

CHAPTER III: ECONOMIC SECTOR

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3.1 Introduction

This Chapter of the Audit Report presents the findings from the audit of the State Government units under the Economic Sector.

The details of the total budget allocation and expenditure of the departments under Economic Sector during the years 2023-24 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	46.72	38.95
Public Works (Roads and Buildings) Department	1,968.69	1,432.29
Power Department	593.75	468.63
Public Works (Water Resource) Department	332.96	195.20
Information, Cultural Affairs Department	74.17	68.79
Industries and Commerce Department	291.20	235.18
Industries & Commerce (Handloom, Handicrafts and Sericulture) Department	40.45	35.56
Fisheries Department	128.29	85.15
Agriculture and Farmers Welfare Department	604.84	395.91
College of Agriculture	9.52	7.73
Horticulture and Soil Conservation Department	143.13	107.22
Animal Resource Development Department	176.46	138.97
Forest Department	472.12	257.60
Science, Technology and Environment Department	13.52	11.84
Factories and Boilers Organisation	4.67	3.33
Information Technology Department	52.97	38.08
Tourism Department	59.05	30.13
Total number of Departments = 17	5,012.51	3,550.56

Source: Appropriation Accounts 2023-24

During 2023-24, we audited seven units under the Economic Sector, covering expenditure of ₹ 1,298.90 crore (including expenditure of the previous years).

This Chapter contains two Compliance Audit Paragraphs titled “Wasteful expenditure” and “Unfruitful expenditure” under the Public Works (Road and Building) Department involving money value of ₹ 6.45 crore.

PUBLIC WORKS (ROADS AND BUILDING) DEPARTMENT

3.2 Wasteful expenditure

Construction of bridge (super structure) without any approved drawing and the consequent failure to ensure quality of appropriate steel materials used by the contractor resulted in the collapse of the super structure of the bridge with a wasteful expenditure of ₹ 2.13 crore on collapsed superstructure of the bridge and extra expenditure of ₹ 3.74 crore.

As per Section 1904.1 of the Ministry of Road Transport and Highways Specifications for Road and Bridge Works, 2013, all work shall be in accordance with the approved drawings and specifications. Fabrication work shall be taken up after receipt of approved fabrication/ work drawings.

The Public Works (Roads and Building) Department {PWD(R&B)}, Government of Tripura accorded (May 2012) administrative approval and expenditure sanction of ₹ 4.20 crore for construction of RCC bridge over Abhaya Cherra on Barapathari to Tulamura Road. The project, funded under NABARD, aims to provide the shortest connectivity of Rajnagar Block area and the district headquarters at Udaipur. Technical sanction of ₹ 4.42 crore¹¹⁷ including three *per cent* contingencies was approved (April 2013) by the Chief Engineer (CE), PWD(R&B). The work was awarded (June 2014) to a contractor¹¹⁸ at ₹ 5.20 crore (21.19 *per cent* above the estimated cost of ₹ 4.29 crore put to tender) with a stipulated period of completion within 18 months. The Executive Engineer (EE), PWD(R&B), Belonia Division was in-charge of the construction.

Examination (November 2023) of records of the Executive Engineer (EE), PWD (R&B), Belonia Division revealed that the work commenced in November 2014, but was not completed within the stipulated period. The construction was delayed due to various reasons and the contractor was granted multiple extensions of time. Meanwhile, in July 2020, a portion of the bridge collapsed due to various issues such as unspecified work of steel structure, inadequate number of joints in each junction, inadequate size of gusset plate, quality of steel materials and corrosion on steel members and joints. The contractor assured the EE, PWD(R&B), Belonia Division that he shall reconstruct the bridge at his own cost, however no work was done, and the contract was terminated by the EE, PWD (R&B), Belonia in June 2021 for fundamental breach of the contract under the contract agreement on the grounds of inability of the contractor to complete the work. However, before termination of the contract, the contractor was paid (January 2020) ₹ 4.83 crore¹¹⁹ out of the total value of work of ₹ 4.86 crore.

