other prescribed reports/ returns by the proponents to the TSPCB and the Department respectively.

3.3.9 Recommendations

It is recommended that the Government should;

- 1. establish the District Mineral Foundation and amend TMMC Rules, 2014 in line with MMR, 2015 to realise DMF;*
- 2. allot the mining blocks within those identified in the District Survey Report;*
- 3. collect royalty for contribution to the National Minerals Exploration Trust;*
- 4. prevent unauthorised mining and use of machinery for extraction of sand;*
- 5. fix responsibility on officers for granting permission to extract sand (i) without the CTO and (ii) beyond the quantity prescribed in the CTO and EC; and*
- 6. ensure effective monitoring of sand mining.*

PUBLIC WORKS (WATER RESOURCE) DEPARTMENT

3.4 Unfruitful expenditure

Failure to ensure quality control by the Engineering Officers coupled with lackadaisical approach of the Department for rectification of the technical defects led to unfruitful expenditure of ₹ 3.09 crore on partially constructed headworks of the Minor Irrigation scheme (rainwater storage project) and additional liability of ₹ 0.72 crore on rectification of defective works.

The work 'Rainwater storage project/ Minor Irrigation (MI) scheme at Kashari Cherra under Rajnagar Block, South Tripura/ SH: Construction of earth dam, under sluice and pipe outlet (excluding spillway, diaphragm wall and steel gate)' was awarded (October 2011) to a contractor at his tendered value of ₹ 2.74 crore. As per divisional records, the work commenced in November 2011 and was completed in April 2017. Against the value of work done, the contractor was paid ₹ 2.81 crore (upto January 2019). In addition to the above, ₹ 0.28 crore⁹¹ was incurred towards construction of steel gate of the MI scheme, which was executed separately by another contractor.

Test check (May 2022) of records of the Executive Engineer (EE), Public Works department (Water Resource){PWD (WR)}, Division-IV, Belonia revealed that, Chief Engineer (CE), PWD (WR), Superintending Engineer (SE), WR Circle-III along with the EE visited the project during September 2017 and noticed that the earthen dam of the scheme in down-stream side had been eroded due to heavy rainfall and pressure of seepage water and outlet sluice valve had been opened for passing out of stored water thereby preventing the further erosion of the earthen dam. The Assistant Engineer (AE), WR Sub-Division-1 (under the jurisdiction of WR Division IV) requested (September 2017) the agency to rectify the erosion of earthen dam, with the intimation to the EE. After that, the EE instructed (January 2021) the contractor to rectify all the defects within three months from the date of issue of the instructions failing which full security deposit deducted from his bills would be forfeited. But the contractor did not rectify the defects citing that the Division had already certified (August 2017) that the work had been completed as per specifications in the measurement book of the work and moreover, the defect liability period of one year to be reckoned from the completion of the work was already completed.

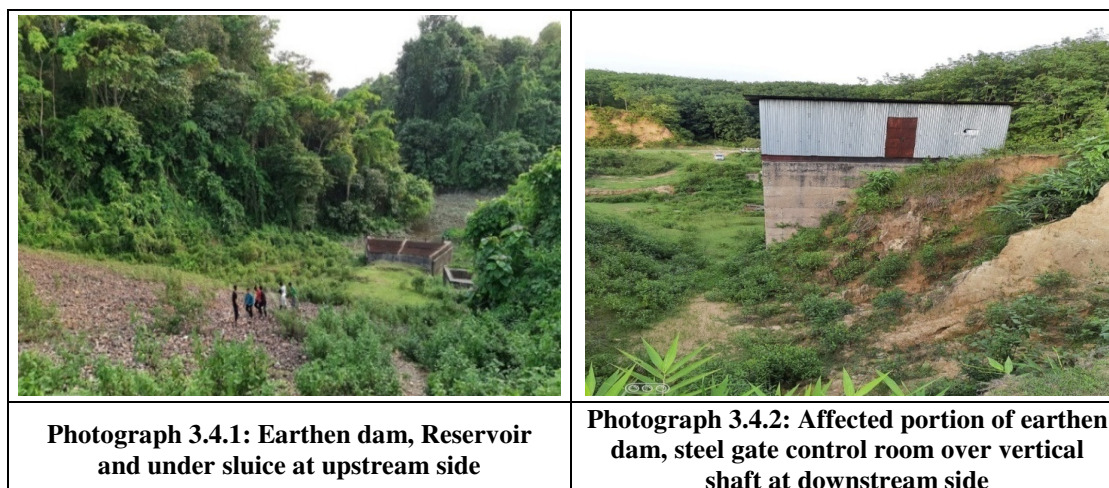
After a period of more than six years of detecting the defects by the CE in September 2017, the Department formed (February 2022) a technical committee to submit the remedial measures for completion of the MI scheme and the committee in its report (March 2022) stated the technical causes for failure of the scheme as absence of

