CHAPTER-III

Subject Specific Compliance Audit on “Upgradation and Extension of Tourism Facilities under Central/State Schemes by the Department of Tourism, Government of West Bengal”

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TOURISM DEPARTMENT

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3.1 Introduction

West Bengal is diverse in its geographical character and encompasses snow-capped peaks of the Himalayas in its north and the unique mangrove eco-system of the *Sundarbans* in its south. The State showcases its rich heritage through historical monuments at *Murshidabad*, exquisite terracotta work in *Bishnupur* and its flora & fauna through the green forests and wildlife of the *Dooars* and the serene beaches of *Digha* and *Bakkhali*. West Bengal is home to two[45] UNESCO World Heritage Sites and has 82 approved tourist places, grouped under 21 districts. The State reported a total tourist arrival of 40.17 crore, including 0.64 crore foreign tourists, during calendar years 2017-22. In terms of tourist footfall[46], West Bengal secured the eighth position for Domestic tourist arrivals and third position with respect to foreign tourists, in India. The Tourism industry generates employment for the State and contributes revenue including foreign exchange. It can also play an important role in developing backward regions of the State. The Tourism industry of West Bengal has immense potential to bring about socio-economic development in the State.

Fig. 3.1: Gajoldoba Eco-resort

Fig. 3.2: Beautification work at Moti jheel, Murshidabad

(Source: Website of Tourism Department)

For a holistic development of tourism, the State Government framed the West Bengal Tourism Policy, 2016, which identifies six tourism circuits namely, Himalayan, Doars, Coastal, Sundarbans, Heritage and Kolkata circuits. In the wake of changing tourism scenario in the State, this Policy was revised in 2019. The Tourism Department (Department) of the Government of West Bengal (GoWB) is responsible for the development of necessary tourism infrastructure and promoting tourism in the State, including attracting private investment for the sector.

For the development of tourism in the State, the Department implemented

[45] *Sundarbans National Park and Darjeeling Himalayan Railway.*

[46] *As per India Tourism Statistics 2023.*

infrastructural projects under two Central Sponsored Schemes[47] and various State Development Schemes. Tourism Department also implemented two schemes namely Home Stay Scheme (HS)-2017 and West Bengal Incentive Scheme (WBIS)-2008 for development of tourism along with employment generation. While the Homestay Policy-2017 was meant to provide incentives and concessions to registered homestay units, the WBIS-2008, aimed at disbursing subsidy to Hoteliers to incentivise creation of tourism in the State. As of March, 2023, 2,081 Home Stay units and 104[48] Tourism units were registered with the State.

3.2 Organisational Set up

The Principal Secretary is the administrative head of the Tourism Department and is assisted by Special and Joint Secretaries. The Directorate of Tourism is headed by the Director and is assisted by Joint and Deputy Directors. At the district level, Additional District Magistrate (ADM) held the charge of Officer-in-charge, Tourism (OC Tourism) who looks after the affairs of Tourism in the respective district.

Besides, Tourism Department has set up two Committees for the purposes of project appraisal:

a) **District Tourism Development Committee** (DTDC) came into force (May 2017) under the chairmanship of District Magistrates of respective districts or his nominee, not below the rank of Additional District Magistrate (ADM). The ADM, in-charge of development, the District Forest Officer and the senior most engineer of the PWD in the district are members of the Committee. The Committee includes officers who could resolve related issues *e.g.* power supply, transport, irrigation, water supply *etc*. and included prominent residents who had knowledge of history and culture of the district. District Information and Cultural Officer (DICO) was the Member Secretary and convenor of the Committee. The Committee has the responsibility of (i) examining proposals for development of tourism originating within the district (ii) identifying areas having tourism potential and requirements for their development therein (iii) monitoring existing tourist sites with regard to hygiene and security and (iv) monitoring, co-ordinating on-going projects *etc*.

b) **Project Clearance Committee** (PCC) was constituted (June 2021) at the Department level under the chairmanship of Joint Secretary, Tourism Department with other members including Managing Director, West Bengal Tourism Development Corporation Limited (WBTDCL), Financial Advisor, Tourism Department, Joint Director of Tourism, ADM in- charge of Tourism of the concerned District (for District Project), Superintending Engineer (North), WBTDCL, Executive Engineer, WBTDCL and invitee members as deemed fit. Deputy Secretary, (WBTDCL Project Cell) is the Member Convener of the Committee. The Committee is responsible for scrutinising all projects and recommending the most suitable among them

[47] *Swadesh Darshan and Pilgrimage Rejuvenation and Spiritual Augmentation Drive.*

[48] *Under WBIS 2008, 2015 and 2021.*

for consideration of the Tourism Department keeping in view available Budget provisions.

West Bengal Tourism Development Corporation Limited was incorporated on 29 April 1974 as a Corporation under the administrative control of Tourism Department. The main objectives of WBTDCL, as the nodal agency of the Tourism Department, are to takeover, run and manage tourism assets, popularise tourist destinations, conduct tour packages, *etc*. The management of hotels established by the Department and other commercial tourism activities are also the responsibility of WBTDCL.

Role of Public Private Partnership in development of tourism projects

As per '*Guidelines for Financial support to Public Private Partnership in Infrastructure*'[49], development of infrastructure for tourism requires large investments which cannot be undertaken out of public financing alone, and that in order to attract private capital as well as the techno-managerial efficiencies associated with it, the Government is committed to promoting Public Private Partnerships (PPPs) in infrastructure development. As infrastructure projects may not always be financially viable because of long gestation periods and limited returns, financial viability of such projects can be improved through Government support.

As per West Bengal Tourism Policy-2016, Public Private Partnership (PPP) involves collaboration between Government and private sector to build up a project that will ultimately lead to development of an area or region. These projects provide a certain standard to the tourists and generate employment opportunities for local residents.

3.3 Audit Objectives

The objectives of this Audit were to seek an assurance whether:

- *the planning for implementation of the tourism Policy was realistic and effective;*
- *infrastructure projects under the GoI/State schemes were effectively implemented and managed;*
- *assistance and incentives, to promote private participation, were implemented as per guidelines and were effective;*
- *initiatives for dissemination of information regarding tourism facilities and products were effective.*

3.4 Scope and methodology of Audit

The audit covered the period from 2017-18 to 2022-23 and assessed the efforts of the Tourism Department in improving tourism infrastructure covering different related segments (*viz.* Eco and Adventure tourism, Religious tourism, Spiritual and Wellness tourism, *etc*.) in the State. Besides, the DCA also sought to assess whether tourism infrastructure as well as basic infrastructure created were effectively managed.

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[49] *issued (January 2006) by Ministry of Finance, Government of India (MoF, GoI)*

Audit analysed records maintained at the Tourism Department, WBTDCL and other project implementing/executing agencies[50] in the 12 selected districts[51]. The districts were selected using statistical sampling methodology[52]. Out of the 389 projects implemented in the selected districts, 66 projects were selected through Stratified Random Sampling method. Further, 15 beneficiaries (out of 38) under West Bengal Incentive Scheme[53], 139 beneficiaries (out of 912) under Home Stay scheme[54] and 29 Tourist spots (out of 55) were selected through Random sampling method. In addition, two schemes[55] funded by Government of India (GoI) were also selected for review. Audit was conducted during April to September 2023.

Audit methodology involved issue of requisitions/queries/observations and conduct of joint physical inspection of tourists spots with Departmental Representatives and gathering evidences through photographs of sites *etc.* Entry Conference was conducted with the Principal Secretary of the Department on 10 May 2023 and the audit observations were discussed in the Exit Conference held on 11 October 2023. Replies obtained from the Department at various levels have been suitably incorporated in the Report.

3.5 Audit Criteria

Audit criteria were derived from:

- Directions and guidelines issued by Ministry of Tourism, Government of India.
- GoWB and GoI guidelines, orders, SoRs and minutes of meetings of different committees and Board of WBTDCL, *etc*.
- West Bengal Financial and Treasury Rules.
- Tourism and related Policies of the State Government, 2016, 2019, *etc*.
- West Bengal incentive Scheme (WBIS) 2015[56] and 2021 – conditions and guidelines
- Home Stay Policy 2017 and 2022.

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[50] *Officer-in-charge (OC) of Tourism of Bankura, Darjeeling, Hooghly, Jalpaiguri, 24 Parganas (South and North), Paschim Bardhaman, Purulia, Kalimpong, Digha Sankarpur Development Authority, Public Works Department, Public Health Engineering Department, Principal Chief Conservator of Forest (Head of Forest Force), Irrigation Department (Joynagar Division), Chief Engineer (North East) and Inland &Waterway Directorate.*

[51] *On request from Principal Secretary, Tourism Department, two districts namely Kalimpong and Purulia included in DCA.*

[52] *Probability Proportional to Size Without Replacement (PPSWOR) method with size measure being the number of works executed on Tourism infrastructure in the district under each Circuit*

[53] *Audit covered the West Bengal Incentive scheme of 2008, 2015 and 2021. The main objectives of the scheme was to promote tourism units in the State*

[54] *Home Stay Scheme was introduced in May 2017 with a view to contribute to employment generation and bring tourist closer to the cultural heritage and traditions of West Bengal.*

[55] *Swadesh Darshan and PRASAD*

[56] *WBIS 2008 was also considered in DCA since the sample included a portion of hoteliers to whom the payment was released under WBIS 2008 during 2017-23.*

Audit Findings

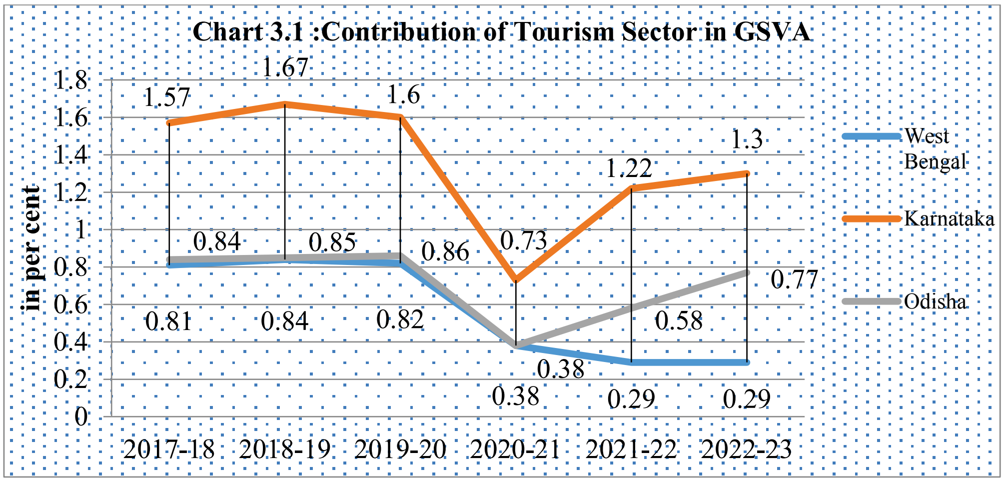
3.6 Planning

The Tourism Policy, 2016 of GoWB aimed to (a) achieve 10 *per cent* annual growth of tourist arrivals during 2017-22, (b) increase the availability of branded hotel accommodation rooms to 10,000 by 2020, (c) identify and develop new tourist destinations, (d) lay greater emphasis on marketing, and (e) achieve economic, environmental and social sustainability. In addition to the above, the State's Tourism Policy of 2019 also emphasised on quality of Tourism Services and promotion of theme-based Tourism projects.

