CHAPTER–IV
Compliance Audit observations relating to Departments and Entities (Other than PSUs)

CHAPTER-IV

Compliance Audit observations relating to Departments and Entities (Other than PSUs)

Important audit findings emerging from test check of transactions made by the various departments/entities are included in this Chapter.

Department of Tourism

4.1 SSCA on Execution of Tourism Development Projects by the Directorate of Tourism, GoUP under Central and State schemes

Introduction

4.1.1 The State of Uttar Pradesh has diverse tourism opportunities. In order to tap the possibilities offered by the tourism sector, Government of Uttar Pradesh (GoUP) has been implementing various tourism development activities from time to time and has executed different developmental and upgradation works while some projects are aided by Government of India (GoI), the others are funded by the State Government. GoUP also formulated Tourism Policy in 2018 and 2022 with a view to strengthening the existing infrastructure and fostering infrastructure development, income and employment.

The responsibility for implementing the tourism development activities in the State lies with the Directorate of Tourism (Directorate), GoUP. The Directorate is currently headed by the Director General (DG) who is assisted by a Finance Controller, a Director, seven Dy. Directors and nine Regional Tourist Officers as of June 2024. The Directorate works under the administrative control of the Principal Secretary, Department of Tourism, GoUP. At present, the Principal Secretary of the Department of Tourism, GoUP is also the Director General, Tourism.

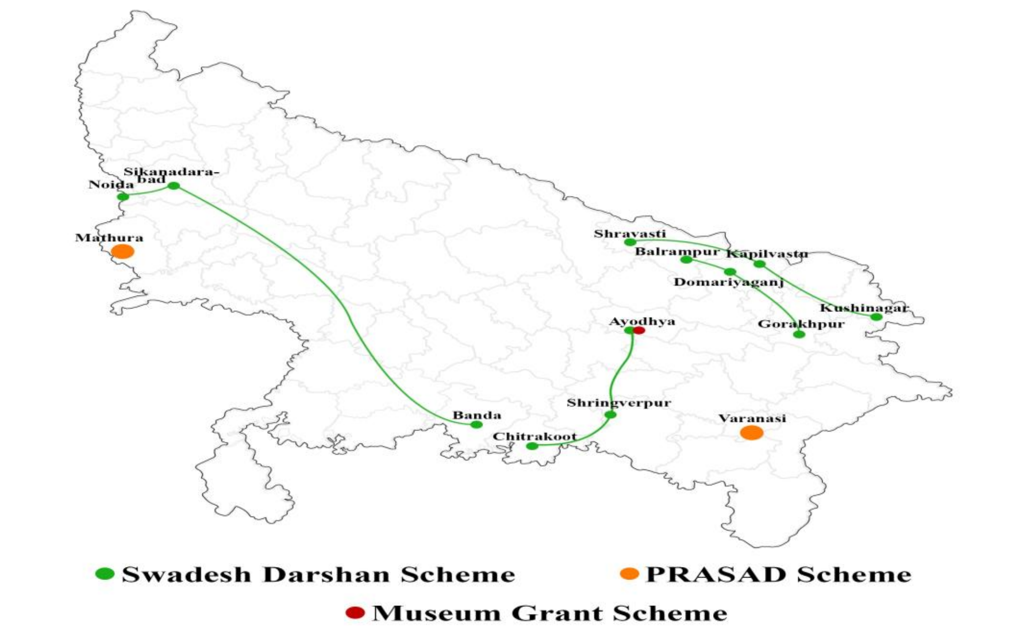
The Directorate implemented 12 projects[1] during the period from 2014-15 to 2023-24 under three Centrally assisted schemes *viz.* Swadesh Darshan, Pilgrimage Rejuvenation and Spiritual Augmentation Drive (PRASAD) and Museum Grant Scheme. GoI sanctioned ₹ 466.98 crore for execution of these projects and released funds amounting to ₹ 395.82 crore to the Directorate. Against this, expenditure of ₹ 392.40 crore was incurred so far (May 2024). Eleven of these projects have been completed and physical progress of the remaining one project[2] was 95 *per cent* (May 2024) as detailed in **Appendix-4.1**. The tourist destinations covered under the above projects is depicted in **Chart 4.1**.

---

1 Five projects and six projects sanctioned by Ministry of Tourism, GoI under Swadesh Darshan scheme and PRASAD scheme respectively and one project sanctioned by Ministry of Culture, GoI under Museum Grant Scheme.

2 Development of Digital Ramayana Gallery (Digital Intervention) at International Ramkatha Museum and Art Gallery, Ayodhya, Faizabad under Museum Grant Scheme.

Chart 4.1: Chart showing tourist destinations covered under the 12 projects



Source: Depiction of the tourist destinations by Audit

Besides above, the Directorate sanctioned 970 projects from the State budget under four schemes *viz.* Rajya Yojna, Projects executed by Uttar Pradesh Braj Teerth Vikas Parishad (UPBTVP), Mukhyamantri Paryatan Samvardhan Yojna, and Zila Yojna during the period 2020-21 to 2022-23. The status of expenditure incurred on these projects and its completion as of December 2023, as furnished by the Directorate is given in **Table 4.1**.

Table 4.1: Expenditure incurred on execution of projects sanctioned during 2020-21 to 2022-23

(₹ in crore)

Sl. No.	Name of the Scheme	Nos. of Projects			Amount of expenditure
		Completed	Under Progress	Total	
1	Rajya Yojna	139	328	467	534.98
2	Projects executed by Uttar Pradesh Braj Teerth Vikas Parishad	18	7	25	70.95
3	Mukhyamantri Paryatan Samvardhan Yojna	361	21	382	161.27
4	Zila Yojna	73	23	96	7.06
Grand Total (1 to 4)		**591**	**379**	**970**	**774.26**

Source: Information furnished by the Directorate of Tourism, GoUP

The Directorate implemented the above projects under Central schemes and State schemes by engaging various executing agencies *viz*. Uttar Pradesh Rajkiya Nirman Nigam Limited (UPRNN), U. P. Projects Corporation Limited (UPPCL), Mathura Vrindavan Development Authority (MVDA), Construction and Design Services Wing of Uttar Pradesh Jal Nigam (C&DS), Central Public Works Department (CPWD) and Uttar Pradesh State Tourism Development Corporation Limited (UPSTDC) *etc*.

The works executed under the above projects included construction of tourist facilitation/information centre, parking, toilets, drinking water facility, covered shade for *parikrama*, CCTV, solar and lighting, signages, food plaza, sound and light show and digital gallery *etc*.

Audit Objectives

4.1.2 The objectives of the present SSCA were to assess whether:

- the projects were identified, prioritised and planned properly so as to increase tourist potential at the sites;
- the identified projects were executed in an efficient, effective and coordinated manner, to achieve integrated development of quality infrastructure; and
- proper monitoring mechanisms were established for monitoring the operation and maintenance of facilities created.

Audit Criteria

4.1.3 Audit criteria adopted for audit examination were sourced from the following:

- Scheme guidelines/instructions/circulars issued by the GoI;
- Instructions/circulars issued by GoUP and executing agencies;
- Terms and conditions of the Sanctions accorded to the projects;
- Provisions of General Financial Rules issued by GoI and Financial handbook of GoUP;
- Closure Reports of schemes/projects;
- Provisions of agreements executed with executing agencies and Architects; and
- CPWD/PWD/MoRTH Works Manual.

Scope and Methodology of Audit

4.1.4 A Performance Audit on 'Up-gradation and Extension of Facilities in the State Tourism Circuits' was featured in Report no. 1 of 2017 of the Comptroller and Auditor General of India (Economic Sector) for the year ended 31 March 2016, Government of Uttar Pradesh covering the period 2011-12 to 2015-16.

Further, a Performance Audit on Swadesh Darshan scheme was featured in Report no. 17 of 2023 of the Comptroller and Auditor General of India, Union Government, Ministry of Tourism, which *inter-alia* included the findings on the project executed at Ayodhya in Uttar Pradesh under Ramayana Circuit Theme covering the period from 2014-15 to 2021-2022.

The present SSCA covers examination of the projects sanctioned by GoI under the Centrally assisted schemes *viz.*, Swadesh Darshan, PRASAD and Museum Grant Scheme during the years from 2014-15 to 2022-23 and by GoUP under State schemes during the years from 2020-21 to 2022-23, which were executed by the Directorate. Besides general examination of the projects executed by the Directorate under Centrally assisted schemes and State schemes, as depicted in **Appendix-4.1** and **Table 4.1** respectively, a sample of six out of 12 projects executed under Centrally assisted schemes (50 *per cent* in terms of number of projects and 53 *per cent* in terms of expenditure incurred) and 77 projects out of 970 projects executed under State schemes (7.94 *per cent* in terms of number of projects and 28.20 *per cent* in terms of expenditure incurred) were selected for detailed examination.