⁹¹ There was expenditure of ₹ 84.25 lakh for steel gates of three rainwater harvesting projects (including Kashari Cherra project) and therefore, average cost for construction of steel gate for this project was taken as ₹ 28.08 lakh (*i.e.* ₹ 84.25 lakh/3)

quality⁹² construction. The Chief Engineer (CE), PWD (WR) approved (March 2022) the proposal and the Department prepared (October 2022) the estimate for the work ‘Construction of spillway, abutment wall, *etc.* including balance work of earthen dam’ and based on the estimate the work was awarded (December 2023) to another contractor. The detailed estimate and the agreement of the second work included two items (*i.e.* earth cutting and earth filling) to rectify the defects of the work done by the previous contractor, valued ₹ 0.72 crore⁹³.

Audit observed that the concerned JE/ AE/ EE did not adequately ensure quality aspect of work executed by the first contractor leading to the avoidable defects pointed out by the technical committee. Moreover, the Department did not timely assess the reasons and quantum of defects to be rectified. Without such assessments, the AE and EE instructed the contractor to rectify the defects after certification by them of work completion as per the specification and after completion of defect liability period.

The status (May 2022) of the construction work of partially completed headworks of the scheme is shown in **Photographs 3.4.1, 3.4.2 and 3.4.3.**



⁹² Absence of core wall material of required characteristics, improper compaction of soil, settlement/ slipping of a part of dam and huge seepage caused by quick and unscientific priming of water in the dam before construction of toe drain, huge leakage of water through joints of spun pipe (outlet pipe), steep slope of downstream earth surface of the dam, absence or improper laying and connection of horizontal and vertical sand filter, use of improper quality of filter material, *etc.*

⁹³ {Item at Sl.1 of the estimate: 21,482 cum (qty.) x ₹ 134.90 (rate) *i.e.* ₹ 28.98 lakh *plus* item at Sl. 3(a) of the estimate: 20,148 cum (qty.) x ₹ 200.10 (rate) *i.e.* ₹ 40.31 lakh} *plus* tender premium (3.30 per cent) = ₹ 71.58 lakh



Photograph 3.4.3: Seepage of water through Steel gate control room and under sluice at downstream side

Para 53.4 of CPWD Works Manual, 2007 provides that the direct responsibility for ensuring proper quality of work as per approved specifications rests with the Executive Engineer, Assistant Engineer, and Junior Engineer. The Superintending Engineer shall be overall responsible for management of quality system and procedures for the works under his charge.

Therefore, failure to ensure quality control by the Engineering Officers during the execution of headworks by the first contractor coupled with lackadaisical approach of the Department for assessment and rectification of the technical defects led to unfruitful expenditure of ₹ 3.09 crore⁹⁴ on partially constructed headworks of the MI scheme and additional liability of ₹ 0.72 crore on rectification of defective works.

In reply, the Government stated (March 2024) that, some portion of the dam had been kept bare without turf for taking up the second phase work *i.e.* spillway and its allied works. Rainfall occurred resulting in flash flood and the bare top of the dam had been got affected. No further damage had been taken place due to precautionary measures taken by releasing water from the reservoir and there was no unfruitful expenditure because the scheme would be commissioned within one and half year.

The reply is not acceptable to audit as the work was completed (April 2017) without ensuring proper quality by the departmental engineers contrary to the manualised provision. The Department also could not act against the defaulting contractor due to incorrect certification on completion of work. Besides, it did not take timely and appropriate response for rectification of the defects noticed (September 2017) in the work executed by the first contractor.

Recommendations:

- 1 The Government may fix responsibility of the officer concerned for failure in ensuring quality control in execution of the project; and**
- 2 ensure quality control during execution of projects to avoid additional expenditure on rectification of defective works and timely completion of the projects.**

⁹⁴ Value of the work done by the first contractor: ₹ 2.81 crore *plus* expenditure on construction of steel gate: ₹ 0.28 crore

PUBLIC WORKS (BUILDING) DEPARTMENT

3.5 Non recovery of dues from the contractor

The Executive Engineer, Public Works (Building) Department, Capital Complex Division did not recover the dues (₹ 1.62 crore) from the contractor being the value of unused departmentally supplied steel not returned by the contractor, rent charges of plant, empty bitumen drums and taxes.