In order to achieve the defined objectives and goals contained in these Policies, Planning was an essential part of the process. Besides this, better Planning would also help identify risks in project implementation and their completion within stipulated timelines. Audit observations in this regard are follows:

3.6.1 Contribution of Tourism sector in State's GVA

Gross Value Added (GVA) is the measure of the contribution of an industry to the GDP. Comparative analysis of the statistics for West Bengal (WB) with Karnataka[57] and Odisha[58] showed that during 2017-23, the GVA of tourism sector in WB declined, from 0.81 *per cent* in 2017-18 to 0.29 *per cent* in 2022-23. Even accounting for certain setbacks due to Covid, from 2020-21 onwards, contribution of tourism sector in Karnataka and Odisha showed improvement as compared to West Bengal, as given in **Chart 3.1**:



(Source: Department of Statistics and Program Implementation, GoWB and Economic survey, Karnataka & Odisha 2022-23)

Thus, despite new Policy measures in 2016 and 2019, there has been no marked improvement in the contribution of tourism towards the State's GDP.

3.6.2 Share of tourist traffic

During 2017-22, West Bengal's share of tourist traffic in the country declined, from 4.82 *per cent* in 2017 to 3.59 *per cent* in 2021 and then slightly improved to 4.92 *per cent* in 2022 as shown in the **Table 3.1**:

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[57] *Karnataka is amongst the best five performing states in terms of Tourist footfall.*

[58] *Being neighboring state, Odisha had been considered for comparison.*

Table 3.1: Share of tourist traffic in India and West Bengal

Year	Tourist traffic (in millions)						Share of State traffic (*per cent*)		
	India			West Bengal					
	Dom.	Foreign	Total	Dom.	Foreign	Total	Dom.	Foreign	Total
2017	1,652.48	26.89	1,679.38	79.69	1.57	81.26	4.82	5.84	4.84
2018	1,853.79	28.85	1,882.64	85.66	1.62	87.28	4.62	5.62	4.64
2019	2,321.98	31.41	2,353.39	92.37	1.66	94.03	3.98	5.28	4.00
2020	610.22	7.17	617.39	28.84	0.46	29.30	4.73	6.42	4.75
2021	677.63	1.05	678.68	24.33	0.03	24.36	3.59	2.86	3.59
2022	1,731.01	8.59	1,739.60	84.54	1.04	85.58	4.88	12.11	4.92

(Source: India Tourism Statistics, MoT, GoI)

3.6.3 Non preparation of Strategic Plan

- Committee on Public Undertakings (CoPU) directed (November 2016), the Tourism Department to prepare a Strategic Plan with long -term and short-term deliverables. Audit observed that despite lapse of six years, the Department had not prepared any Strategic Plan or Action Plan for balanced and justified development of the six tourism circuits identified in the Tourism Policy, 2016. The Department selected areas for development of tourism without conducting feasibility studies and without having a sustainable model for operation and maintenance of created assets as discussed in the Report.
- The Department had entered (August 2011) into an agreement with a consultant (RITES Ltd[59].) for the preparation of a Master Plan for tourism development of *Darjeeling* and *Digha* and its surroundings areas, at a cost of ₹ 1.05 crore. Accordingly, the consultant submitted (October 2011) the draft master plan to the Department at a cost of ₹ 84 lakh. The draft plan thus prepared has not been approved yet (October 2023), resulting in wasteful expenditure of ₹ 84.00 lakh.

The Department in the Exit Conference stated (October 2023) that tourism sector is evolving in nature and developmental activities are being planned accordingly. However, in the absence of a long / short term strategic plan, the activities of the Department towards tourism development in the State, remained *ad-hoc* in nature.

3.6.4 Financial Planning

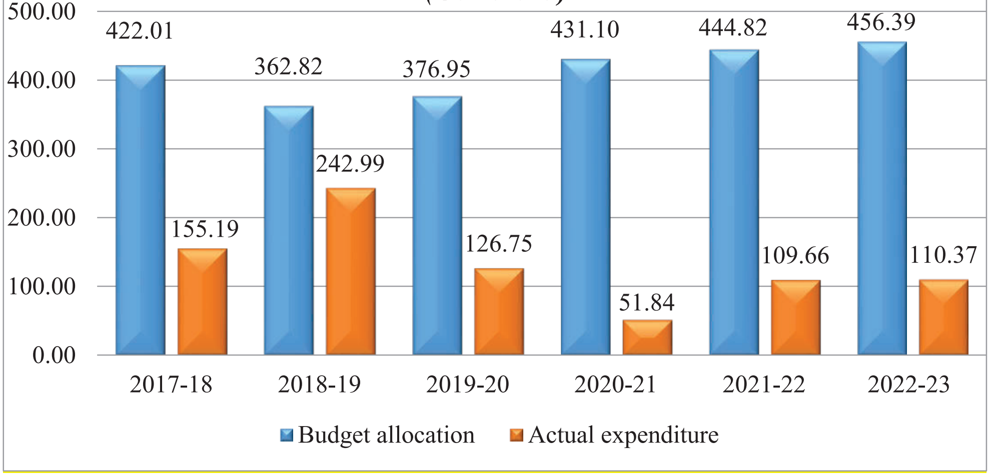
Budget preparation is the principal mechanism for achieving efficient delivery of public services. Effective financial management ensures that decisions taken at the policy level are implemented successfully at the administrative level without wastage or diversion of funds.

During 2017-23, Budget allocation for creation of tourist infrastructure, renovation and up-gradation of existing facilities, disbursement of incentives, promotion & publicity *etc*. was ₹ 2,494.09 crore, however, against this, only ₹ 796.81 crore (32 *per cent*) was utilised. Year- wise status of allocation of fund

[59] *Rail India Technical and Economic Services Limited.*

(under Head of Account 3452 and 5452[60]) *vis*-à-*vis* Actual expenditure is shown in **Chart 3.2**:

Chart 3.2: Budget allocation *vis-a-vis* Actual expenditure (₹ *in crore*)



(Source: Year-wise Budget publication by Finance Department, GoWB)

Audit scrutiny revealed that in-built controls in the Department were inadequate when compared to the range of activities to be performed by the Department. During the period 2017-23, there were persistent lapses of funds ranging between ₹ 119.83 crore to ₹ 379.29 crore, with the percentage of savings being 33 to 88 *per cent* of the budgetary provisions. Funds were transferred to the implementing agencies without appropriate measures in place for watching proper utilisation *vis-à-vis* progress of works which resulted in non-utilization/ blockage of funds. The system could not also provide reasonable assurance against loss/ damage of resources.

Further, during 2017-23, the Tourism Department was not able to spend 68 *per cent* of the funds provided in the budget for the intended purposes. The inability to spend the allocated funds was mainly attributable to non/ poor implementation of infrastructural projects and poor disbursement of subsidies under WBIS & HS as well as inability to spend the fund meant for promotion and publicity.

3.6.5 Development of different tourism segments

West Bengal Tourism Policies (2016 and 2019), had emphasised development of tourism products such as Eco[61] and Adventure Tourism[62], Religious Tourism, Culture and Heritage Tourism (*viz.* sound and light shows), Spiritual and Wellness Tourism, *etc*. Efforts of Tourism Department towards conceptualising, planning and development of these tourism segments were analysed during audit. Scrutiny of selected projects[63] revealed the followings:

[60] *3452: This major head records expenditure on repairs and maintenance of tourist bungalows, hotels etc. under concerned minor heads. 5452: This major head records expenditure on Capital outlay on Tourism*

[61] *Tourism activities that conserve natural resources and are also directed towards observed wild life.*

[62] *Involves infrastructure and activities that provide the tourists with an opportunity to explore adventure and includes activities such as mountaineering and trekking, river running, kayaking, river rafting, etc.*

[63] *66 State Fund Assistance and two Central Fund Assistance Projects*

3.6.5.1 Eco-Tourism and Adventure Tourism

Apart from environmental benefits, the educational and recreational aspects of forests have gained importance and the Tourism Department has made promotion of eco-tourism and adventure tourism an important goal. However, a comprehensive strategy/action plan to promote Eco & Adventure tourism in the State is yet to be finalised. During audit, three sample works (*Tonglu, Khoirabera and Sabuj Dwip*) under eco-tourism and adventure tourism, sanctioned between January 2018 and June 2019 at an outlay of ₹ 4.59 crore, were examined. Deficiencies noticed in the implementation of the above projects are presented in **paragraphs 3.7.1.2 (i), 3.8.2** and **3.10**.