While the sample of projects under Centrally assisted schemes **(Appendix-4.1)** were selected on the basis of broad criteria of their sanctioned cost, expenditure incurred and period of completion, the projects under State schemes were selected **(Appendix-4.2)** on the basis of stratified random sampling using Interactive Data Extraction and Analysis (IDEA) software in respect of Rajya Yojna and projects executed by Uttar Pradesh Braj Teerth Vikas Parishad and selecting eight districts on random sampling basis using IDEA software in respect of 478 projects under Mukhyamantri Paryatan Samvardhan Yojna and Zila Yojna due to their large number and insignificant expenditure incurred.

The Directorate prepared guidelines for implementation of Rajya Yojna and recommended (December 2021) it to the Department of Tourism (DoT), GoUP for issue. The DoT, GoUP issued the guidelines in February 2022. These guidelines have been used as criteria during this assignment for evaluating the work done in all the four schemes of the State during the period from 2020-21 to 2022-23. Management confirmed (January 2025) that the guidelines of Rajya Yojna were applied in all the projects of the other three schemes of the State as well.

Audit methodology included:

- explaining the audit objectives to the Principal Secretary of the Department and the Director General, Tourism and heads/representatives of the executing agencies in an Entry conference held on 27 June 2023 (in respect of Centrally assisted schemes) and subsequent meeting on 29 February 2024 (in respect of State schemes);
- scrutiny of records, analysis of data, raising audit queries and interaction with the officers of the Government, the Directorate and the executing agencies to assess its performance;
- joint physical inspection of 60 projects (six projects under Centrally assisted schemes and 54 projects executed under State schemes) with officials of Directorate and executing agencies;
- issue of Draft Report on SSCA to the GoUP and Directorate for obtaining their comments; and
- discussions on replies/comments of the GoUP and Directorate in the Exit Conference (30 December 2024) and incorporation of their views/comments to finalise the Audit Report.

Audit constraints

4.1.5 Audit faced constraints as Directorate did not submit[3] records/ information relating to consultations with various stakeholders for identification of the projects, selection of the projects for submission to GoI, Detailed Perspective Plan (DPP), Conceptual Detailed Project Report, data in respect of employment generation pre and post completion of projects, fund flow statement of each project, minutes of meeting monitoring committee,

[3] Requisitions and reminders were issued by Audit team during July 2023 to November 2023. The matter related to not furnishing of records was pursued by Sr. DAG/AMG-III of this office through a DO letter to Director, Tourism, GoUP on 6 December 2023 followed by a meeting held with Principal Secretary, Department of Tourism, GoUP cum Director General, Tourism, GoUP on 7 December 2023. Accountant General also raised the issue with Director General, Tourism GoUP through DO letter dated 15 December 2023.

submission of progress report to GoI *etc*. CPWD and Saryu Canal Division, Irrigation Department also did not submit records in respect of Development of Varanasi (Phase II)[4] and Development of Ayodhya under Ramayana Circuit Theme respectively.

Acknowledgement

4.1.6 Audit acknowledges the co-operation and assistance extended by the GoUP, the Directorate and the executing agencies during the conduct of SSCA.

Audit findings

4.1.7 The audit findings, as a result of examination of the records, are structured under the following headings:

- Planning of the projects;
- Execution of the projects; and
- Monitoring mechanism and operation and maintenance of the projects.

Planning of the projects

4.1.8 The deficiencies noticed in the planning of the projects are discussed in the succeeding paragraphs:

Identification of the projects before conducting any survey and infrastructure gap analysis

4.1.8.1 Scheme guidelines of Swadesh Darshan provide that the Detailed Project Report (DPR) shall be prepared as per toolkit of Ministry of Tourism. The toolkit provided for identifying gap and projections in reference to the existing tourist related physical and social infrastructure on the site and its presentation in the DPR, which would *inter-alia* include approach and accessibility to various internal parts, tourist information centre, reception centre, public amenities such as street furniture, drinking water, public toilets and lighting, waste management (solid and liquid), CCTV for safety and signage. PRASAD scheme also provided for identifying the gaps in infrastructural amenities and related skills.

The GoUP prescribed (December 2020) a proforma containing information on 21 points (increased by Directorate to 26 points in May 2021) for submission while sending the proposal of projects for approval. This proforma, however, did not seek any information relating to the existing infrastructure and amenities at the site vis-à-vis those required to cater to the needs of the tourists.

Audit noticed that the Directorate did not conduct any survey and analyse infrastructure gap prior to identification of the projects except in case of a project, *viz.*, 'Development of Govardhan, Mathura' under PRASAD, a Centrally assisted scheme, where the DPR, included infrastructure gap analysis.

---

4 Rate analysis for Package 2 of Facade lighting.

Thus, the assets/facilities valuing ₹ 397.50 crore (Centrally assisted schemes: ₹ 179.15 crore and State schemes: ₹ 218.35 crore) were proposed in 82 sample projects[5] under the above schemes without conducting survey and infrastructure gap analysis.

The Directorate had lately, in February 2024, invited e-tenders for identifying gaps in infrastructure at various locations of the 12 identified circuits. The tender was, however, cancelled (March 2024) and refloated (March 2024) with strict conditions for eligibility criteria and score marking in order to invite reputed bidders.

During exit conference (December 2024) the GoUP stated that the tenders has been dropped due to high cost[6] of conducting survey and tenders will be floated for gap analysis to focus on three circuits viz. Ramayana, Krishna and Buddha circuits.

In its reply, the Directorate stated (January 2025) that the preliminary study including gap analysis and survey was done by the consultant appointed by the executing agency.

Reply is not acceptable as the DPRs/estimates of the above projects prepared by the consultants did not have any mention of survey and infrastructure gap analysis except in one project as already stated.

Reply of the GoUP is awaited (May 2025).

Information in prescribed proforma not obtained for planning the projects

4.1.8.2 The GoUP prescribed proforma (December 2020, modified in May 2021) to be attached with the proposal of projects being sent for its approval under State schemes.

Audit noticed that in 27 projects, the information on the prescribed proforma was not obtained from the respective RTOs/executing agencies. Therefore, the Directorate/GoUP failed to evaluate these projects valuing ₹ 212.18 crore on the information sought in the proforma prior to their sanction.

In its reply, the Directorate stated (January 2025) that in respect of the 27 projects pointed out by Audit, action for obtaining information in the prescribed proforma from the respective regional officers of Tourism Department is under follow-up.

The reply is not acceptable as obtaining information at this stage will not yield any benefit related to evaluation of these projects.

Reply of the GoUP is awaited (May 2025).

Failure in planning the projects in line with the scheme guidelines

4.1.8.3 Scheme guidelines for Swadesh Darshan scheme provided for integrated development of theme-based tourist circuits. The circuits were required to comprise at least three major tourist destinations which were

5 As per actual executed value in respect of five sample projects under Centrally assisted schemes and 77 sample projects under State schemes.

6 ₹ 2.5 crore to ₹ 3 crore per circuit.

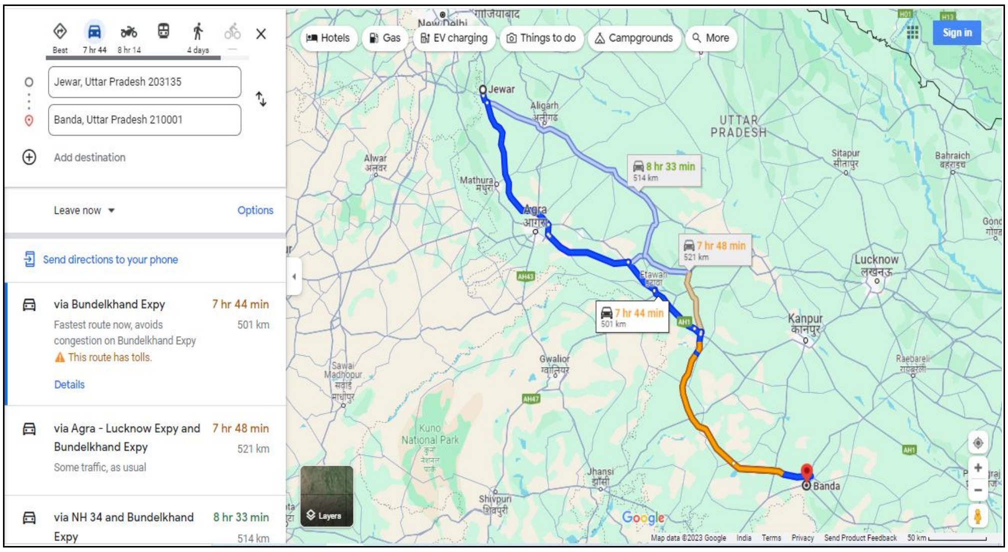
distinct and apart with well defined entry and exit points. The objective of development of tourist circuit was to motivate a tourist to visit most of the places identified in the circuit.