The Executive Engineer, Public Works (Building) Department, Capital Complex Division (EE, CCD) awarded (November 2009) the construction work of “Composite Tripura Legislative Assembly Building and New Secretariat Building at New Capital Complex, Agartala, Tripura/ Package-3/ Infrastructure Work (Phase-II)” to a contractor⁹⁵ at a tendered value of ₹ 37.78 crore, *i.e.* 25.77 per cent above the estimated cost of ₹ 30.04 crore with a stipulation to complete the work within 24 months, *i.e.* November 2011. The work commenced in November 2009 and was completed in March 2018. The total value of work done was ₹ 40.40 crore (including extra items of ₹ 1.09 crore) upto 20th RA and final bill. Of these, ₹ 39.42 crore⁹⁶ was paid (11 September 2018) to the contractor.

Test check (June 2021) of records of the EE, CCD revealed that, there was non-recovery of dues of ₹ 1.62 crore from the contractor as detailed in **Appendix 3.5.1**. Audit noticed recoverable dues against departmentally supplied steel, rent charges of Asphalt Drum Mix Plant and empty bitumen drums as discussed in succeeding paragraphs.

(i) Non-recovery against departmentally supplied steel

Para 25.3.1(2)(iv)(c) of CPWD Manual, 2007 stipulates that “theoretical consumption statement for steel bars should be prepared along with every running bill”. As per Clause 98(d) of the agreement concluded with the contractor, steel was supplied by the Department as per the rates as shown in **Table 3.5.1**.

Table 3.5.1: Rates of departmentally issued materials

Sl. No.	Particulars	Recovery rate (in ₹)	Unit
1.	Tor Steel (8 mm to 16 mm)	36,883	MT
2.	Tor Steel (20 mm and above)	36,779	MT

Clause 98(e)(i) of the agreement also stipulated for recovery of departmentally issued steel at double the issue rate if the balance/ unutilised quantity (*i.e.* difference between quantity issued and quantity consumed as per theoretical consumption *plus* five per cent wastage) of steel were not returned by the contractor.

Against six⁹⁷ agreement items (AI) of work, 921.106 MT steel was consumed. However, no theoretical consumption statement against the departmentally supplied

⁹⁵ Shri Bimalendu Chakraborty

⁹⁶ ₹ 38,82,02,787 (19th RA bill) and ₹ 60,00,000 (20th RA bill)

⁹⁷ AI 4, 5, 6, 7, 9 and 12 (detail in **Appendix 3.5.2**)

steel was prepared by the Sub-Divisional Officer and the Divisional Officer passed⁹⁸ the bills without preparation of theoretical consumption statement.

Audit noticed that ₹ 39.20 lakh was not recovered by the Division against the quantity of balance unused steel not returned by the contractor. The details of the balance quantity of steel and the money value involved calculated at double the issue rate as per the agreement are shown in **Appendix 3.5.2**. It was found that balance quantity of steel issued against six AIs of work not returned by the contractor was 53.161 MT (issued quantity of 974.163 MT *minus* consumed quantity of 921.002 MT including five *per cent* wastage) instead of 14.516 MT as calculated by the Division. Thus, there was a short recovery of ₹ 39.20 lakh.

(ii) **Non-recovery of rent charges of Asphalt Drum Mix Plant**

As per Clause 78.2 of the agreement, the contractor shall make his own arrangements to equip himself with all machinery and special tools and plant for the speedy and proper execution of the work and the Department does not undertake responsibility towards their supply.

As per Clause 78.3 of the agreement, the Department shall supply such of the machinery that may be available on hire basis but their supply cannot be demanded as matter of right and no delay in progress can be attributed to such non-supply of the plant by the Department. The hire charges for the machinery handed over to the contractor will be recovered at the rate prevalent at the time of supply. The contractor will have to execute a supplemental agreement with the Executive Engineer at the time of supply of the machinery. Clause 78.4 of the agreement provided that the acceptance of departmental machinery on hire was optional to the contractor.

Hence, the supply of plant, equipment, and labour mandatorily by the Department was not stipulated in the agreement with the contractor.

As per the decision taken in the review meeting (11 March 2014) of the Engineer-in-Chief and instructions (14 March 2014) of the Superintendent Engineer, 4th circle to the EE, Mechanical Division, PWD (R&B), the Asphalt Drum Mix (ADM) plant at Damdamia alongwith all related equipment and accessories were handed over to the contractor and recovery of rent of ADM plant and accessories, *etc.* had to be made by the EE, CCD. The upkeep & maintenance and operation of the plant should be borne by the Division. The plant was returned (4 May 2016) by the contractor and the EE, Mechanical Division requested (12 March 2014) the EE, CCD to recover the hiring charges (₹ 9,603 per day as per rate fixed by Mechanical Division of the State PWD) of the plant from the contractor.