3.6.5.2 Religious Tourism

The State Government encourages the promotion of religious tourism in the State and the creation of new travelling circuits for pilgrims. The Tourism Department had identified (September 2023)101 religious circuits covering 446 religious spots in the State. Audit sample covered eight developmental works (one Central Fund Assistance and seven State Fund Assistance Projects) related to religious circuits, sanctioned between December 2016 and November 2020 at an outlay of ₹ 51.97 crore. Deficiencies noticed in implementation of the above projects are presented in **paragraphs 3.8.1** and **3.9.2**.

3.6.5.3 Culture and Heritage Tourism

Cultural and Heritage related tourism projects were to be developed by Tourism Department through Public Private Partnership (PPP) mode. Tourism Department was to help the private developers/ operators through market research, promotion and branding of heritage properties and sites.

Audit sample covered a PPP project at *Jharkhali* in Sundarbans area (UNESCO World heritage site). Necessary infrastructure like road, drainage, power supply *etc*. were developed by the State at a cost of ₹ 28.04 crore, to facilitate private investment in the area. A *son et lumire*[64] was also developed on the theme of 1857-First war of Independence at Barrackpore. Deficiencies noticed in implementation of the above project are presented in **paragraphs 3.10 (i)** to **3.10 (iii)** and **3.13.4**.

3.6.5.4 Spiritual and Wellness Tourism

Spiritual/ wellness centres are intended to revive energy, provide a platform for personal introspection, promote positive health, treat diseases by providing different services such as spa, yoga, meditation, skin care treatment *etc*. Minimum requirements for spiritual centres and wellness centres are as follows:

Spiritual centres	Auditorium with seating capacity of at least 500 people Accommodation facilities for at least 100 people
Wellness centres	Certified/licensed medicinal facilities with at least 20 well trained staff on pay roll Well trained yoga teacher with relevant certifications. Minimum 25 rooms of quality equivalent to three star or above categories of hotels.

[64] *An entertainment show held by night at a historic monument or building, telling its history by the use of lighting effects and recorded sound.*

However, even after lapse of four years from WBTP-2019, Tourism Department had not framed detailed guidelines for accreditation of Wellness/Spiritual Centres. Though Wellness/ Spiritual tourism was one of the thrust areas identified in WBTP, in the absence of accredited centres, Tourism Department was not able to either ensure quality of service delivery, or promote the State as a destination for Wellness/ Spiritual tourism, both domestically and internationally.

Recommendation 1:

The Department should draw up a strategic plan with long-term and short-term deliverables to implement the vision envisaged in Tourism policies.

3.7 Implementation of projects

During 2017-23, the Tourism Department had undertaken 471 projects, to be implemented by West Bengal Tourism Development Corporation Limited (WBTDCL) and other agencies. Out of this, 330 projects were completed while 141 projects (30 *per cent*) involving an outlay of ₹ 254.73 crore were under progress (as on 31 March 2023) as shown in **Table 3.2** below:

Table 3.2: Implementation of projects

Implementing agencies	Total projects		Completed projects		On-going projects*	
	No.	Outlay	No.	Outlay	No.	Outlay
State Fund Assistance (SFA) (Outlay ₹ in crore)						
WBTDCL	320	270.70	262	192.45	58	78.25
DM and other agencies	149	253.25	67	100.16	82	153.10
Central Fund Assistance (CFA) (Outlay ₹ in crore)						
WBTDCL	02	91.70	01	65.07	01	23.39
Total	**471**	**615.65**	**330**	**357.68**[65]	**141**	**254.73**

(Source: Data furnished by Tourism Department, GoWB).

**Including abandoned/yet to be taken up projects*

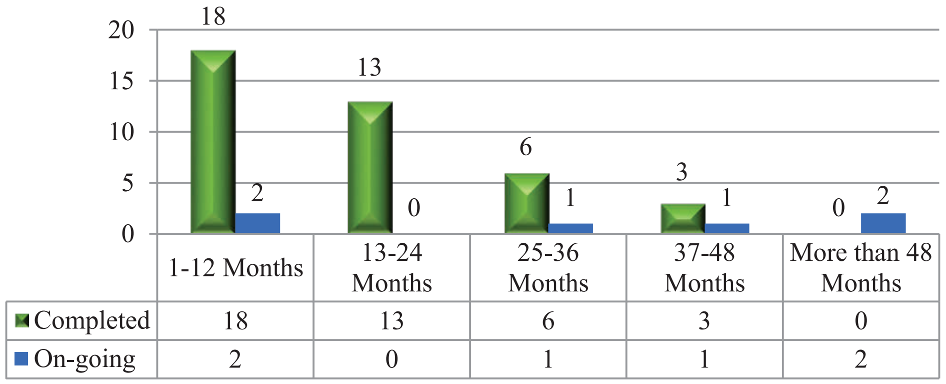
Tourism Department approved the projects and executed them through implementing agencies (*viz*. WBTDCL and District Magistrates (DM) and other agencies). As per Project Implementation Manual[66], proper appraisal should be carried out before start of any project, so that the investments made can be objectively utilised for performing specific activities to achieve desired outputs. In this context, Audit observed that time and cost overruns in implementation of projects were inevitable/ unavoidable as these were launched without ensuring adequate preparation as discussed in subsequent paragraphs.

Out of 469 State Funded Assistance (SFA) projects, 66 projects (involving cost of ₹ 188.27 crore) were selected for detailed scrutiny. Audit observed that of these 66, nine projects were completed on time, two were either abandoned/ not taken up and information on nine other projects, was not available. Further, analysis for 46 projects that are either ongoing or were completed with delays, is given in **Chart 3.3**:

[65] *There was a saving of ₹ 3.24 crore in Swadesh Darshan scheme.*

[66] *Published by Ministry of Statistics and Programme Implementation, June 2010*

Chart 3.3: Delay in execution of projects



The major reasons for delays were non-availability of encumbrance free land and clearances, instances of poor planning *etc*. as discussed in the subsequent paragraphs:

3.7.1 Implementation of State Finance Assistance projects

Tourism Department released fund under State Development Scheme (SDS) for creation of new tourism attractions, development of new projects and expansion/ improvement of Tourist Lodges. Besides, there were schemes like West Bengal Incentive Scheme (WBIS) and Home Stay scheme which were aimed at enhancing tourism potential in the State.

As per practice followed by the Tourism Department, Project proposals were initiated at the level of implementing agencies like District Magistrate (DM) of the respective district and/or the WBTDCL with the proposed cost, land requirement details and other documents. Directorate of Tourism (project cell) examined such proposals and forwarded it to Project Clearance Committee (PCC), headed by the Joint Secretary, Department of Tourism, for approval. After approval was accorded by PCC, implementing agencies were instructed to submit cost estimates and other related documents to Tourism Department. Based on delegation of financial power, competent authority[67] issued administrative approval for the proposals. Audit observations in this regard are as follows:

3.7.1.1 Taking up of project without conducting Feasibility Study

On the basis of a proposal by a local representative[68], District Tourism Development Committee of 24 Parganas (South) recommended (August 2017) a project namely '*Beautification of river bank at Diamond harbour from Sub Divisional office to kellar math*' at an estimated cost of ₹ 7.17 crore. The project was assigned (August 2018) to the Public Works Department, GoWB (PWD) and the entire amount was transferred to PWD for execution of the work.

Audit observed that the land covered under the proposed project, belonged to the Irrigation and Waterways Department (I&WD), and it was recorded

[67] *By Tourism Department for project cost upto ₹ 30 lakh. By FD for project cost more than ₹ 30 lakh.*

[68] *Member of Parliament.*

as '*Bandh*[69]' and '*Rasta*[70]' in the land records maintained by Land and Land Reforms Department. During execution of the work by PWD through a private agency, a major portion of the embankment adjacent to NH 117 collapsed (August 2019) into the river Ganges during high tide and the work done by the agency was washed away. The work was stopped and later restoration work was taken up (August 2019) by PWD at a cost of ₹ 13.16 crore from their funds.

The private agency filed (10 December 2020) a case in Calcutta High Court to release their dues worth ₹ 2.59 crore pending with PWD for the work executed (First RA Bill) by the agency upto 31 July 2019. Hon'ble High Court ordered (18 December 2020) the State to pay 50 *per cent* of the claim and accordingly, PWD made payment of ₹ 1.29 crore to the agency.

Later on, it was decided (March 2023) by the Tourism Department to not go ahead with the work in view of the fragile nature of the land as per recommendation (March 2023) of the Jadavpur University, which was engaged to study the feasibility of the work considering fragile nature of the soil. Of the ₹ 7.17 crore released to it, PWD was yet to refund any amount to the Tourism Department.

Thus, despite being aware that the land to be covered was *Bandh* land of fragile nature, proper feasibility study was not conducted by Tourism Department before initiation of the work leading to unfruitful expenditure of ₹ 1.29 crore.

Fig. 3.3: Site of damaged embankment at Diamond Harbour, South 24 Pgns

(Source: Picture was taken during Joint Physical Verification on 16 August 2023)

The Department in its reply stated (May 2024) that the PWD had conducted soil testing, land and hydrographic survey before commencement of work.

However, even after conducting the tests/survey, the Department was not able to assess the vulnerability of the area and had to ultimately abandon the project. Further, the Department could not provide any documents in support of the studies conducted before taking up the project.

69 *Bandh- it is an artificial bank built along banks of a river to protect adjacent land by flood*

70 *Rasta' is a passage used for movement of people and vehicles, it may be both metalled and earthen roads.*

3.7.1.2 Projects undertaken without ensuring availability of land

i) Eco-resort at Tonglu, Darjeeling District

Tonglu or Tumling is situated at an altitude of 3,070 m and is one of the peaks of *Singalila* range, located west of Darjeeling. Trekkers prefer to visit this place for access to Sandakphu peak. WBTDCL undertook (June 2019) the construction of an Eco resort at *Tonglu,* Darjeeling at an estimated cost of ₹ 3.57 crore.