In order to motivate a tourist to visit most of the places in the circuit, the destinations were not to be separated by a very long distance. This was also specifically stated in the original guidelines (2015) issued by GoI.

Audit noticed the following deficiencies in planning of the projects under Swadesh Darshan:

- The distance[7] between Jewar and Banda in the project of 'Tourism Development of Jewar-Dadri-Sikandrabad-Noida-Khurja-Banda under Spiritual theme' was 501 Km as depicted in the **Image 4.1** which was considerably longer as compared to other three circuits shown in green colour in Chart 4.1 above:

Image 4.1: Distance from Jewar to Banda in the project for Tourism Development of Jewar-Dadri-Sikandrabad-Noida-Khurja- Banda under Spiritual theme



Source: Google map

- The Directorate did not devise any mechanism to gather information regarding the destinations covered in any circuit by the same tourist. Thus, it could not be assessed whether a tourist had visited most of the places in the tourist circuit.

In its reply, the Directorate stated (January 2025) that project sites had been chosen in consultation with the Ministry.

The fact, however, remains that the project was not planned and recommended by the Directorate in line with the scheme guidelines of GoI.

Reply of the GoUP is awaited (May 2025).

[7] As per google map, via Mathura, Agra, Etawah.

Incorrect preparation of DPR/estimates

4.1.8.4 Audit noticed that the DPR/estimates of the projects were incorrectly prepared as indicated below:

- ***Incorrect provision of tax***

Guidelines of Swadesh Darshan and PRASAD schemes provided for 100 *per cent* central assistance for the cost of the project except centage to the executing agency, GST and labour cess which were to be borne by the GoUP.

Audit noticed that the DPR submitted to GoI in June 2017 for sanction of Development of River Cruise in Varanasi under PRASAD scheme incorrectly included tax component of ₹ 44.53 lakh, which also resulted in excess sanction of consultancy fee and contingency by GoI for an amount of ₹ 2.23 lakh. Due to this, the GoI had to sanction excess project cost by ₹ 46.76 lakh and the GoUP had to sanction cost of ₹ 11.48 lakh towards centage, labour cess and GST on such excess GST leading to excess commitment of funds.

In its reply, the Directorate stated (January 2025) that the concerned executing agency (UPRNN) has mistakenly added the tax component in the project cost and that they will return the excess sanctions of ₹ 46.76 lakh and ₹ 11.48 lakh released by the Ministry of Tourism, GoI and released by the GoUP respectively.

Reply of the GoUP is awaited (May 2025).

- ***Centage provided on bought out items***

The GoUP while granting administrative and financial sanction on the projects disallowed centage on bought out items. The bought out items identified by the executing agencies and approved by the GoUP as per estimates of Buddheshwar Mahadev Temple at Lucknow under Rajya Yojna and DPR of Chitrakoot under Swadesh Darshan included Galvanised Iron (GI, *Teen*) shade, Dustbin, CCTV, LED, fountain, visual/lighting equipment, audio fixtures.

Audit noticed that estimates of seven projects under State schemes, included centage of ₹ 29.73 lakh on the components of bought out items valuing ₹ 2.68 crore. Further audit noticed that in respect of three projects under the Central schemes of Swadesh Darshan and Museum Grant, the executing agencies levied centage of ₹ 2.70 crore on bought out items of ₹ 24.51 crore.

During exit conference (December 2024), the GoUP stated that letters for recovery have been issued to the executing agencies and circulars have also been issued giving directions not to charge centage on bought out items.

In its reply, the Directorate stated (January 2025) that in respect of the projects executed under Central schemes, the executing agency (UPRNN) shall return ₹ 0.06 crore out of ₹ 2.70 crore pointed out by Audit and has contested on the remaining ₹ 2.64 crore on the ground of it not being on bought out items. In respect of the State schemes, out of four executing agencies involved in seven projects, one executing agency (UPSIDCO) stated that action is being taken to deposit the amount of centage on bought out items in the treasury. Another executing agency (UPPCL) in respect of three projects, has stated that installation of solar lights and high masts were executed under the project which are in the nature of composite work requiring fixing it with RCC and were thus not bought out item. In respect of other three projects under State schemes, the executing agencies (UPRNN and UPSTDC) did not furnish their replies.

Reply of the executing agency (UPRNN) in respect of the project under Central scheme is not acceptable as the items considered by Audit are bought out items as also identified by executing agencies in estimates of other similar nature works and accepted by the Directorate itself. Due to this, the Directorate instructed (January 2025) the executing agency to return the remaining amount of centage (₹ 2.64 crore). Replies of the executing agency (UPPCL) is not acceptable because the projects executed by UPPCL also included cement concrete/stone benches, RO water cooler and dustbin. Further, the solar lights and high masts are also covered under visual and lighting equipment excluded by the same agency for centage in earlier project of Chitrakoot under Central scheme. The Directorate also has directed (January 2025) another agency (UPRNN) to refund centage not being applicable on such bought out items. The Directorate has also issued (September 2024) an order that centage is not due on Facade lighting, light and sound show, building conservation, interior work, murals, land scape *etc*.

Reply of the GoUP is awaited (May 2025).

- ***Provision not made for labour cess***

Section 3 of the 'Building and Other Construction Workers' Welfare Cess Act, 1996' (Act), provides for levy and collection of cess at the rate of not less than one per cent, of the cost of construction incurred by an employer. Audit noticed that in respect of a project[8] sanctioned (March 2021) by the GoUP for ₹ 8.60 crore (including GST), the executing agency[9] did not make provision for labour cess amounting to ₹ 7.73 lakh at the rate of one *per cent* on the cost of works ₹ 7.73 crore.

In its reply, the Directorate accepted (January 2025) that provision of labour cess was not made in the estimate and the executing agency (MVDA) has deducted the amount of labour cess from the bills of the contractor.

Reply of the GoUP is awaited (May 2025).

- ***GST not provided on amount of centage and labour cess***

Under section 2 (31) of the Uttar Pradesh Goods and Services Tax Act (UPGST), 2017, consideration includes any payment made or to be made, whether in money or otherwise, in respect of, in response to, or for the inducement of, the supply of goods or services or both, whether by the recipient or by any other person. Section 15 (2) of UPGST Act, 2017 further provides that the value of supply of goods or services or both shall include any taxes, duties, cesses, fees and charges levied under any law for the time being in force other than this Act, the Central Goods and Services Tax Act, 2017 and

---

[8] Construction/Development work of Uttar Pradesh Braj Teerth Vikas Parishad building at Mathura.

[9] MVDA.

the Goods and Services Tax (Compensation to States) Act, 2017, if charged separately by the supplier.

In view of the above, consideration would include the entire payment received by the executing agency including centage and labour cess. Accordingly, GST would be payable on centage and labour cess.

Audit noticed that the cost estimates of 26 projects did not include GST on the amount of centage (₹ 8.84 crore) and labour cess (₹ 0.71 crore) resulting in short provision of ₹ 1.15 crore towards GST in the estimates as detailed in **Appendix-4.3**.

During exit conference (December 2024), the GoUP stated that directions have been sought from the GST Department. In its reply, the Directorate stated (January 2025) that the Project Formulation and Appraisal Division (PFAD), Department of Finance, GoUP does not approve GST on centage. The matter has been referred (December 2024) to Commissioner, GST, GoUP. No comment, however, was made on labour cess.

Reply is not acceptable as authority for advance ruling in response to a clarification sought by UP State Bridge Corporation Limited has clarified (May 2021) by its order under Sections 98 (4) of the Central Goods and Services Tax (CGST) Act, 2017 and 98 (4) of the UPGST Act, 2017 that centage and labour cess is taxable under CGST Act, 2017.

Reply of the GoUP is awaited (May 2025).

- ***Provision of signages not made***

Department of Tourism, GoUP emphasized (December 2020) that in absence of signages branding of tourism department could not be ensured.

Audit noticed that the estimates for 38 sample Projects under State schemes did not include any provision for installation of signages.