It was, however, noticed in audit that the contractor had used the ADM plant for 780 days during 15 March 2014 to 4 May 2016, but hiring charges of the plant was not

⁹⁸ The Sub-Divisional Officer is responsible for preparation of the theoretical consumption statement and it is approved by the Divisional Officer.

recovered by the Division from the contractor, which resulted in non-recovery of ₹ 74.90 lakh⁹⁹ in violation of provision of agreement.

(iii) Short recovery of empty bitumen drum

As per Clause 98 (d) of the agreement, empty bitumen drum should be returned to the Assistant Engineer/ Capital Complex Sub Division No.1. In the event of non-return of the empty bitumen drum, the contractor should be charged ₹ 100 for each empty bitumen drum.

It was noticed that 441.557 MT bitumen was issued in 2,729¹⁰⁰ bitumen drums and out of which 875 empty bitumen drums were recovered. Therefore, balance 1,854 empty bitumen drums valued ₹ 1.85 lakh¹⁰¹ remained unrecovered from the contractor (June 2023).

Thus, the EE, CCD did not recover the dues of ₹ 1.62 crore from the contractor being the value of unused departmentally supplied steel not returned by the contractor, rent charges of plant, empty bitumen drums and taxes.

The matter was reported to the Government in July 2023. In reply, the Government stated (January 2024) that the amount to be recovered for departmentally issued unused steel not returned by the contractor is ₹ 10.70 lakh instead of ₹ 39.20 lakh and recovery rate for hiring charge of ADM plant was ₹ 6,812 per day instead of ₹ 9,603 per day. The reply is not acceptable as the Department had not taken into account the five *per cent* wastage on the total steel used as per the agreement and the rate of recovery for rent charges of ADM plant was ₹ 9,603 per day (instead of ₹ 6,812) as mandatory supply of plant and equipment by the Department was not stipulated in the agreement with the contractor. The Department also failed (January 2024) to furnish the reason for delay in payment of final bill to the contractor for over five years (*i.e.*, from the date of preparation of final bill on 6 September 2018).

Recommendations:

- 1 The Government may take action against the officer(s) concerned after fixing responsibility for failure to recover the value of unused departmentally supplied steel not returned by the contractor, rent charges of plant, empty bitumen drums and taxes.**
- 2 The Government may establish a system to ensure that financial interests of the State are always protected during execution of the projects.**

⁹⁹ ₹ 74,90,340 (for 780 days during 15 March 2014 to 4 May 2016 @ ₹ 9,603 per day)

¹⁰⁰ 441.557 MT of Bitumen requires 2,729 barrels as it was seen from the store indents that 10.0316 MT of Bitumen was issued in 62 barrels

¹⁰¹ ₹ 1,854 x ₹ 100= ₹ 1,85,400

PUBLIC WORKS (ROADS AND BUILDING) DEPARTMENT

3.6 Extra expenditure

The Executive Engineer, Public Works Department (Roads & Buildings), Dharmanagar Division did not take steps for obtaining confirmation on publication of the first call of tender in the newspapers, from the Information and Cultural Affairs Department in violation of the State Government's instructions. That led to the cancellation of the first call of tender and awarding of the work at a higher rate in the subsequent call which led to extra expenditure of ₹ 0.93 crore.

The State Government adopted (May 2007) the Central Public Works Department (CPWD) Works Manual to the State Public Works Department (PWD) subject to some modifications/ alterations in the CPWD Works Manual. As per Para 17.1(1) of CPWD Works Manual, 2014, wide publicity should be given to the Notice Inviting Tender (NIT) and tenders must be invited in the most open and public manner possible by advertisement on the website/ press. As per instructions (May 2007) issued by the State Government¹⁰², the advertisement for NITs shall be sent by the Executive Engineer (EE) to the Directorate of Information and Cultural Affairs (ICA) Department, Government of Tripura for insertion in the press well in advance and a watch should be kept by the EE on publication of advertisement in those newspapers where advertisements are being released by the ICA Department. Newspapers cuttings in each case should be collected by the EE and kept on record as a proof of publicity achieved as far as possible.