It was noted that after incurring an expenditure of ₹ 2.00 crore and 60 *per cent* physical progress, the remaining work had stalled since 2019. Audit observed that this was because the construction of the Resort was undertaken on land managed under the District Improvement (DI) Fund Management Rule 1928[71]. As such, the ownership of the land vested with the District Magistrate, Darjeeling could not be transferred to Tourism Department. However, the land could be handed over to the Tourism Department on lease only on payment of a lease rent and salami of ₹ 53.25 lakh for 30 years. Tourism Department, GoWB requested District Magistrate & Administrator DI Fund, Darjeeling to waive the entire amount of salami and lease rent on the ground of it being a Government Project. However, the request was turned down by the DM, Darjeeling citing the reason that the lease rent and salami received under this rule was to be utilised for payment of salary to staff of DI Fund. As such, the project was put on hold due to non-payment of aforesaid lease rent and Salami. Audit further observed that WBTDCL undertook the work without ensuring ownership of the land or right of access which resulted in blockage of ₹ 2.00 crore spent on work that has remained incomplete since 13 December 2019.

Fig. 3.4: Under construction cottages at Tonglu, Darjeeling

(Source: Picture was taken during Joint Physical Verification on 14 August 2023)

The Department stated (May 2024) that the project was delayed due to COVID 19 and would be completed soon. However, the project was actually delayed due to commencement of work without transferring/ensuring ownership of land.

ii) Tourism resort at Muruguma in Purulia District

The Tourism Department approved (August 2018) an amount of ₹ 9.57 crore for the construction of a Tourism Resort at *Muruguma* in Purulia district and released (August 2018) ₹ 4.78 crore for the aforesaid work to District Magistrate, Purulia. Work order was issued (January 2019) to a private

[71] *The rule deals in administration of land related affairs (viz. fixation of Salami and lease rent etc.)*

contractor. at a cost of ₹ 8.99 crore with scheduled completion date of January 2020. Initially, the work could not commence as the land selected belonged to the Forest Department and could not be used for operation of an eco-resort, which is treated as a commercial activity. As such, the permission for diversion of land was required to be taken from the Ministry of Environment, Forest and Climate Change (MoEF & CC), Government of India. The Tourism Department sought (August 2019) the approval after seven months of awarding the contract. The approval was received from MoEF & CC (February 2022) and thereafter the work commenced from March 2022. It was seen that only ₹ 3.51 crore was utilised (up to June 2023) for this work.

Fig. 3.5: Under construction Tourism Resort at Muruguma, Purulia

(Source: Picture was taken during Joint Physical Verification on 28 July 2023)

During Joint Physical Verification (July 2023) it was observed that construction work of 24 cottages, two suite rooms, restaurant, kitchen, spa, office room, reception room, swimming pool, *etc*. were still in progress even after three years of scheduled date of completion. This could have been avoided, if the project had been properly planned and requisite permission timely obtained from MoEF&CC, before initiation of work.

The Department stated (May 2024) that the project was completed in December 2023 after obtaining clearance in February 2022. Thus, lackadaisical approach in obtaining clearance before commencement of the project, led to nearly four years delay in completion of work.

3.7.1.3 Infructuous expenditure due to faulty planning

WBTDCL constructed (September 2018) a tree deck/top restaurant at *Malancha* Tourist Lodge in North 24 Parganas at a cost of ₹ 54.45 lakh.

Audit observed that the tree deck was constructed under a banyan tree and its branches came in contact with the deck making it unclean, full of insects/ reptiles and difficult for use by tourists. Further, due to lack of maintenance and friction with the tree branches, the deck was damaged prior to October 2020 and finally demolished in August 2022. It was noted that WBTDCL did not maintain any records of tourists who visited the Tree Deck during the period August 2018 to October 2020.

Fig. 3.6: Tree deck at Malancha, Barrackpore

(Source: picture was taken during Joint Physical Verification on 13 October 2020 and 17 July 2023)

Thus, due to faulty planning & lack of maintenance, the facility could not be utilised from the beginning itself, leading to its eventual demolition and infructuous expenditure of ₹ 54.45 lakh.

The Department in its reply stated (May 2024) that the project was economically not viable. Thus, it was evident that the Department took up the project without ascertaining its economic viability.

3.7.1.4 Renovation and up-gradation of Tourism properties to 3-star category

The Tourism Policy, 2016, aimed to increase the availability of branded accommodation/ rooms to 10,000 by 2020. However, as per data of India Tourism Statistics, although the availability of branded accommodation in the State had increased from 3,091 (in December, 2016), it still only stood at 5,048 rooms by 2020 instead of 10,000.

With a view to improving the standards of existing Tourist Lodges operated by WBTDCL (*i.e.*, up-grading into 3-Star category), renovation and upgradation work of these lodges was taken up in 2017-18. Audit noticed the following irregularities in this regard:

i) Malbazar Tourist Lodge

Renovation[72] of *Malbazar* Tourist Lodge was taken up in Jalpaiguri District at an estimated cost of ₹ 7.29 crore by WBTDCL, with January, 2019 as the scheduled date of completion. Audit observed that the work was completed in May 2021 at a cost of ₹ 6.77 crore after a delay of 28 months. The delay was mainly attributed to faulty drawing and designs prepared by a private architect without conducting field survey. For preparing these drawings, a sum of ₹ 6.25 lakh was paid to the architect by WBTDCL. Further, these drawings were approved by WBTDCL (June 2018) without ensuring their correctness while vetting. Dilapidated and unused equipment in the Malbazar tourist lodge are shown in **Fig. 3.7**.

[72] *The work inter alia consists of construction of lobby, staircase, corridors, Restaurant, Bar, staff room, additional rooms and suite in second floor etc.*

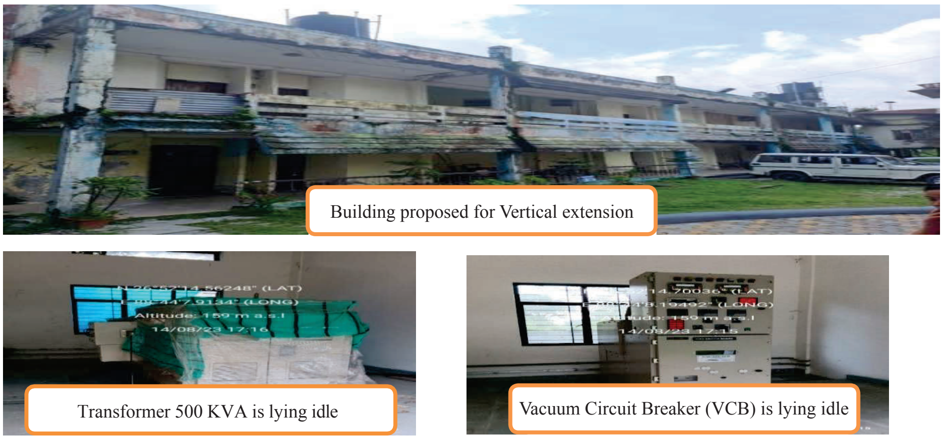


Fig. 3.7: Malbazar Tourist Lodge, Jalpaiguri

(Source: picture was taken during Joint Physical Verification on 14 August 2023)

Audit observed that the vertical extension and renovation of the existing building could not be carried out due to structural weakness of the said building. Since the building was in a dilapidated condition, boarding facilities were stopped (September 2019) due to which 500 KVA Transformer and Vacuum Circuit Breaker (VCB) installed (May 2021) at a cost of ₹ 17.60 lakh remained idle. Thus, the objective of providing boarding facility remained affected even after incurring an expenditure of ₹ 6.77 crore.

The Department stated that the extension of residential block was not economically viable and the said Transformer and Vacuum Circuit Breaker are proposed to be utilised elsewhere. Thus, it was evident that the Department took up the project without ascertaining its viability. Further the equipment purchased at a cost of ₹ 17.60 lakh could not be utilised till date (August 2023).

ii) Maithan Tourist Lodge

Construction of *Maithan* Tourist Lodge in West Bardhaman district was taken up in August 2018 at a cost of ₹ 9.10 crore, with August 2019 as the scheduled date of completion. The scope of work included construction of a boundary wall, six new cottages and one two storied building after demolition of the existing building. Incomplete Maithon Tourist Lodge is shown in **Fig 3.8**.

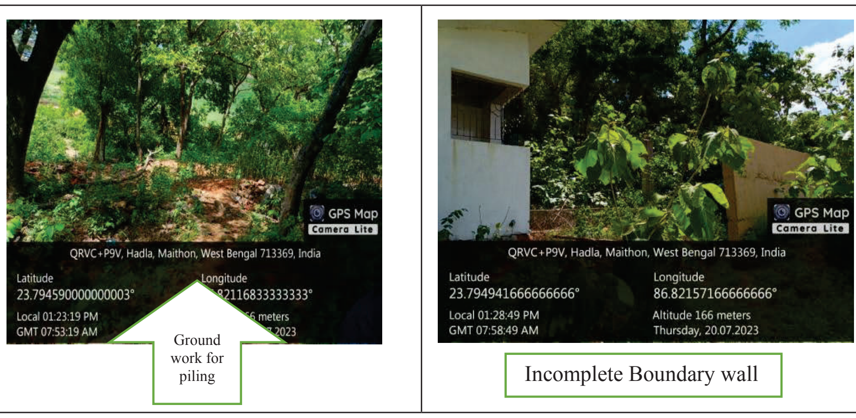


Fig. 3.8: Incomplete work at Maithan Tourist Lodge, West Bardhaman

(Source: picture was taken during Joint Physical Verification on 20 July 2023)

Audit observed that instead of a new construction, the existing building was renovated at a cost of ₹ 1.56 crore, but no approval from competent authority[73] for this reduction/alteration in scope of work was available on records.

The Site Inspection report (April 2019) by officials of WBTDCL had stated that the contractor was not capable of undertaking new construction in hilly areas and was not interested in doing the work awarded to him. Audit observed that WBTDCL allowed the agency to carry on renovation work and payment of ₹ 1.56 crore was made (December 2022). The contract was finally terminated by WBTDCL (March 2023). As a result, major portion of work[74] remained incomplete (July 2023) pointing towards selection of a technically incompetent contractor. Thus, the objective of increasing the capacity of the Tourist Lodge could not be achieved due to selection of a technically incompetent contractor.