During exit conference (December 2024), the GoUP stated that a separate head has been made for signage. In its reply (January 2025) the Directorate stated that a separate head *viz.*, 'Arrangement of Signage' has been made and as per requirement signages are installed. Hence, component of signage has not been included in project estimates.

Reply is not acceptable as no expenditure on signages have been incurred by the Directorate on the above 38 projects during the period from 2020-21 to 2023-24. Further, in absence of signages, tourists facilitation and branding of tourism department of Uttar Pradesh could not be achieved to the desired extent.

Reply of the GoUP is awaited (May 2025).

Recommendation:

The Directorate should ensure that projects are planned after conducting survey and infrastructure gap analysis and obtaining information as per the guidelines. Further, the Directorate should ensure that DPR/estimates are correctly prepared by considering applicable acts/government orders/ scheme guidelines.

Execution of the projects

4.1.9 The deficiencies noticed in execution of the projects are discussed in succeeding paragraphs:

Improper fund management

4.1.9.1 Audit noticed the following deficiencies in the management of funds:

A. Deficiencies of fund management in execution of Central schemes

- ***Excess claim towards contingency***

The projects sanctioned under the schemes of Swadesh Darshan included a provision of three *per cent* towards contingency.

Audit noticed that as per closure report (December 2021) submitted to GoI in respect of development of Chitrakoot under Ramayana Circuit theme, the executing agency (UPRNN) charged ₹ 98.77 lakh towards contingency at the provisioned rate although it did not incur any contingency expenditure.

In its reply, the Directorate stated (January 2025) that the executing agency (UPRNN) has agreed to return an amount ₹ 86.73 lakh.

Reply of the GoUP is awaited (May 2025).

- ***Irregular utilisation of GoI funds towards GST***

GST on projects sanctioned by the GoI under Swadesh Darshan and PRASAD schemes were to be borne by GoUP.

Audit noticed that in respect of three projects under the above schemes, the executing agencies made payment of ₹ 2.91 crore towards GST on payment made to the consultants and contractors **(Appendix-4.4)**. Although, this expenditure was required to be met from funds of the GoUP, the Directorate, irregularly charged it from the funds of the GoI in the closure reports submitted to the GoI.

During exit conference (December 2024), the GoUP stated that notices have been issued to the executing agencies.

The reply during exit conference does not address the issue. The executing agency had to pay GST and claim it. It is the Directorate which had to ensure that the amount is claimed from the GoUP instead of the GoI.

Reply of the GoUP is awaited (May 2025).

- ***Excess sanction of funds by the GoUP towards centage, labour cess and GST***

In respect of projects sanctioned under the Central schemes, expenditure towards centage, labour cess and GST was to be borne by the GoUP.

Audit noticed that in case of work of Shringverpur under the project of Development of Chitrakoot and Shringverpur, the Directorate proposed (February 2020) and the GoUP sanctioned (February 2021) an amount of ₹ 5.93 crore towards centage, labour cess and GST calculated on sanctioned cost of ₹ 23.02 crore for the work instead of ₹ 5.40 crore calculated on the basis of completed (January 2020) cost of ₹ 21.14 crore of the work.

In another project of Development of river cruise boat, Varanasi, the Directorate proposed (March 2020) and the GoUP sanctioned (February 2021) an amount of ₹ 2.63 crore towards centage, labour cess and GST calculated on sanctioned cost of ₹ 10.21 crore for the work instead of ₹ 2.11 crore calculated on the basis of awarded (February 2019) cost of ₹ 9.81 crore for the project which was ongoing at the time of proposal.

Thus, the GoUP sanctioned an excess amount of ₹ 1.05 crore to the executing agencies in excess of the requirement.

In its reply, the Directorate stated (January 2025) that excess funds towards centage, labour cess and GST shall be returned to DoT, GoUP by the executing agencies and it is under process.

Reply of the GoUP is awaited (May 2025).

B. Deficiencies of fund management in execution of State schemes

- ***Violation of financial guidelines of the GoUP***

The orders of the Finance Department, GoUP issued from time to time provided that the probable expenditure during the financial year should be phased to the possible extent that equal expenditure is incurred during each month. It specified that lump sum withdrawal from the treasury affects adversely, the cash management system of the State. The GoUP further specified that not more than 30 *per cent* and 15 *per cent* of the total budget provision should be accorded financial sanction during the last quarter and last month respectively.

Audit noticed that the monthly capital expenditure ranged from zero *per cent* to 36.76 *per cent* of the annual budget during the years 2020-21 to 2023-24. The expenditure during the last month was 35.06 *per cent*, 36.76 per cent and 30.62 *per cent* of the annual budget during the years 2020-21, 2022-23 and 2023-24 respectively. The quarterly expenditure was 38.50 *per cent,* 51.29 *per cent* and 50.57 *per cent* of the annual budget during the last quarter of the years 2020-21, 2022-23 and 2023-24 respectively. This resulted in violation of financial guidelines of the GoUP.

In its reply, the Directorate accepted (January 2025) that in the later months of the financial year, comparatively more expenditure is incurred. The department is taking proactive action in respect of the projects in the upcoming financial year.

Reply of the GoUP is awaited (May 2025).

- ***Irregularities in remittance of funds to executing agencies***

Audit noticed the following deficiencies in the remittance of funds to executing agencies:

(i) Release of instalments prior to award of tenders: Department of Tourism (DoT), GoUP guidelines (February 2022) for implementation of

Rajya Yojna state that after finalisation of contract agreement by the executing agency, the Directorate shall release 40 *per cent* of the total tendered value as first instalment to the executing agency. Second instalment of 40 *per cent* shall be released after utilisation of at least 75 *per cent* of the first installment. Similarly, a third instalment of 15 *per cent* shall be released. The remaining 5 *per cent* was to be released after Defect Liability Period (DLP) of one year from completion/handover.

Audit noticed that in respect of five projects, the Directorate released instalments amounting to ₹ 58.50 lakh to the executing agencies during the period March 2022 to March 2023 prior to award of the respective tenders by the executing agencies to the Contractors as detailed in **Appendix-4.5**. Further, in case of one project[10], the Directorate released an amount of ₹ 32 lakh in the first instalment itself against the total project cost of ₹ 36.93 lakh (excluding GST) and tendered cost of ₹ 34.20 lakh. The released amount was in excess of the prescribed percentage (40 *per cent*) of the tendered cost and in contravention of the guidelines (February 2022) of DoT, GoUP.

During the exit conference (December 2024), the GoUP stated that in normal practice funds are released to the agencies to float the tender and start the work.

In its reply, the Directorate stated (January 2025) that due to availability of less funds in the project, the executing agencies expressed inability to execute the process of tendering. In view of this one instalment was released as token money.

Reply is not acceptable as action taken by the Directorate was in violation of DoT, GoUP guidelines.

Reply of the GoUP is awaited (May 2025).

(ii) Release of last instalment without retaining amount towards defect liability period: In respect of five projects, the Directorate released last and final instalment during the period October 2022 to March 2024 while short retaining five *per cent* of the tendered amount and totaling ₹ 1.11 crore as detailed in **Appendix-4.6** for DLP as prescribed in the guidelines of Rajya Yojna issued (February 2022) by the GoUP.

In its reply, the Directorate stated (January 2025) that DLP of three out of above five projects have been completed during June 2024 to February 2025. In other two projects, reply has not been furnished by the executing agency.

The reply is not acceptable as although the DLP in respect of three projects pointed out has expired, the systemic failure of the Directorate in retaining the amount towards DLP as envisaged in its guidelines cannot be ignored. The Directorate is silent on the issue of rectification in its system.

Reply of the GoUP is awaited (May 2025).

---

[10] Development of Samay Mata Sthal, Shakti Dham Ashram, Haisar Bazar, Sant Kabir Nagar.

(iii) Remittance of amount towards GST without ensuring supporting documents and short deposit of GST: Section 13 of the UPGST Act, 2017 provides that the liability to pay tax on services shall arise at the time of supply, which shall be the earliest of (a) the date of issue of invoice by the supplier, if the invoice is issued within the period prescribed under Section 31 or the date of receipt of payment, whichever is earlier; or (b) the date of provision of service, if the invoice is not issued within the period prescribed under Section 31 or the date of receipt of payment, whichever is earlier.

The Directorate releases the amount to the executing agencies in advance for executing the work. Accordingly, in terms of the provisions of UPGST Act, 2017, the executing agencies are liable to deposit GST on receipt of the advance.

Further, the sanction letters of the respective projects by the GoUP provided that GST was to be allowed to executing agency on the basis of actual payment made by them for which the executing agencies were required to submit date wise details of GST payment and certified copy of GST invoice through the Directorate.