The PWD accorded (December 2016) the administrative approval and expenditure sanction of ₹ 9.15 crore for the work "Improvement of Bagbassa-Dharmanagar road from intermediate lane to double lane/ SH: Widening, BM, carpeting, protection wall, etc. portion from Ch.0.00 Km. to Ch. 8.00 Km." The Chief Engineer (CE), Public Works Department (Roads and Building) {PWD (R&B)} accorded (January 2017) technical sanction of ₹ 9.15 crore for the work.

Scrutiny (January 2022) of records of the Executive Engineer (EE), PWD (R&B), Dharmanagar Division revealed that the EE invited (February 2017) the tender {(vide Press Notice Inviting Tender (PNIT) dated 28 February 2017 with last date of submission of bid on 30 March 2017)}. PNIT was uploaded (1 March 2017) on the website (<https://tripuratenders.gov.in>). In response, three bids were received and the first lowest bidder¹⁰³ quoted rate of 5.57 per cent below the estimated cost (₹ 8.89 crore) put to tender. During evaluation of tender and submitting the same along with the bid documents, to the CE, PWD (R&B), the EE and Superintending Engineer, First Circle, PWD (R&B) stated (August 2017-September 2017) that the rate quoted by the first lowest bidder might be accepted as the quoted rate was favourable to the Department. Although the EE had sent the NIT to the Directorate of ICA Department, Government

¹⁰² Issued vide Government of Tripura, PWD's notification No. F.15(2)/MC-PWD dated 30 May 2007

¹⁰³ M/s N. G. Bhattacharjee Construction Co.

of Tripura for publication in the newspapers but the EE did not (i) keep watch of publication of the advertisement in newspapers and (ii) collect the newspapers' cuttings for keeping on record as a proof of publicity, in violation of the State Government's instructions. The Chief Engineer (CE) (December 2017) cancelled the first call of tender due to non-submission of confirmation from the ICA Department, Government Tripura on publication of NIT in the newspapers, by the EE.

After that, the EE invited (January 2018) the second call of tender through e-tendering by uploading the PNIT on the website and by publishing the PNIT in newspapers through ICA Department. Out of two bids received in second call, the first lowest bid was found informal as the bidder had not furnished the earnest money as per terms and conditions of the NIT. The CE cancelled the tender as the rate quoted by second lowest bidder was found high (11.67 *per cent* above the estimated cost of ₹ 8.89 crore put to tender) and ordered (July 2018) to call the tender for third time.

The EE invited (November 2018) the third call of tender through e-tendering by uploading the PNIT on the website and by publishing the PNIT in newspapers through ICA Department. In the third call of tender (November 2018), eight bidders participated during the tendering process and the first lowest bidder¹⁰⁴ quoted ₹ 9.32 crore *i.e.* 4.89 *per cent* above the estimated cost of ₹ 8.89 crore put to tender. On acceptance of lowest quoted rate by the CE, the EE issued (August 2019) work order to the lowest bidder with a stipulation to complete the work by six months. The work commenced in August 2019 and was completed in January 2021. The total value of work done was ₹ 9.44 crore (including extra items valued ₹ 0.26 crore) and the same was paid (March 2021) to the contractor.

Thus, the EE, PWD (R&B), Dharmanagar Division did not take steps for obtaining confirmation on publication of the first call of tenders in the newspapers, from the ICA Department in violation of the State Government's instructions. That led to the cancellation of the first call of tender and awarding of the work at a higher rate in the subsequent call with the involvement of extra expenditure¹⁰⁵ of ₹ 0.93 crore.

In reply, the Government stated (March 2023) that the EE, PWD (R&B), Dharmanagar Division had issued press notice to the ICA Department for press publication, which was never received by the ICA Department. It also added that cancellation of e-tender in the first call due to non-publication of the NIT in newspapers was strictly in compliance with the guidelines as issued by the Government.

The reply is not acceptable because as per State Government's instructions (May 2007) the duty of the EE, PWD (R&B), Dharmanagar Division was not only limited to making request with the Director, ICA Department, Government of Tripura for release of advertisement but the EE should also (i) keep watch of publication of the advertisement in the newspapers and (ii) collect the newspapers' cuttings for keeping on record as a proof of publicity.

¹⁰⁴ Shekhar Ch. Podder, Contractor

¹⁰⁵ ₹ 8.89 crore x [4.89-(-5.57)] *per cent*

The matter was again taken up (July 2023) with the State Government. The Secretary accepted the facts and also assured (December 2023) that the Department would issue necessary directions for ensuring the publication of tender notices in the newspapers.

Recommendation:

The Government may fix responsibility of the officers concerned for the lapse and also to ensure timely implementation of the projects thereby avoiding the cost escalation.