The Department stated that the said property was renovated and upgraded and is now operational with better occupancy rate. However, the potential to improve tourist intake remained unexplored as large portions of the proposed work, including construction of new cottages, were not done.

iii) Batabari Tourism Properties

Tourist Lodge at *Batabari* in Jalpaiguri district was constructed (March 2017) with 10 cottages, kitchen, restaurant and reception block at a cost of ₹ 1.97 crore. However, it was noted that the Tourism Department again approved (June 2018) additional works which included construction of conference/ banquet Hall, bar cum sports room, restaurant and kitchen. These new works were completed in February 2020 at a cost of ₹ 3.82 crore.

Joint physical inspection of the Lodge revealed that the new restaurant and kitchen constructed in February 2020, had not been utilised by boarders since the existing restaurant and kitchen were sufficient to accommodate the demand of the boarders. Presently, the newly constructed conference/ banquet hall, restaurant and kitchen were being offered on rent for cultural and ceremonial purposes only. However, even for these kinds of events, only three bookings had been done since inception of these facilities up to June 2023. Poor utilisation of these facilities were mainly due to absence of advertisement and lack of online booking facility on the website of WBTDCL.

		
Bar cum sports and gym complex lying idle since inception	New Kitchen & Restaurant	Conference/ Banquet Hall

Fig. 3.9: New facilities at Batabari Tourist Lodge, Jalpaiguri

(Source: picture was taken during Joint Physical Verification on 14-15 August 2023)

[73] *Principal Secretary of the Tourism Department.*

[74] *Six new cottages and one two storied building.*

Fig. 3.10: GPS view showing three Tourist Lodges

It was also noted that the bar-cum sports room had not been utilised since inception. Further, the utilisation of these in the near future was also doubtful as this facility was created within 50 m from NH 31 (in Gram Panchayat area) and as per Supreme Court order (December 2016) no liquor licenses could be granted within 500 metre of the National Highway.

Thus, creation of facilities without assessing demand and by ignoring directions of the Supreme Court, points towards poor planning which resulted into injudicious expenditure of ₹ 3.82 crore.

In reply, the Department stated (May 2022) that a promotional campaign undertaken and a dedicated section in WBTDCL is being created in its website for using the Conference/Banquet halls. The Department further stated that at present the bar is fully operational. However, the Department did not provide the status of utilisation of the Conference/Banquet halls. Further, the bar is being operated in violation of the Supreme Court's directives.

iv) Sagarika Tourist Lodge at Diamond Harbour, South 24 Parganas

Work order for renovation of Sagarika Tourist Lodge at Diamond Harbour, South 24 Parganas was issued (August 2018) at an estimated cost of ₹ 6.05 crore which also included construction of a 'Surface Drain' at a cost of ₹7.97 lakh. The work was shown to have been completed (May 2022) as per work completion certificate issued by WBTDCL. Joint Physical Verification (August 2023) by Audit along with departmental officials revealed that despite the completion report, the work of the drain was only partially executed after incurring an expenditure of ₹ 0.13 lakh without considering the level of the Irrigation canal. As a result, the basement area (car parking area) of the Lodge was waterlogged and the tourist lodge remained unusable during rainy season.

Fig. 3.11: Water logging at the basement of Sagarika Tourist Lodge, South 24 Pgns

(Source: picture was taken during Joint Physical Verification on 17 August 2023)

In reply, the Department stated (May 2024) that the issue can only be resolved if the level of the Irrigation canal was rectified, as it was in same level as that of the drain. However, the Department should have constructed the drain considering the level of the Irrigation canal.

v) Star Categorisation

The Ministry of Tourism, GoI classified Hotels into different categories (1 Star to 5 Star, Star deluxe, Heritage *etc.*) based on facilities available and services offered. The authorities of the Hotels are to apply to the Hotel and Restaurant Approval and Classification Committee (HRACC) under the Ministry of Tourism, GoI to get the Hotel rated. The star classification has an inherent business advantage as the customer would believe that this guarantees certain quality/standard of service to be provided.

Audit observed that the company (WBTDCL) completed (between February 2020 to March 2023) the work of renovation and up-gradation of 13 out of 19 selected tourism properties in the State at a cost of ₹ 97.64 crore, but did not apply for categorisation of any of the up-graded tourism properties till date (September 2023). Remaining six tourism properties are under various stages of construction.

Joint physical inspection (July – September, 2023) of 13 completed Tourism properties revealed that various criteria (*viz*. sewage treatment plant, facilities for differently abled guest and licence for fire safety) for obtaining three-star Category were not available. It was noted that Sewage Treatment Plants (STPs) were non-functional in 13 TLs (*viz.* no Annual Maintenance Contract in four TLs and Non-commissioning of STP in nine TLs) and facilities (*viz.* ramp, braille writing in lift *etc*.) for senior citizens and differently abled person were not available in any of the properties. Rooms were also not available for use by differently abled persons in any of the properties. Further, Licence for Fire Safety under group residential cum commercial building had not been obtained from the West Bengal Fire and Emergency Services Department by the properties. These details are mentioned in ***Appendix-3.1***.

The Department accepted the Audit observations on renovation and up-gradation in respect of *Malbazar*, *Maithan* and *Batabari* Tourism properties during the Exit Conference (October 2023). The Department further stated that acquisition of three-star category was in the process.

Recommendation 2:

The infrastructure projects should be taken up after a detailed planning and only after conducting feasibility studies and obtaining land clearance.

3.8 Non-utilisation of Tourism Properties

The Tourism Department did not have a sustainable model for leasing out/ operation and maintenance of its created assets. During Joint Physical Verification (July-September 2023), audit observed that the assets created were not utilised as discussed in the succeeding paragraphs:

3.8.1 Tourist facilities at Bhramri Devi temple, Jalpaiguri District

As per tourism policy-2019, the State Government encourages the promotion of religious tourism in the State and the creation of new travelling circuits for pilgrims. Religious circuit of Jalpaiguri in West Bengal includes Bhramri Devi mandir which is one of the 51 *Shaktipeeths*. The temple compound lacked basic facilities like Prashad Ghar, proper facilities for cooking food, night stay for devotees and public convenience *etc*.

Development work of *Bhramri Devi* Temple which *inter-alia* included construction of tourist facilities (*viz.* Reception Hall, Kitchen, Prashad Ghar, Dormitory and Toilet Block) was taken up by WBTDCL at a cost of ₹ 3.96 crore. The work was completed in March 2021 after a delay of 18 months and the facilities were handed over (July 2021), to DM, Jalpaiguri for their operation.

Toilet lying idle since inception

Unutilised kitchen

Damaged false ceiling

Fig. 3.12: Tourist facilities at Bhramri Devi Temple, Jalpaiguri district

(Source: picture was taken during Joint Physical Verification on 18 August 2023)

Audit observed that assets created remained idle since March 2021 as basic amenities like source of water, electricity and furniture and fixtures were not available. WBTDCL handed over the facilities to the DM without installation of such basic amenities. As a result, the facilities created at a cost of ₹ 3.96 crore remained unutilised for more than three years and are likely to deteriorate with time.

In reply, the Department stated (May 2024) that basic amenities are being taken care of by the local District Administration so as to facilitate operationalisation. However, the Department has not been able to ensure early utilisation of the infrastructure created due to which it remained idle for more than three years.

3.8.2 Khoirabera Eco Tourism Project – II, Purulia District

The construction of Khoirabera Eco Tourism Project – II in Purulia district was completed (March 2020), at a cost of ₹ 2.34 crore by the DM, Purulia. As per Operation and Maintenance plan submitted by DM, Purulia, at the time of approval of the project, the property was to be leased and the yearly earnings were to be utilised for operation and maintenance of the property under supervision of District Tourism Development Committee. However, Audit observed during joint physical verification that the facility had remained unutilised (as of July 2023).

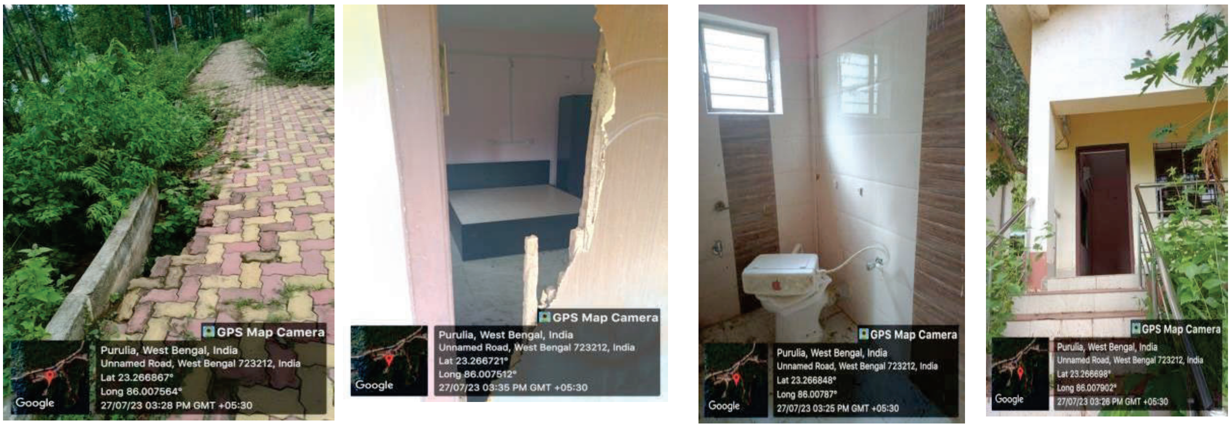


Fig. 3.13: Eco Tourism Project, Khoirabera in Purulia District

(Source: picture was taken during Joint Physical Verification on 27 July 2023)

Joint physical verification also showed that basic amenities like electricity connection, source of drinking water *etc.* were not available. Electrical equipment like ACs, switch boards, electric bulbs, solar lighting *etc*. were fitted in the cottages, but were either not working or were damaged due to prolonged non-use. The DM, Purulia did not take any initiative for engagement of any agency for operation and maintenance of the property. As such, expenditure of ₹ 2.34 crore incurred on the project remained unfruitful for more than three years.

In reply, the Department stated (May 2024) that the process of installation of basic amenities would be initiated and they would also take steps for its operationalisation.