Audit noticed that the Directorate released funds of ₹ 75.24 crore in instalments to the executing agency *viz.* Construction and Design Services wing of Uttar Pradesh Jal Nigam (C&DS) during the period from February 2021 to March 2024 for execution of seven projects under State schemes. In terms of the section 13 of UPGST Act, 2017, the executing agency was required to deposit GST amounting to ₹ 9.91 crore with the tax authorities at the time of their respective receipts. The executing agency, however, did not deposit GST with the tax authority but claimed GST of ₹ 7.87 crore from the Directorate on the basis of calculation in five projects (₹ 2.98 crore) and on the basis of payment made to contractor in two projects *viz.* 'Construction of Maharaja Suheldev Memorial and development of Chittaura Lake, Bahraich' and 'Tourism development work in Gram Panchayat Poonth and Alamnagar in Garhmukteshwar in District Hapur' (₹ 4.89 crore), which were released by the Directorate. Thus, the executing agency short deposited GST (substantially on account of non-payment of GST on centage and labour cess), being the government revenue to the extent of ₹ 2.04 crore **(Appendix-4.7)**.

Audit further noticed that in five out of above seven projects (excluding two projects of 'Construction of Maharaja Suheldev Memorial and development of Chittaura Lake, Bahraich' and 'Tourism development work in Gram Panchayat Poonth and Alamnagar in Garhmukteshwar in District Hapur), the Directorate released the amount of ₹ 2.98 crore to C&DS towards GST on the basis of calculation without obtaining the supporting documents of its payment from the executing agency.

During exit conference (December 2024), the GoUP stated that earlier they were doing extensive check by obtaining the copies of vouchers and payments but later on, it was done away with on the insistence of the executing agencies that the GoUP order required the executing agencies to follow all the codal provisions. Therefore, an undertaking to the effect was obtained from the executing agencies for releasing the related payment. On the issue of short deposit of GST by the executing agency, the GoUP stated that they are yet to receive reply from C&DS.

In its reply, the Directorate stated (January 2025) that relevant documents for deposit of GST have been furnished by one executing agency (UPPCL). Reply of other executing agencies have not been furnished. No reply was furnished on the issue of short deposit of GST by C&DS.

The reply furnished by UPPCL was considered and this only drives home the point that similar documents should have been obtained from C&DS as well before releasing the payment.

Reply of the GoUP is awaited (May 2025).

C. Deficiencies in fund management by executing agencies

- ***Submission of incorrect utilisation certificate***

Audit noticed that in respect of nine projects under Central and State schemes, executing agencies submitted utilisation of ₹ 85.46 crore against the actual expenditure of ₹ 68.28 crore incurred by them up to the date of submission of respective utilisation certificates. Thus, these agencies submitted incorrect utilisation higher by ₹ 17.18 crore during the period from November 2021 to March 2024 in respect of above nine projects **(Appendix-4.8)**.

During exit conference (December 2024), the GoUP stated that the matter is under examination and notices have been issued to the executing agencies.

In its reply, the Directorate stated (January 2025) that in respect of one project[11], the executing agency (UPRNN) stated that utilisation certificate has been prepared as per actual expenditure incurred on the project. Management did not offer any comments in respect of other projects.

Reply of the Directorate is not acceptable as the executing agency had incurred ₹ 5.74 crore on the project against the utilisation certificate of ₹ 7.50 crore submitted in November 2022.

Reply of the GoUP is awaited (May 2025).

Recommendation:

The Directorate should ensure utilisation of funds as per scheme guidelines. Further, the Directorate should ensure that the correct utilisation certificate is submitted to the GoI/GoUP.

Execution of work without e-tendering

4.1.9.2 Scheme Guidelines of Swadesh Darshan required the implementing agencies to follow all codal formalities including compulsory e-tendering/ e-procurement for all tenders.

Further, in order to ensure transparency, clean administration and competition in construction works/job works and purchase of material, the GoUP directed (May 2017) to implement e-procurement system/e-tendering system in all

[11] Development of Digital Ramayana Gallery (Digital Intervention) at International Ramkatha Museum and Art Gallery, Ayodhya, Faizabad.

administrative departments/public sector undertakings/development authorities and autonomous bodies. This was also reiterated while according administrative and financial sanction for the projects by the GoUP.

Audit noticed that in violation of the above guidelines of the GoI and the GoUP, six executing agencies appointed consultant/executed works amounting to ₹ 17.29 crore in three projects under Central and State schemes without e-tendering **(Appendix-4.9)**. These works were executed by obtaining quotations/on nomination basis.

During exit conference (December 2024), the GoUP stated that the matter is under examination and notices have been issued to the executing agencies. Directions have been issued that no work can be done without e-tendering.

Reply of the GoUP is awaited (May 2025).

Recommendation:

The Directorate should ensure that the extant guidelines/Government orders on e-tendering/e-procurement are strictly followed by the executing agencies.

Delay in completion of projects

4.1.9.3 The sanction letters of the GoI for the projects under Swadesh Darshan, PRASAD and Museum Grant Scheme provided completion period of ten to 36 months. Audit noticed that all the 12 projects executed by the Directorate, were completed/under progress (as of May 2024) with the delay ranging from six months to 44 months as detailed in **Appendix-4.10**.

The GoUP guidelines (February 2022) on Rajya Sector Yojna provided that the project completion period shall be specified in the sanction order of the respective project. The Directorate prescribed (January 2024), scheduled completion period ranging from nine months to 24 months for different cost slabs of the projects.

Analysis of 77 sampled projects under the State schemes based on the above timeline revealed that 46 completed projects were delayed for a period ranging from one month to 22 months as detailed in **Appendix-4.11**.

Audit analysed the following reasons for delay in execution:

- ***Delay in nomination of the executing agency***

Audit noticed that in four[12] out of six sample projects, the GoI initially appointed UPSTDC as the implementing agency. Later on, the GoUP appointed other agencies[13] for execution of these four projects after a lapse of one to nine months from the date of sanction of the projects. In case of Development of Digital Ramayana Gallery (Digital Intervention) at

---

[12] Excluding one project *viz.* Development of Varanasi (Phase II) where UPRNN was nominated as implementing agency. In respect of another project *viz.* Development of Digital Ramayana Gallery (Digital Intervention) at International Ramkatha Museum and Art Gallery, Ayodhya, Faizabad, no implementing agency was appointed at the time of sanction of the project.

[13] UPRNN, UPPCL and MVDA.

International Ramkatha Museum and Art Gallery, Ayodhya, Faizabad, the GoUP nominated the executing agency in March 2022, which was 36 months after the sanction (February 2019) of the project and 20 months after the award (July 2020) of the work by the executing agency to the contractor.

- ***Time taken by the executing agency in award of work to contractors***

Audit observed that in six projects under Central schemes and 49 projects under State schemes the executing agencies took three months to 42 months in award of work to contractors from the date of their respective nominations.

- ***Delay in execution of works by the contractors***

The executing agencies prescribed completion period ranging from two months to 24 months to the contractors in the tenders for projects/components of projects under Central and State schemes.

Audit noticed that in respect of five projects under Central scheme and 47 projects under State schemes, the works were executed by the contractors with delay ranging from two months to 43 months from their respective prescribed date of completion leading to delay in execution of the projects.

During exit conference (December 2024), the GoUP explained that nomination of the executing agency is done by Hon'ble Minister. As regards delay in tendering sometimes tenders are not received and it is to be retendered. As far as execution is concerned, executing agencies are not able to adhere to PERT chart due to extreme climatic conditions.

In its reply, the Directorate stated (January 2025) that Executing agencies are nominated by the competent authority of the State Government. The works got delayed due to limited execution time seeing the severe climatic condition of the State, not getting timely No Objection Certificate (NOC) of Archaeological Survey of India (ASI) at certain sites, administrative and contractual issues, delay in getting approval of deviation and COVID pandemic. The executing agencies have been directed to complete tender process within the stipulated time after sanction of the project. For rigorous monitoring of all the projects under Central schemes, Department of Tourism, GoUP has created a portal where progress of all the projects have been regularly updated with geotagged photographs by the executing agencies.

Reply of the Directorate is not acceptable as the factor of extreme weather condition should be considered while determining the scheduled period of completion. The various stakeholders *viz.*, ASI, Revenue Department, Forest Department *etc*. should be involved in selection of the projects to avoid delay/ rejection in getting NOC and deviations in the project due to unavailability of the desired site. The GoUP should also endeavor to expedite the nomination of executing agency. The Directorate did not furnish the date/month of implementation of the portal for monitoring.