Audit noticed that General Arrangement (GA) drawing of the superstructure was

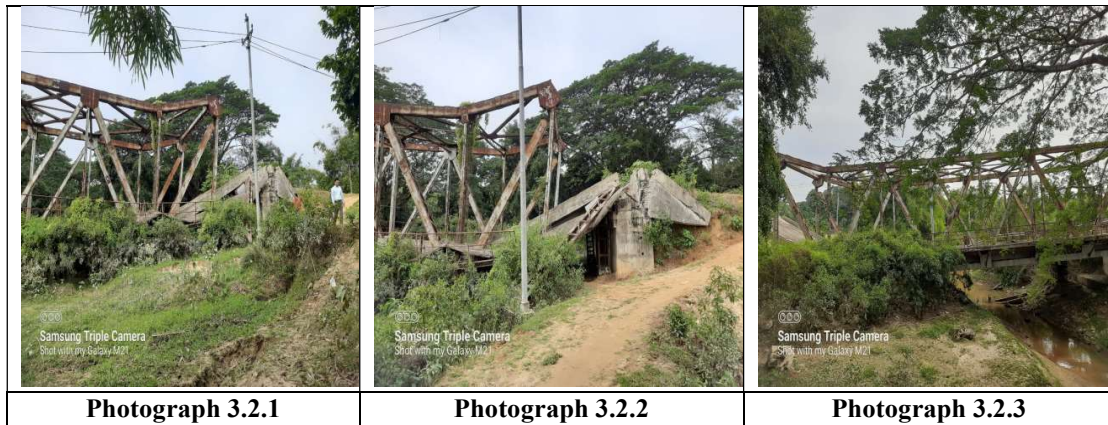
¹¹⁷ based on Tripura PWD Schedule of Rates, 2011, ₹ 4.42 crore included ₹ 1.93 crore for superstructure and ₹ 2.36 crore for sub-structure and foundation

¹¹⁸ Shri Subhas Podder

¹¹⁹ including ₹ 2.13 crore expenditure made towards superstructure fabrication

approved but the fabrication drawings on the basis of which the contractor had fabricated and erected the steel structure had not been approved by the Department. It was the contractor’s responsibility to prepare the fabrication drawing based on the approved GA drawing and to submit the same to EE for approval of the department, before commencement of the work. However, the bridge construction was based on unapproved fabricated drawings and payments were made by the EE, based on certification of Junior Engineer (JE), Assistant Engineer (AE) that the work met the specifications and approved drawings. Furthermore, the department failed to ensure production of test certificate of steel materials used in the work by the contractor which was part of the special condition of the agreement with the contractor. The Department did not ensure that the work was being executed as per the approved fabrication drawings, nor did it ensure the availability of test certificates for the steel materials.

The status (November 2023) of the collapsed bridge is shown in **Photographs 3.2.1, 3.2.2 and 3.2.3.**



As the work had not been completed, the department floated a tender for the balance work in May 2022, however, the tendering process was not completed till August 2024. The department awarded¹²⁰ the balance work at a cost of ₹ 3.74 crore which included the cost of dismantling of the damaged superstructure.

Audit concluded that:

- The Engineering Officers (JE, AE and EE) did not ensure the execution of bridge work (superstructure) according to the approved drawings. They also falsely certified that the work was in compliance with specifications, which directly led to the payment to the contractor for substandard work.
- The test certificates for the steel materials were also not obtained, which was a special condition in the agreement. The lack of material testing further aggravated the situation, leading to quality issues and eventual collapse.
- The expenditure of ₹ 2.13 crore incurred on the collapsed superstructure has been rendered wasteful as the superstructure must now be rebuilt from scratch. In addition, the Department will incur an extra expenditure of ₹ 3.74 crore to

¹²⁰ M/s Tantia Constructions Limited

complete the remaining work.

- The primary objective of the construction of the bridge to replace the existing Bailey Bridge on the road was to provide better connectivity of Rajnagar Block area in South Tripura District with the district Head Quarter of Gomati District at Udaipur, thus facilitating the local and general population has not been achieved.

Further, the status of the construction was sought from the EE in April 2025. It has been stated that the balance work commenced in October 2024 and the dismantling work of the collapsed deck slab and steel structure works has been completed. Thus, the bridge construction which was originally scheduled to be completed by May 2016, has been delayed by nine years as of April 2025 and is yet to be completed.

While accepting the fact, the Government replied (July 2025) that the balance work was in progress and was expected to be completed by March 2026.