3.8.3 Tourist cottages at Bakreswar, Birbhum

Tourism Department entrusted (November 2013) the work of construction of 10 tourist cottages at *Bakreswar* in Birbhum District to the Birbhum Zilla Parishad. The work was completed in January 2019 at a cost of ₹ 1.80 crore and handed over to WBTDCL in February 2021 for operation and maintenance. However, the newly created facility could not be utilised till the date of Audit (March 2023).

After taking over, WBTDCL observed (December 2021) that the cottages being next to a crematorium (300 m) suffered from locational disadvantage and tourists avoided the facility. Further, the tourists at Bakreswar were generally day visitors to the local hot spring and temple and there were hardly any boarders. During joint physical verification with officials of WBTDCL, it was noticed (June 2022) that the cottages were surrounded with big bushes and were in a dilapidated condition. This could have been avoided if Tourism Department, GoWB had conducted a proper Feasibility study, especially to assess location & demand, before undertaking the project.

Due to non-utilisation and lack of maintenance, the cottages were dilapidated and uninhabitable (September 2023) resulting in wasteful expenditure of ₹ 1.80 crore as shown in pictures below:

Fig. 3.14: Cottage at Bakreswar in Birbhum district

(Source: Picture was taken and provided by Management on 13 September 2023)

In reply, the Department accepted (May 2024) the Audit observations and stated that as per assessment of WBTDCL the property created was not economically viable and alternative use of the property is being explored.

3.9 Implementation of Centrally Sponsored Scheme (CSS)

During 2017-23, the Tourism Department had undertaken two centrally sponsored schemes namely *Swadesh Darshan* for infrastructure development in the Coastal Tourism Circuit and Pilgrimage Rejuvenation and Spiritual Augmentation Drive *(PRASAD)* for development of pilgrimage site at *Belurmath* in the State. **Table 3.3** below summarises the status of projects, fund release and utilisation during 2017-23:

Table 3.3: Status of fund released and expenditure thereof under CSS

Sl. No.	Name of project	Sanctioned cost	Fund released by GoI	Fund utilised	Status
					(₹ in crore)
1.	Swadesh Darshan	85.39	68.31	65.07	Completed
2.	PRASAD	30.03	23.39	22.83	Ongoing

(Source: Data furnished by Tourism Department, GoWB)

3.9.1 Swadesh Darshan Scheme

With the objective of developing potential tourist circuits in a planned and prioritised manner, promoting cultural and heritage value and creating employment through active involvement of local communities, Ministry of Tourism (MoT), GoI launched (2014-15) the Swadesh Darshan Scheme. Under the Scheme, a sum of ₹ 85.39 crore was sanctioned for infrastructure development in the Coastal Tourism Circuit of West Bengal. The works/projects related to Swadesh Darshan were to be implemented in the State by WBTDCL & the *Digha Sankarpur* Development Authority (DSDA). **Table 3.4** outlines the details of work allotted between WBTDCL and DSDA for Swadesh Darshan.

Table 3.4: Area along with fund of Swadesh Darshan allotted to WBTDCL and DSDA

Implementing agencies	Area	Amount (₹ *in crore*)
WBTDCL	Bakkhali-Frazerganz-Henry Island	41.30
DSDA	Udaypur-Digha, New Digha-Sankarpur-Tajpur-Mandarmoni	44.09
	Total	**85.39**

(Source: Documents from WBTDCL and DSDA)

Deficiencies like lack of proper feasibility studies, preparation of DPR without site survey, inclusion of sites without clearances, not having a sustainable operation and maintenance plan, *etc*. were noticed, as discussed in the succeeding paragraphs.

3.9.1.1 Non execution of work due to unavailability of land

The Department took up (December 2015), 55 works under Swadesh Darshan at a cost of ₹ 85.39 crore for infrastructure development in the Coastal Tourism Circuit of the State. As per the scheme guidelines, the State Government was to provide land for execution of the above works. Audit observed that GoWB did not arrange the required land and consequently, nine works[75] with an estimated cost of ₹ 18.43 crore at *Tajpur, Mandarmoni, Henry Island* and wayside amenities between *Kolkata and Digha, Bakkhali* were not taken up.

In reply, the Department accepted (May 2024) that the said projects were not implemented.

3.9.1.2 Construction of facilities in violation of CRZ guideline

MoEF&CC issued (January 2011/ January 2019) notifications under Section 3 of the Environment (Protection) Act 1986, declaring certain coastal stretches as part of the Coastal Regulation Zone (CRZ). These notifications mainly sought to conserve and protect the coastal environment/marine areas, as well as to promote scientifically sustainable development. Accordingly, coastal zones were classified under four main categories and the economic activities permissible therein were specified. Before taking up economic activities in the CRZ areas, necessary studies to mitigate their adverse environmental impact had to be carried out, and thereafter prior approval of the appropriate CRZ Authority had to be obtained. Between September 2016 to December 2021 WBTDCL and DSDA took up work like beachfront beautification, Tourist amenity centre, Toilet and shower block, parking area, Watch/ Life guard tower and Gazebo at *Bakkhali, Henry Island, Frazerganj*, *Digha, Mandarmoni, Udaypur*, *Shankarpur* and *Tajpur* coastal areas, for which required permissions were not obtained from the West Bengal State Coastal Zone Management Authority (WBSCZMA).

The proposed project area, located along the coastline, was susceptible to tidal influence and fell entirely within CRZ areas. Therefore, prior permissions from WBSCZMA were required to implement different components of the project.

[75] *Floating jetty & gangway at Tajpur, Water sports equipment at Mandarmoni and Henry Island, Camping facilities at Henry Island, Wayside amenities between Kolkata & Digha and Kolkata & Bakkhali, garbage bins in overall beach circuits and provision of signage in overall beach circuits.*

Due to lack to requisite permissions, Watch/Life guard towers constructed in CRZ area at *Frazerganj* (February 2018) and *Henry Island* (February 2019) at a cost of ₹ 17.60 lakh in violation of CRZ guidelines were demolished in September 2021 (at Henry Island) and in July 2022 (at *Frazerganj)* by WBTDCL. These were demolished due to objections[76] raised by the National Green Tribunal (NGT) and Local administration. Thus, execution of the towers in violation of CRZ guidelines resulted in wasteful expenditure of ₹ 17.60 lakh.

	
Demolished Watch/ Life Guard Tower at Henry Island	**Demolished Watch/ Life Guard Tower at Frazerganj Island**

Fig. 3.15: Demolished Life Guard Towers at Henry Island and Frazerganj in South 24 Pgns

(Source: Picture was taken during Joint Physical Verification on 18 August 2023)

In reply, the Department accepted (May 2024) that the Watch/Life Guard towers had to be demolished in compliance of the NGT order and noted for future compliance.

3.9.1.3 Poor/Non-operation and Maintenance of created assets

State Governments are responsible for Operation and Maintenance (O&M) of projects created under the Swadesh Darshan Scheme, directly or by appointing an agency. The State was also responsible for bearing all operational expenditure related to the Scheme. The Ministry of Tourism, GoI approved projects under Swadesh Darshan on the basis of undertaking given by GoWB that they would set up necessary arrangements for sustainable operation and maintenance of the created properties. The Scheme envisaged that tourism facilities would be maintained and operated in a commercially viable manner.

However, Audit observed that arrangements were not made by the State at five spots, out of nine for effective O&M of the facilities created under the Scheme during the period from September 2016 to January 2022 at a cost of ₹ 65.07 crore. During joint physical verification of these sites/projects, instances of facilities created but not put to use, deterioration of infrastructure due to lack of proper maintenance, *etc*. were observed as discussed below:

i) *Dadanpatrabar* at Mandarmani

Beachfront beautification works like creation of a Tourist Amenity Centre, toilets, shower blocks, parking facilities, landscaping and beautification *etc*. at Dadanpatrabar, Mandarmani were completed (September 2019) at a cost of ₹ 5.51 crore by DSDA.

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[76] *February 2020 for Henry Island and February 2022 for Frazerganj.*

During joint site verification (31 July 2023) by Audit, along with officials of the DSDA, it was observed that the landscaping and beautification work was severely damaged and poor maintenance due to non-engagement of any agency. Further, the Tourist Amenity Centre could not be made operational, since inception, as DSDA could not select any interested agency for its O&M, even after four years of completion. Thus, expenditure of ₹ 5.51 crore incurred on infrastructural development of the place has remained unfruitful for the last four years.

Fig. 3.16: Tourist Amenities at Dadanpatrabar, Mandarmoni in East Medinipur

Source: Picture was taken during Joint Physical Verification on 31 July 2023)

In reply, the Department stated (May 2024) that DSDA had entered into an O&M contract with an agency for one year in September 2023. However, DSDA took four years to engage an agency for its O&M during which time assets created have deteriorated due to lack of maintenance.

ii) *Silampur* at Mandarmani

The work at Silampur, Mandarmani *inter-alia* consisted of construction of Tourist Amenities Centre with rest room, restaurant, lobby area, parking facilities, approach road, toilet block, hawker's shops, lighting *etc*. The work was completed (October 2018) at a cost of ₹ 4.81 crore by DSDA. However, the entire facility remained idle since its completion (more than five years) as an agency was not selected for its O&M by DSDA due to a court case. During joint physical verification of the project, it was noticed (31 July 2023) that landscaping and beautification work were damaged due to non-maintenance and the entire facility was lying idle since its completion. As a result, the entire expenditure of ₹ 4.81 crore remained unfruitful.

Fig. 3.17: Tourist Amenities at Silampur, Mandarmoni in East Medinipur

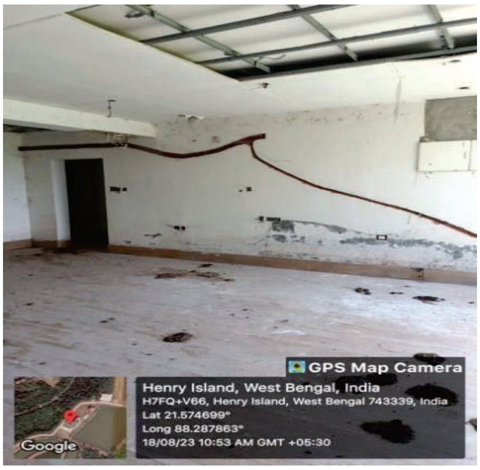
(Source: Picture was taken during Joint Physical Verification on 31 July 2023)

In reply, the Department stated (May 2024) that DSDA had initiated tendering process for the Operation & Maintenance.

iii) *Henry* Island

Works for Construction of Tourist Reception Centre, parking area, pathways, toilet blocks and electrical works at Henry Island, South 24 Parganas were completed (February 2019) at a cost of ₹ 3.05 crore by WBTDCL.