Reply of the GoUP is awaited (May 2025).

Recommendation:

The GoUP should prescribe timeline for completion of the project in the sanction order. Further, the Directorate should take effective measures to ensure timely completion of projects.

Execution of works on land owned by Private Trust

4.1.9.4 Scheme guidelines and sanction letters of projects under Swadesh Darshan and PRASAD schemes prohibited for carrying out any portion of the project on the land/property owned by private individual or trust.

Audit noticed that in violation of the above scheme guidelines, the following works were executed on the land/property owned by private entities:

- In respect of the project for development of Govardhan, Mathura under PRASAD scheme, expenditure of ₹ 4.89 crore was incurred on execution of construction of Library and Interpretation centre, solar plant at rooftop of Library and Interpretation centre, and Gate and allied works on the land owned by Sur Shyam Seva Sansthan, Surkuti, Parsaulli, Govardhan, a private body.
- Under the project of development of Buddhist circuit - Srawasti, Kushinagar and Kapilvastu under Buddhist thematic circuit of Swadesh Darshan Scheme, three solar high mast lighting system (four arm solar light) at a cost of ₹ 5.66 lakh were constructed at *Shiv Mandir* and *Birla Dharmshala*, owned by Birla Temple Trust, a private trust and road for last mile connectivity was constructed at *Shiv Mandir* and *Birla Dharmshala* and on the land owned by Sri Lankan Temple Trust at Kushinagar as also noticed during the joint physical verification and shown in the **Photograph 4.1**.

Photograph 4.1

	
Last mile connectivity and solar lights constructed at Birla Temple, Kushinagar	**Last mile connectivity constructed at Sri Lankan Temple, Kushinagar**

During exit conference (December 2024), the GoUP stated that in cases of organisation registered under society act wherein works for tourist facilitation have been allowed only if these organisations give NOC.

In its reply, the Directorate stated (January 2025) that the work of solar lighting and last mile connectivity work in Kushinagar has been executed by UPRNN as per the land provided by District administration and for facilitating the tourists. It also apprised that these are public trusts. Reply of another executing agency (MVDA) was still awaited.

Reply is not acceptable as these trusts are owned by private bodies and the Directorate should be diligent in selection of sites in accordance with the terms and conditions of the schemes.

Reply of the GoUP is awaited (May 2025).

Construction on land of registered societies not ensured

4.1.9.5 The guidelines for implementation of projects under Rajya Yojna issued (February 2022) by the GoUP provided to ensure availability of encumbrance free land owned by Government or a registered society/trust prior to sending the proposal of the project. It restricted for incurring any expenditure on private land. The GoUP prescribed (December 2020) information in the 20-point proforma (increased by the Directorate to 26 points in May 2021) to be sent along with the proposal of the project which inter-alia required the information on the owner of the site and whether the society/trust was registered or *paramparagat*. It also provided to obtain consent of the owner for the proposed construction of project on their land.

Audit noticed that in case of 23 projects with sanctioned cost of ₹ 29.81 crore executed under State schemes during January 2021 to March 2023, the Directorate failed to ensure that the land for the proposed projects were owned by registered societies as the proforma furnished in two cases specified that the society owning the land was *paramparagat* while in other 21 cases, the letters of consent furnished by the private land owners on letter heads/plain paper did not have any mention of the registration number of the society as detailed in **Appendix-4.12**.

In the joint physical verification (March 2024 to June 2024) of nine out of above 23 projects where the registration of society was not ensured by the Directorate and the assets were handed over to the respective landowners for operation and maintenance during the period November 2021 to June 2022, the toilets constructed under the projects were found locked. In two other cases, *Dharmshala* constructed under the projects were being used for storing grains or cement bags.

The above cases are indicative of the fact that these assets were not available for public usage. Photographs of few such projects is shown below:

Photograph 4.2

	
Locked toilet at historical pond, Vishyahannu/Visharapar, Sant Kabir Nagar	**Locked toilet at Pandey Pokhra, Marvatiya Balaji Maharaj**
	
Cement bags stored in Dharmshala constructed at Sewai Deeh Shiv Sthal, Basti	**Grains stored in Dharmshala constructed at Banvasi Ashram and Hanuman Sthal, Khajni, Gorakhpur**

During the exit conference (December 2024), the GoUP stated that it will examine the issue of failure in ensuring that landowner is registered society. It has issued order, where the project can be constructed by executing tri-partite agreement among the society, executing agency and the Directorate. The Directorate added that where the societies were not registered, efforts are being made to register them.

In its reply (January 2025), the Directorate stated that in future, compliance of the observations raised by Audit is being ensured by entering into tripartite agreement for operation and maintenance by society/trust/*gram sabha* through the GoUP order (September 2024).

Reply is not acceptable as the proposed tripartite agreement also does not ensure registration of the society.

Reply of the GoUP is awaited (May 2025).

Inadmissible cost of operation and maintenance

4.1.9.6 The guidelines for implementation of Rajya Yojna issued (February 2022) provided that the department would not incur recurring expenditure on operation and maintenance of the projects.

Audit noticed that a project[14] was sanctioned (February 2023) by the GoUP for ₹ 7.67 crore which included an amount of ₹ 1.48 crore towards maintenance during the period of seven years from 2022-23 to 2028-29.

During exit conference (December 2024), the GoUP stated that clarification on the issue of inadmissible work would be obtained.

In its reply, the Directorate stated (January 2025) that the reply of Uttar Pradesh Braj Teerth Vikas Parishad is awaited.

Reply of the GoUP is also awaited (May 2025).

Installation of equipment with lower than planned specifications

4.1.9.7 Audit noticed that against the provision of Light Emitting Diode (LED) of 50 watt each in single arm and four arm solar lights (high mast) under Swadesh Darshan Scheme, LEDs of 12 to 40 watt were installed in 52 out of 197 single/four arm at Shringverpur in 'Development of Chitrakoot and Shringverpur under Ramayana Circuit theme' and Kushinagar and Srawasti in 'Development of Srawasti, Kushinagar and Kapilvastu under Buddhist thematic circuit' as summarised below in **Table 4.2**:

Table 4.2: Details of LEDs installed with lower wattage

Project site	Particulars	Total no. of LEDs installed	LEDs installed with lower wattage	
			No.	Wattage
Kushinagar	Single arm	71	-	-
	Four arm/high mast	15	15	40
Srawasti	Single arm	74	-	-
	Four arm/high mast	9	9	40
Shringverpur	Single arm	10	10	12
	Single arm	6	6	40
	Four arm/high mast	3	3	24
	Four arm/high mast	9	9	40
Total		**197**	**52**	

During exit conference (December 2024), the GoUP stated that they are going to obtain clarification from the executing agencies and do the needful.

In its reply, the Directorate stated (January 2025) that the concerned executing Agency (UPRNN) has been directed (December 2024) to fix the responsibility of the Project Manager concerned and ensure compliance in the upcoming projects. Reply for UPPCL works was pending.

Reply of the GoUP is awaited (May 2025).

Undue benefit to the contractors

4.1.9.8 Audit noticed the following cases of undue favour given to the contractors in execution of the projects:

- ***Extra payment of GST to contractors***

The terms and conditions of four contracts awarded by the UPSTDC to the contractors in respect of two projects under State schemes provided that the rates were inclusive of GST and cess. Audit noticed that UPSTDC, however,

[14] Establishment of Saubhari City Forest, Mathura (Phase-II) under Rajya Yojna.

while issuing acceptance letter irregularly provided for GST over and above the rates quoted by the bidder.

Thus, UPSTDC extended undue favour to four contractors by making a commitment of extra payment of GST valuing ₹ 3.44 crore on the awarded value of ₹ 19.08 crore. These works are under progress. Audit further noticed that out of above commitments, UPSTDC has already made extra payment of GST valuing ₹ 1.20 crore (towards the payment of ₹ 6.64 crore) to the contractors so far (April 2024).

Replies of the Directorate and the GoUP are awaited (May 2025).

- ***Payment of support fee in advance due to deficient terms and conditions of contract***

The purchase order for the development of application and QR code for providing directional information about the places and its culture and historical background in respect of five projects[15] for overall tourism development works at Panchkoshi Parikrama Yatra Marg, Varanasi was issued at a total value of ₹ 2.39 crore including support for application for five years after its Go-live at a cost of ₹ 0.42 crore.