Recommendation:

- *The government should fix responsibility on the concerned engineering officers for their certifying work that did not meet the specifications.*
- *Regular material inspections and quality checks should be incorporated throughout the construction process so as to ensure that the materials used meet the required standards.*

PUBLIC WORKS (ROADS AND BUILDING) DEPARTMENT

3.3 Unfruitful expenditure

The Public Works (Road and Building) Department took up road work without ensuring the availability of funds in violation of the provisions of General Financial Rules and CPWD Works Manual. As a result, the expenditure of ₹ 57.94 lakh on the partially constructed road remained unfruitful.

Para 2.1 of the CPWD Works Manual, 2014, as adopted by the State Government¹²¹ provides that no work should normally be commenced or any liability thereon incurred until administrative approval has been obtained and also necessary expenditure sanction has been accorded and allotment of funds made.

Para 2.3 of the CPWD Works Manual, 2014 stipulates for administrative approval through communication of formal acceptance of the proposals by the competent authority of the Administrative Ministry/ Department requiring the work.

Para 2.4 of the CPWD Works Manual, 2014 states that expenditure sanction is to be accorded by the administrative ministry/ department to indicate that funds for the project/ work have been provided, and liability can be incurred

Further, as per General Financial Rules (GFR) 136 (1) as adopted by the State Government¹²², no work shall be commenced or liability incurred in connection with it until: (i) administrative approval has been obtained from the appropriate authority in each case, (ii) sanction to incur expenditure has been obtained from the competent authority, (v) funds to cover the charge during the year have been provided by the competent authority and (vi) tenders invited and processed in accordance with the rules.

Examination (January-February 2022) of the records of the EE, PWD (R&B), Dharmanagar Division showed that the existing internal road passing through the Regional College of Physical Education (RCPE), Panisagar was being used by the inhabitants of East Panisagar, Pekucherra, Agnipassa Gram Panchayats and Ujan C.H. para ADC Village of North Tripura District. The Youth Affairs and Sports Department (YASD), Government of Tripura proposed to close the road towards Pekucherra for the purpose of creating a playground. In this regard, a decision was also made to divert the road from its current alignment. During a review committee (August 2013) led by the Hon'ble Minister, YASD, directed for construction of a diversion road on the east side of RCPE complex, thereby closing the existing internal road to public use.

In a subsequent review meeting (November 2013) chaired by the Minister, YASD to review the status of achievement of ongoing development works at RCPE complex, the preparation of the plan and estimate for the construction of the road was entrusted to EE, PWD (R&B) with timelines for submission by 25 November 2013 and completion of the work by December 2013.

¹²¹ vide Gazette Notification No. R.15(2)/MC-PWD dated 30 May 2007

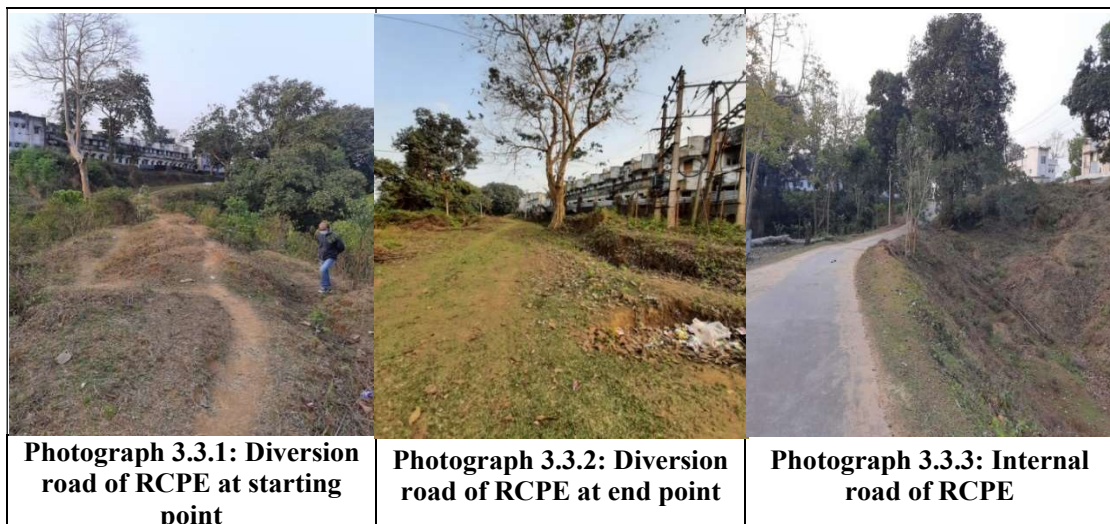
¹²² vide Notification No. 10(4)-FIN(G)/15(L) dated 24 August 2017