Joint inspection was carried out (18 August 2023) by the Audit team along with officials of WBTDCL. During the verification, it was found that amenities created for tourists like Tourist Reception Centre, pathways, toilet blocks *etc.* were damaged and had remained unutilised. Seating arrangements and gazebos were also unusable and covered with bushes. It was noted that these facilities were not handed over by WBTDCL for O&M to any agency during the period from February 2019 to August 2023. As such, due to poor maintenance and wear and tear, they could not be utilised for more than four years, leading to unfruitful expenditure of ₹ 3.05 crore.



Damaged Tourist Reception Centre along with toilet block and tourist amenities at Henry Island

Gazebos remained unutilised and surrounded with bushes

Fig. 3.18: Tourist Amenities at Henry Island, South 24 Pgns.

(Source: Picture was taken during Joint Physical Verification on 18 August 2023)

In reply, the Department stated (May 2024) that the proposed area falls under the buffer zone of CRZ due to which further activities could not be done. The reply of the Department reveals lacunae in the planning process wherein no detailed analysis of project viability and feasibility was done, leading to the Project being taken up in a restricted zone and wasteful expenditure of ₹ 3.05 crore having been incurred.

iv) ***Bakkhali***

Work for '*Construction of Tourist Amenity/ Tourist Facility Centre, Watch Tower, Parking Area, Gazebo, Seating arrangement, Toilet Block, approach road'* was completed (February 2018) at Bakkhali in South 24 Parganas District at a cost of ₹ 82.39 lakh by WBTDCL. Audit examination showed that none of these assets (*except Parking area which was handed over to Gangasagar Bakkhali Development Authority for use*) were handed over by WBTDCL for O&M to an agency through open tender. As a result, it was observed during Joint Physical Inspection (18 August 2023) that assets like Tourist Facility Centre and toilet block *etc*. were not utilised by tourists and were found in damaged conditions. Further, electrical arrangements created inside the tourist amenities centre were also missing.

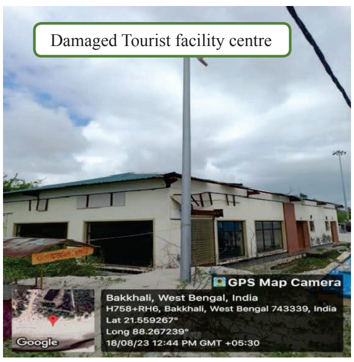


Fig. 3.19: Tourist Amenities at Bakkhali, South 24 Pgns.

(Source: Picture was taken during Joint Physical Verification on 18 August 2023)

In reply, the Department stated (May 2024) that the said property was damaged substantially due to consecutive cyclonic storms and steps were being initiated for its restoration.

v) *Frazerganj*

Work for '*Construction of Parking lot, Toilet Block and Illuminatio*n' at Frazerganj in South 24 Parganas District was completed (February 2018) at a cost of ₹63.28 lakh by WBTDCL. The facilities were handed over (November 2018) to the State Fisheries Development Corporation Limited (SFDCL) for Operation & Maintenance by WBTDCL without any agreement.

Joint inspection was carried out (18 August 2023) by Audit team along with the officials of WBTDCL which revealed that toilet blocks were unhygienic & consequently unutilised and were partially damaged (including electrical fittings and area illumination). Further, parking lots with Charging Station were not utilised due to non- procurement of e-Cart (battery driven vehicles to transport tourists in and around coastal areas) by WBTDCL. No cable line and outdoor charging feeder arrangements were also found at the site. WBTDCL did not enter into any agreement with SFDCL and thereby could not ensure proper maintenance of the property by SFDCL.

Toilet & Amenity Block in damaged and unclean condition

Non-functional Area illumination (through GRP poles)

Missing Charging Station near parking lot at Henry Island and parking lot unutilised

Fig. 3.20: Tourist Amenities at Frazerganj in South 24 Pgns.

(Source: Picture was taken during Joint Physical Verification on 18 August 2023)

In reply, the Department stated (May 2024) that the said property was damaged substantially due to consecutive cyclonic storms and steps were being initiated for its restoration.

Thus, the Tourism Department did not hand over the properties created at a cost of ₹ 14.82 crore under Swadesh Darshan Scheme to suitable agencies for their proper operation and maintenance. As a result, the objective of upgradation of facilities & resultant creation of employment through influx of tourists, remained unfulfilled, besides leading to unfruitful expenditure of ₹ 14.82 crore.

Recommendation 3:

Tourism Department should take immediate steps for effective utilization of assets created under Swadesh Darshan and formulate a sustainable model for their operation and maintenance.

3.9.2 Pilgrimage, Rejuvenation and Spiritual Augmentation Drive (PRASAD) Scheme

The Pilgrimage Rejuvenation and Spiritual Augmentation Drive (PRASAD) scheme was launched (2014-15) by the Ministry of Tourism (MoT), GoI. The Scheme focuses on identifying and developing pilgrimage sites across India for an enriching religious tourism experience.

Under this scheme in West Bengal, the MoT sanctioned (December 2016) an aggregate assistance of ₹ 30.03 crore for different components like street lighting (general illumination), Solid Waste Management, signage & giant LED Display, Tourist Reception Centre, multi-level car parking *etc*. at the *Belur Ramkrishna Math* (BRM) with a scheduled completion date of June 2018. As per the Scheme guidelines, the State Government was to ensure timely completion of the project and cost escalation on account of delay would not be reimbursed by the Central Government.

The 1st instalment (being 20 *per cent* of total project cost) was to be released after approval of the DPR, while the 2nd and 3rd instalments (being 30 *per cent* of total project cost each) were to be released by GoI to Tourism Department on receipt of utilisation certificates of previous instalments. The 4th and final payment (being 20 *per cent* of total project cost) was to be released by GoI on completion of the Project and receipt of completion certificate. Accordingly, GoI released ₹ 23.39 crore[77] in three instalments between February and December 2017.

WBTDCL, being the implementing agency, entered (March 2017) into a Memorandum of Understanding (MoU) with BRM for the execution of the Project. It was noticed that except construction of the multi-level car parking, the other works were completed by February 2020 at a cost of ₹ 21.82 crore. Due to unavailability of land, the multi-level car park was proposed (February 2018) to be shifted inside the BRM complex. The same was approved (March 2019) by MoT, GoI subject to overall ceiling of the project cost (*i.e.* ₹ 30.03 crore).

The Ministry of Tourism, GoI in a review meeting of the PRASAD scheme with WBTDCL directed (March 2023) the latter to complete the work of the multi-level car parking by June 2023, after which no fund in this respect would be reimbursed by GoI.

In this context it was noted that the work order for the car parking was issued in May 2019 by WBTDCL at a cost of ₹ 9.37 crore and the work was to be completed within 18 months. The remaining amount of ₹ 6.64 crore[78] was not reimbursed by GoI to the State for the Project as the last instalment was to be provided by the State and same would be reimbursed by GoI after receiving UC. The remaining amount was released to WBTDCL by the Tourism Department, GoWB only in December 2021. As of July 2023 the work still remained incomplete. Thus, the delay in arrangement of funds by State Government resulted in delay in execution of the project. Audit observed that delay in construction of car

[77] *₹ 6.01 crore as 1st instalment in February 2017, ₹ 8.94 crore as 2nd instalment in September 2017 and ₹ 8.44 crore as 3rd instalment in December 2017*

[78] *₹ 30.03 crore - ₹ 23.39 crore*

parking was mainly due to (i) change of the site of car parking as the initially proposed land belonged to the Indian Railway and WBTDCL could not sign an agreement with the Railways Authority for the said development and (ii) delay in release (December 2021) of final instalment[79] of ₹ 6.64 crore by the Tourism Department, GoWB to WBTDCL. Thus, reimbursement of ₹ 6.64 crore from GoI as well as non-completion of tourist facility remained doubtful, as the deadline fixed by MOT, GoI has already lapsed.

Fig. 3.21: Under construction car parking at Belur in Howrah

(Source: Picture was taken during Joint Physical Verification on 22 July 2023)

In reply, the Department stated (May 2024) that the car parking was expected to be completed by June 2024.

3.10 Infrastructure development under Public Private Partnership

Public Private Partnership **(**PPP) mode of implementation has the potential to augment tourism infrastructure projects which require substantial investments but are also commercially lucrative. Besides generating revenue by attracting additional tourists, these projects generate employment opportunities for local residents.

Tourism Department, GoWB proposed three PPP projects[80] *viz Gajoldoba* in Jalpaiguri District, *Jharkhali* at Sundarbans in South 24 Parganas district and *Sabuj Dwip* in Hooghly District under the Tourism Policy of 2016. Initially, the projects were to be decided on Concession Frame Work (CFW)[81] basis but Tourism Department decided (June 2015) to go for Short Term Lease (STL)[82], as the Concession framework requires the Government to take on the onus of making termination payment to cover the debt obligation even in case of default by the Concessioners.

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[79] *final instalment was to be arranged by State Government and the same would be reimbursed by GoI after getting final completion certificate.*

[80] *For creation of new Tourism infrastructure*

[81] *It is the licensing system in respect of allotted land. According to this, Concessionaire is authorized to implement the project and make commercial use for 33 years. The Department may offer renewal to the concessionaire on a 'Right of first refusal basis'. Government has to take the liability of making termination payment to cover the debt obligation even in case of default by the Concessionaire.*

[82] *It enables the investor to use the land for 30 years (renewable for another two terms for maximum period of 90 years) and to mortgage the lease agreement in financial institution for funding its project.*

Tourism Department had made two attempts (September 2015 and February 2016) at inviting Request for Proposals (RFP) in respect of Gazoldoba under STL but could attract only four responses[83] from private players out of total requirement of 38. Details of attempts (if any) made for inviting RFP in respect of *Jharkhali* and *Sabuj Dwip* were not available on records.