Audit noticed that payment milestones were structured in favor of the contractor such that fourth and last instalment of 15 *per cent* of the total contract value and amounting to ₹ 0.36 crore was payable on 'On successful Go-live' although five year support after its Go-live was yet to be executed. The project achieved Go-live in June 2023 and the executing agency paid fourth and final instalment amounting to ₹ 0.36 crore to the contractor in October 2023. Thus, the fee amounting to ₹ 0.42 crore towards five year support from June 2023 was also paid in advance.

During exit conference (December 2024), the GoUP referred the matter to UPPCL (executing agency) which could, however, not add anything on the issue.

In its reply, the Directorate referred (January 2025) to the executing agency's response. Executing agency stated that there was no provision for additional funds in the project for application support. Further, three per cent of the contract value and amounting to ₹ 7.18 lakh has been retained as performance guarantee to carry out maintenance in case the contractor fails to do so.

Reply is not acceptable as funds for five-year support was earmarked in the purchase order. Further, performance guarantee amount of ₹ 7.18 lakh is insufficient to cover the cost of support for five years.

Reply of the GoUP is awaited (May 2025).

---

[15] Separate project for each of five stops (*padav*) viz. Kandava, Bhimchandi, Rameshwar, Shivpur, Kapildhara sanctioned by the GoUP in January 2022.

- ***Failure to levy liquidated damages***

Contractors engaged by the executing agencies for different component of projects were liable to levy of Liquidated Damages (LD) at rates applicable as per their respective agreements.

Audit noticed that in 15 works/components in respect of 12 projects under Central and State schemes, despite the fact that the contractors delayed the completion and no time extension was granted, the executing agencies failed to levy and recover LD amounting to ₹ four crore as detailed in **Appendix-4.13**.

In its reply, the Directorate stated (January 2025) that the executing agency (UPRNN) has been directed (December 2024) to impose penalty/liquidated damages and return the amount to GoUP. Reply of the executing agency is awaited.

Further, no reply was furnished by the Directorate on projects executed by three other executing agencies (UPPCL, C&DS and UPSIDCO).

Reply of the GoUP is awaited (May 2025).

Excess payment of GST

4.1.9.9 GoI vide its notifications[16] (October 2017) reduced the rate of GST from 18 *per cent* to 12 *per cent* in respect of work contract services provided to Government entity meant predominantly for use other than for commerce, industry, or any other business or profession subject to the condition that such services are procured by the said entity in relation to a work entrusted to it by the Central Government, State Government, Union territory or local authority. The rate of 12 *per cent* was, however, withdrawn and replaced[17] (December 2021) with 18 *per cent* in respect of above services.

The executing agencies, *viz.*, UPRNN and UPPCL were Government entities as defined under the aforesaid order (October 2017). Thus, the reduced rate of 12 *per cent* GST for work contract services provided to UPRNN and UPPCL was applicable from 13 October 2017 to 31 December 2021.

Audit noticed that UPRNN and UPPCL executed the work of supply and installation of modular system jetties and allied services in the project of 'Development of River Cruise in Varanasi' and the work of supply and installation of solar lights in the project of 'Development of Chitrakoot and Shringverpur under Ramayana Circuit theme' respectively, both under Swadesh Darshan scheme during the period February 2019 to March 2021 and made payment of ₹ 69.46 lakh towards GST at the rate of 18 per cent against applicable GST of ₹ 46.30 lakh at the rate of 12 *per cent*. Thus, the executing agencies made excess payment of GST of ₹ 23.16 lakh to the contractors.

---

[16] 39/2017-Integrated Tax (rate) dated 13 October 2017 and 31/2017-Central Tax (rate) dated 13 October 2017.

[17] 22/2021-Integrated Tax (rate) dated 31 December 2021 and 22/2021-Central Tax (rate) dated 31 December 2021.

Directorate replied that the executing agencies (UPRNN and UPPCL) have been directed to send compliance report. Their replies are awaited (May 2025).

Reply of the GoUP is also awaited (May 2025).

Monitoring Mechanism and Operation and Maintenance of the projects

4.1.10 The deficiencies noticed in monitoring mechanism and operation and maintenance of the projects are discussed in the succeeding paragraphs:

Delay in constitution of monitoring committee and submission of progress reports to GoI

4.1.10.1 As per Swadesh Darshan Scheme Guidelines, the State administration shall appoint a State Level Monitoring Committee (SLMC) for timely implementation of project. Sanction orders of PRASAD scheme required the State Government to form a Monitoring Committee for the purpose of providing feedback of the physical and financial progress of the sanctioned project and submit the progress report on monthly basis to Ministry of Tourism. The projects under Swadesh Darshan and PRASAD were sanctioned during 2014-15 to 2018-19.

Audit noticed that Director General, Tourism, GoUP constituted (August 2019) SLMC with delay of more than four years from the sanction of the first project under the above schemes.

Audit further noticed that progress reports of projects for Development of Srawasti, Kushinagar and Kapilvastu under Buddhist thematic circuit and Development of Chitrakoot and Shringverpur under Ramayana Circuit theme under Swadesh Darshan Scheme were submitted from February 2021 onwards after a period of four years and four months from the date of sanction (September 2016) of both the projects.

During exit conference (December 2024), the Directorate accepted the facts.

In its reply, the Directorate stated (January 2025) that the SLMC was not formed earlier as the Principal Secretary and Director General, Tourism monitored and reviewed all tourism development projects under Central, State and District sector on regular basis. Later on, in compliance of the directions of the Ministry, SLMC has been formed. Currently, for rigorous monitoring of all the projects under centrally sponsored schemes, Department of Tourism, GoUP has created a portal where progress of all the projects has been regularly updated with geotagged photographs by the executing agencies.

Reply of the Directorate confirms the audit point that the SLMC was constituted with delay of more than four years.

Reply of the GoUP is awaited (May 2025).

Assets not put under operation

4.1.10.2 Central scheme guidelines provided that public facilities created under the project shall have a robust Operation and Maintenance Plan.

Audit noticed that in case of two completed projects under Swadesh Darshan scheme, one asset (₹ 4.14 crore) was put to operation after a delay of

23 months and other assets amounting to ₹ 59.53 crore were not put to operation even after delay ranging from 13 months to 44 months from their respective completion date till the date of joint physical verification as detailed in **Appendix-4.14**.

A joint physical verification of the assets related to the above two completed projects revealed that the batteries of solar panels and speakers of 'Sound and Light Show (SEL show)' were not installed and kept at a separate place at Kapilvastu and toilets were found locked at Shringverpur as depicted in photographs below:

Photograph 4.3

	
Solar panels without batteries at Kapilvastu	**Solar Batteries lying in the storage room at Kapilvastu**
	
Poles without speakers at Theme Park/SEL show, Kapilvastu	**Locked toilet at Shringverpur**

Further, there is growth of bushes, broken solar panels and missing batteries, seepage in civil construction *etc*. as depicted in the photographs below:

Photograph 4.4

Unwanted shrubs and grass grown at TFC and Buddha Theme Park, Srawasti

Broken solar panels and missing batteries at TFC & Buddha Theme Park, Srawasti

Seepage on wall at TFC, Kapilvastu

Toilet at Parking, Srawasti

Failure/delay in operation has resulted in non-achievement/delayed achievement of the scheme objective of providing facilities to the tourists.

During exit conference (December 2024), the GoUP stated that after efforts of more than three years, two bids for the RFP has been obtained for operation of the Buddhist circuit project and it will be put to operation soon.

In its reply, the Directorate stated (January 2025) that in order to ensure proper operation and maintenance of the assets, the GoUP has directed to execute tripartite agreement for its operation and maintenance before sanctioning the project.

Reply of the GoUP is awaited (May 2025).

Recommendation:

The Directorate should ensure that the projects are put to operation immediately after their completion.

Operation of River Cruise boat in Varanasi

4.1.10.3 The Directorate[18] awarded (July 2021) work of cruise boat operation to Alaknanda Cruise Line Private Limited for a period of five years for annual first year fee of ₹ 25.51 lakh, which was to increase by 10 *per cent* every year.

The agreement stated that during tender the minimum bid amount was kept low at ₹ 10 lakh and in future if the business undergoes high growth, the Directorate may increase the annual fee by more than 10 *per cent*.

Audit noticed that the terms of the agreement did not specify the quantum of such increase in the annual fee corresponding to the percentage increase in business of the contractor. Further, the Directorate did not carry out any evaluation of the actual growth in the business of the contractor for revision in the fee.

In its reply, the Directorate stated (January 2025) that the Deputy Director, Tourism, Varanasi has been directed to provide the detailed report in this regard which is awaited.

Reply of the GoUP is also awaited (May 2025).