Further, in the review meeting held in April 2015, on the progress and status of sports infrastructure development works, the Engineer-in-Chief (E-in-C), PWD (R&B) requested the Secretary, YASD for allocation of the funds for construction of the road. However, YASD did not commit to providing any financial support for the road construction. During this meeting, it was agreed that the expenditure on the construction of the diversion road would be met from the resources of the PWD (R&B).

Subsequently, Administrative Approval and Expenditure Sanction (December 2015) of ₹ 1.49 crore was accorded by PWD (R&B) for the work ‘Construction of Diversion road of RCPE, for realignment of existing internal carpet road from the junction of newly constructed Girls Hostel to Indoor sports hall (total 672 mtr), earth work, CD work protection work and brick soiling’ from their own resources¹²³.

After inviting tender in February 2016, the work was awarded (April 2016) to the lowest tenderer at ₹ 1.55 crore (seven *per cent* above the estimated cost of ₹ 1.45 crore) with the stipulated completion time of six months. The work commenced in April 2016, but was not completed within the stipulated time, *i.e.* October 2016 due to funds constraint and ultimately was stopped completely in September 2018. The contractor was paid (upto September 2020) ₹ 57.94 lakh against the total value of ₹ 58.23 lakh for the work completed so far.

During a joint physical verification (February 2022) conducted by audit team and the Executive Engineer, PWD (R&B), Dharmanagar Division, North Tripura, it was seen that the work was suspended and incomplete with only partial execution of earth work having been done. The incomplete work executed for ₹ 58.23 lakh had not been put to public use as per the information provided by the EE (October 2024). The position (February 2022) of the diversion road and internal road at RCPE during the joint physical verification is depicted in **Photographs 3.3.1, 3.3.2 and 3.3.3**.



The Director, YASD also confirmed (October 2024) that during a meeting (January

¹²³ As per the Department’s Memorandum dated 11 December 2015, the expenditure involved on this account will be met from the overall budget provision under the head of account 5054-C.O. on Road & Bridges 04-800-99-60-53 Major Works-OTPMGSY-Construction for concerned Division.

2016) held under the chairmanship of Minister, YASD it was decided that the work would be undertaken by PWD (R&B) from their own resources. However, the EE, PWD (R&B) replied (April 2023, October 2024 and February 2025) that the work had been stopped due to non-receipt of funds from the client department (YASD).

The reply of the EE is not acceptable since the PWD (R&B) Department was aware that YASD had categorically stated (April 2015 and January 2016) that the expenditure should be met from the Department's own resources and would not be funded from the YASD budget.

Despite the AA&ES granted for ₹ 1.49 crore for the project, which should have enabled PWD(R&B) to incur a liability for the project, the work could proceed as planned. The reply of the EE that the work was halted due to non-receipt of funds from YASD, conflicts with the fact that the expenditure was clearly supposed to be covered by PWD (R&B)'s own resources, as explicitly stated by YASD in April 2015 and January 2016.

The liability to carry out the work was legally incurred once the AA&ES were granted, as these approvals are intended to authorise both the commitment of resources and the assumption of financial responsibility. However, despite this, the project was delayed and ultimately suspended due to issues with funding allocation, which indicates a failure in managing the financial resources. Therefore, even though AA&ES were obtained, necessary funds to cover the liability and complete the project were not properly allocated, resulting in an incomplete and unused project.

Thus, the objective of providing an alternate road to serve the residents of surrounding areas has not been achieved. This not only resulted in wasted expenditure but also demonstrated a failure to prioritise public interest in infrastructure development.

While accepting the fact, the Government stated (June 2025) that the balance work had already been resumed by utilising resources of the PWD(R&B) to ensure that the work and expenditure were fruitful as well as beneficial for the local residents of the nearby RCPE area.

Recommendation

The Government should ensure proper allocation of funds before taking up projects so that projects do not remain incomplete for want of funds.