Irregular utilisation of funds of GoI towards operation and maintenance

4.1.10.4 Scheme guidelines of Swadesh Darshan and PRASAD provided that public facilities created under the project shall have a robust Operation and Maintenance Plan. Sanction letters of the projects under these schemes also mentioned that GoUP/implementing agency would undertake the responsibility for maintenance and management of facilities. Therefore, the cost towards operation and maintenance was to be borne by the GoUP.

Audit noticed that several components of works such as SEL show, Laser Show, Digital Intervention Centres and CCTV/Wi-Fi under above schemes, awarded by the respective executing agencies included the cost of ₹ 3.77 crore **(Appendix-4.15)** towards operation and maintenance of the assets for a certain prescribed period after its completion and handing over. Although this cost was to be borne by the GoUP, it was irregularly claimed from the funds of GoI in the closure report.

During exit conference (December 2024), GoUP stated that Utilisation Certificate has been submitted to GoI.

In its reply, the Directorate stated (January 2025) that provision of operation and maintenance was made in the tender invited by the executing agency for the said work itself. The GoI has also made provision of providing amount for operation and maintenance of assets under Swadesh Darshan 2.0 scheme guideline.

[18] Joint Director Tourism cum Secretary, 'Mahotsav Samiti', Varanasi.

Reply of the Directorate is not acceptable as provision for operation and maintenance was not made by the GoI in earlier Swadesh Darshan scheme under which the aforesaid projects were constructed and its cost was to be borne by the GoUP and not by the GoI.

Reply of the GoUP is awaited (May 2025).

Deficiencies in execution of work for serving various IT needs

4.1.10.5 The Directorate engaged (3 January 2022) Uptron Powertronics Limited (UPL) for work related to deployment of software platform for serving various IT needs at a monthly rental of ₹ 14.86 lakh. From the issue of the letter of award of work, UPL was required to submit module wise timelines for the scheduled activities to be undertaken for the assignment, manpower proposed along with CVs and planned monthly schedule of activities to achieve the scope of work.

Audit noticed that UPL did not submit the above documents from the issue of the letter of award of work. It engaged (15 January 2022) M/s Indradhanush to carry out the work on its behalf without prior permission from the Directorate. It failed to monitor the progress of the work and deliver the design of the dashboard as desired by the Directorate till August 2022. The Directorate stopped (12 September 2022) payment to the firm for non-performance. However, payment for three months (February 2022 to April 2022) aggregating to ₹ 44.58 lakh had already been made during the period from March 2022 to July 2022.

Thus, a payment of ₹ 44.58 lakh was made without any deliverables.

In its reply, the Directorate stated (January 2025) that due to unforeseen circumstances, UPL could not deliver as per the expectations of the department.

Reply of the GoUP is awaited (May 2025).

Failure in record keeping of assets created under the projects

4.1.10.6 Rajya Yojna guidelines (February 2022) issued by GoUP provided that full details of the assets created at the tourism development sites shall be maintained in the assets register and shall be made public on the website of the department.

Audit noticed that neither the assets register was maintained by the Directorate to show the details of the assets created at various tourism development sites nor such details were made public on the website of the Department.

During exit conference (December 2024), GoUP stated that efforts will be made to maintain an asset register at the level of Zila Paryatan Sanskriti Parishad and it will also be uploaded on the website as well.

In its reply, the Directorate stated (January 2025) that compliance of the issues raised by audit is being ensured.

Reply of the GoUP is awaited (May 2025).

Conclusion

The Directorate planned projects without conducting survey and infrastructure gap analysis for 82 sample projects and without obtaining information in required performa for planning of 27 projects. DPR/estimates were incorrectly prepared by excluding eligible items or including ineligible items of expenditure such as GST, centage, labour cess *etc*.

Deficiencies in management of funds for Central schemes and State schemes was noticed on account of excess claims towards contingency, irregular utilisation of funds towards GST, excess sanction of funds towards centage, labour cess and GST, violation of financial guidelines of GoUP and irregularities in remittances of funds to executing agencies. Sample Projects were delayed up to 44 months due to delay in nomination of executing agency, time taken by the executing agencies in award of work to contractors and delay in execution by the contractors. Projects were constructed on land owned by private trusts in violation of the Central scheme guidelines. In the case of State schemes, construction on land of registered societies was not ensured as per the guidelines. Undue benefit was extended to the contractors by the executing agencies by extra payment of GST, advance payment for service and not recovering liquidated damages. Executing agencies submitted incorrect utilisation certificates.

In some of the sampled cases, assets created under the projects were found created on private land and in some not put to operation. There were significant delays in constitution of project monitoring committee and the submission of progress reports. Assets register was not maintained by the Directorate to show the details of the assets created at various tourism development sites. Such details were also not made public on the website of the Department.

Audit Paragraph

Public Works Department

4.2 Avoidable expenditure of ₹ 1.44 crore due to excess crust overlay on account of incorrect initial traffic load calculation

The Public Works Department incurred avoidable expenditure of ₹ 1.44 crore due to consideration of incorrect initial traffic in calculation of design traffic in terms of Million Standard Axles (msa) for designing of crust overlay of Chahaniya Dhanapur Mahuji Jamania road in Chandauli district.

The design traffic in terms of cumulative number of standard axles to be carried during the design life of the road is computed using initial traffic after construction {in terms of Commercial Vehicles Per Day (CVPD)}, traffic growth rate, design life, vehicle damage factor and distribution of commercial traffic over the carriageway.

Indian Roads Congress (IRC:37-2012) paragraph 4.4.2 provides that Vehicle Damage Factor (VDF) is a multiplier to convert the number of commercial vehicles of different axel loads and axel configuration into the number of repetitions of standard axel load of magnitude 80 kN. It is defined as an equivalent number of standard axles per commercial vehicle. Paragraph 4.4.3 provides for computing equivalency factors used for converting different axel loads repetitions into equivalent standard axel load repetitions and thereafter based on these values, the value of VDF is computed. In cases where sufficient information of axle loads is not available, indicative VDF values are to be used as provided in Paragraph 4.4.6.

The Department accorded (August 2016) administrative and financial sanction of ₹ 76.59 crore for widening and strengthening of *Chahaniya Dhanapur Mahuji Jamania* road in district Chandauli. Chief Engineer (CE), Public Works Department (PWD), Varanasi zone accorded (September 2016) technical sanction of the work. Superintending Engineer (SE), PWD, Varanasi circle signed an agreement[19] with a contractor to execute the work 4.25 *per cent* above the departmental rate. The work was started in September 2016 and completed in June 2018. The last bill of the work was paid in March 2019.

Division provided a Traffic census report rendering an initial traffic count (average) of 330 vehicles. However, it converted the figure of 330 into 614, which was not calculated as provided in the IRC and used it as CVPD in further calculation of million standard axles (msa).

Audit noticed (March 2022) that the Division neither conducted any axle load survey nor calculated equivalency factors/VDF as provisioned in Paragraph 4.4.2 and 4.4.3 of IRC:37-2012 and considered incorrect value of initial traffic in term of CVPD as 614 instead of 330 while computing msa. As no axle load survey was conducted by the division, the initial traffic count of 330 and indicative value of VDF as provisioned in Paragraph 4.4.6 should

[19] 51/SEV/2016-17 dated 06.09.2016 with the contractor M/s A.K. Construction Company.

have been used in computation. Considering incorrect value of CVPD in calculation of msa, resulted in laying of thicker crust of Bituminous Concrete by 5 mm, and consequential avoidable expenditure of ₹ 1.44 crore **(Appendix-4.16)**.

Government replied (May 2024) that CVPD 614 was arrived at by taking number of buses as 84, number of trucks as 268, number of tractors as 235 (weight of 235 trucks out of surveyed 1,567 is more than 3 MT) and number of animal drawn bullock cart as 27 (weight of 27 bullock carts out of surveyed 248 is more than 3 MT) as mentioned in technical sanction of the work. Thus, CVPD for this work was 614, and accordingly msa was calculated and crust was laid. Thus, no excess expenditure was made.

Reply is not acceptable as calculation referred by the Government is related to Passenger Car Unit (PCU) only and not to be meant as CVPD. Further, for design traffic calculation, indicative VDF should have been used by the Division on initial traffic count only without applying any equivalency factor/conversion. Also, load survey of vehicle above 3 MT was neither provided with the reply nor the same was found placed in detailed estimate.

Lucknow
The 2 February 2026

(RAJIV KUMAR PANDEY)
Principal Accountant General (Audit-II),
Uttar Pradesh

Countersigned

New Delhi
The 05 FEB 2026

(K. SANJAY MURTHY)
Comptroller and Auditor General of India