Tourism Department, however, incurred an expenditure of ₹ 134.29 crore during 2017-23, for creation of necessary infrastructure like road connectivity, drainage, power, water supply and setting up resort *etc*. in these three spots to facilitate investment by the private players in setting up resorts/hotels.

Joint Physical Verification of three sites (July-September 2023), revealed that only one Private resort *'Vita Nova'* in *Gajoledoba* and *Techno India* in *Jharkhali* was in operation.

Audit also observed that the Department executed an agreement (August 2015), with M/s *Sikaria Divinity Pvt. Ltd.* to develop the *Sabuj Dwip* Eco Tourism Project in Hooghly district but due to breach of conditions[84] by the agency, the agreement was terminated in July 2017. Finally, the works *i.e.* creation of infrastructure and construction of lodge were completed and the project is being operated by WBTDCL since March 2023.

Audit observed that the poor response from private players with respect to *Gajoledoba*, *Jharkhali* and *Sabuj Dwip* was mainly attributable to the fact that the Department had not conducted Feasibility Studies for the above three projects. Thus, environmental and social impact analysis, preliminary site investigations, analysis of the existing situation, nature and magnitude of the project, need and justification for it, risk factors *etc*. were not assessed before taking up the projects at *Gajoledoba*, *Jharkhali* and *Sabuj Dwip.* Due to this, the objectives of augmenting tourism infrastructure under PPP remain frustrated.

Even the infrastructure created for Eco-Tourism project at Jharkhali by Tourism Department at a cost of ₹ 28.04 crore had deteriorated over time due to non-maintenance as discussed below:

i. The work of street lighting including car parking area was completed (September 2019) by the Tourism Department at a cost of ₹ 1.43 crore at the newly constructed Eco-Tourism site at Jharkhali, South 24 Parganas. During Joint Physical Verification (16 August 2023) with the Public Works Department officials, the entire lighting system was found non-functional and in damaged condition.

Fig. 3.22: Damaged lighting for Jharkhali Eco-Tourism Project, South 24 Pgns.

(Source: Picture was taken during Joint Physical Verification on 16 August 2023)

83 *Three investors in first attempt and one investor in second attempt were selected.*

84 *As the working activities of the covenants was endangering the environment and eco-system.*

ii. The work '*urgent repair and up-gradation of existing bituminous road from Jharkhali Raja more to SDB Jetty ghat*' was completed (November 2014) at a cost of ₹10 crore. During Joint Physical Verification (16 August 2023) with officials of the Public Works Department it was observed that the entire road had been damaged with top layer washed away and big holes were appearing on the road, defeating the objective of smooth traffic and promotion of tourism towards Jharkhali and adjoining areas.

iii. An expenditure of ₹ 2.23 crore was incurred for the work '*Construction of one three vent and four two vent Hume pipe sluice structure along with sump for temporary pump over peripheral embankment'* to solve the drainage problem over 30 acre of land inside *Jharkhali* Eco-Tourism Hub*,* South 24 Parganas. During the Joint Physical Verification (16 August 2023) with irrigation and Waterways Department officials it was observed that the entire structure remained non-operational as no agency had been assigned by the Tourism Department for its operation. Entire sump area was unclean and was covered with grass. Inundation of the entire premises was also seen during the Joint Physical Verification. Thus, the entire expenditure ₹ 2.23 crore became unfruitful.

Fig. 3.23: Damaged Raod for Jharkhali Eco-Tourism Project, South 24 Pgns.

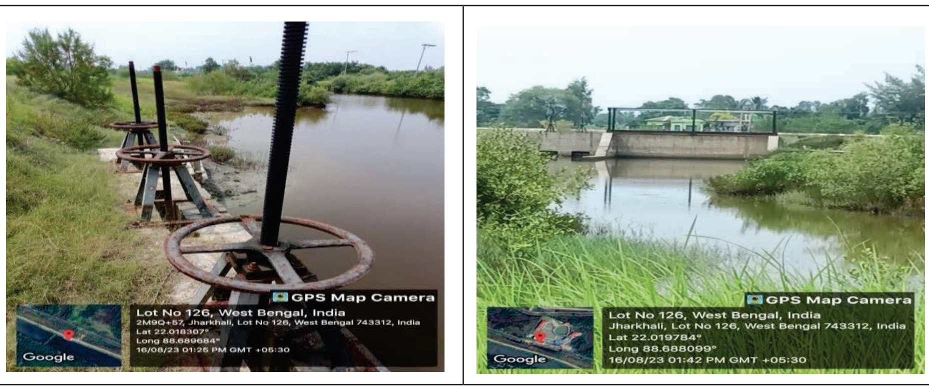


Fig. 3.24: Water logging in Jharkhali Eco-Tourism Project area, South 24 Pgns.

(Source: Picture was taken during Joint Physical Verification on 16 August 2023)

In reply, the Department accepted (May 2024) the Audit observations and stated that henceforth feasibility study would be conducted before selection of any project.

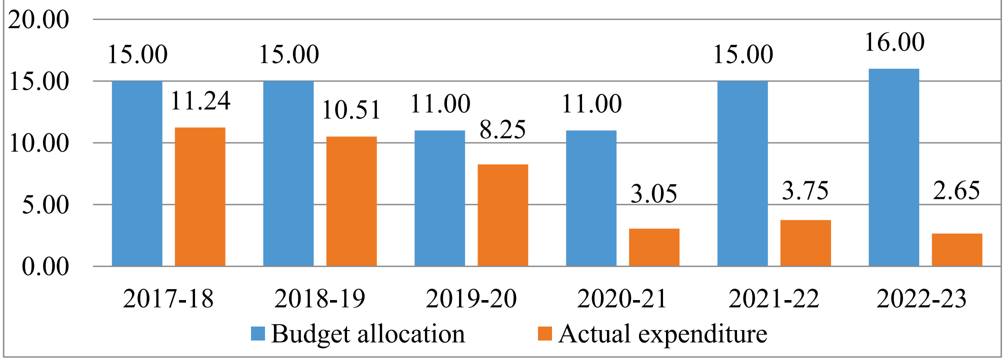
Recommendation 4:

Tourism Department should conduct a detailed viability & feasibility study before selecting a project to be developed under PPP mode so as to attract private investors.

3.11 Effectiveness of tourism promotional measures

Tourism Policy 2016, laid emphasis on showcasing the immense tourism potential of the State both in the domestic and international market through an effective communication plan using all media platforms. The budget for publicity and promotion allocated by GoWB and its utilisation by WBTDCL during the period 2017-23 is shown in **Chart 3.4** below:

Chart 3.4: Budget allocation *vis-a-vis* Actual expenditure (₹ *in crore*)



As may be seen, the budget utilization for publicity, ranged between 17 to 75 *per cent* during 2017-23. Overall the Tourism Department was unable to spend on an average 52.47 *per cent* of the budget allocated for promotion & publicity during 2017-23.

The Tourism Department did not frame a separate Promotion and Publicity policy or action plan. It was only six years after the Tourism Policy 2016 came into effect, that the Tourism Department entered (January 2023) into an agreement with *M/s Price Water House Coopers Private Limited* (PWC) for framing the aforesaid policy for promotion and publicity within two years. As of March 2023, the agency did not furnish any draft policy to the Tourism department.

The grant towards publicity and promotion was allocated to WBTDCL without any implementation plan. Audit observed instances where grants released to WBTDCL for promotional measures of tourism were utilised (19.44 *per cent*) for other purposes like routine hiring of cars, procurement of Laptop *etc*. Thus, the objective of publicity and promotion of tourism remained unfulfilled.

Thus, effective marketing of the State tag line as "***Experience Bengal-the sweetest part of India***" in the national and international arena could not be achieved.

The Tourism Department accepted the Audit observations and stated during the Exit Conference (October 2023) that promotion and publicity activities were being carried through You Tube, blogs *etc*. Audit is of the view that the Tourism Department should explore other avenues to promote tourism in the State like displaying in print and electronic media *etc*.

Accepting the Audit observations in this regard, the Department stated (May 2024) that aggressive publicity campaign across social media and digital platform has since been started in compliance to the Audit observations.

3.12 Capacity Building Programme

As per Tourism policy 2016, there was a very noticeable gap between demand and supply of skilled manpower in the tourism sector and to bridge this gap, training programme under the Central Sector scheme '*Hunar Se Rozgar Tak'*[85] *would be conducted* in phases. Audit observed that during 2017-23, the Department had not conducted any training programmes under '*Hunar Se Rozgar Tak'* although the fund for such training was to be provided by GoI for upgrading skill. The Department did not draw up any plan or seek funds from the GoI in this regard.

WBTP-2019 also emphasised short term skill development courses in focused[86] districts for grass root stakeholders in collaboration with the Technical Education and Training Department and other private stakeholders. The Tourism Department had neither assessed the requirement for training programme of the stakeholders nor had it fixed any targets for monitoring its achievement. However, GoWB conducted State funded training under *Utkarsh Bangla* scheme to provide wage/self-employment linked skills training free of charge to the stakeholders as detailed below in **Table 3.5**:

Table 3.5: Training imparted to the stakeholder by Tourism Department 2017-23

Year	Tourist guides		Beneficiaries of Home Stay Scheme		Hoteliers	
	Enrolled	Training imparted	Enrolled	Training imparted	Enrolled	Training imparted
2017-23	3,462	1,684	2,081	91	NA	147

(Source: Figures obtained from the Tourism Department)

As is evident from the above, as of March 2023, out of 2,081 Home Stay units and 3,462 Tourist guides only personnel of 91 Home Stay units and 1,684 Tourist guides were trained during the period 2017-23. Thus, the State Government did not conduct training for a substantial number of persons associated with tourism promotion in West Bengal.

In reply, the Department stated (May 2024) that due to certain prescribed conditions of the training programme under *Utkarsh Bangla* Scheme, response from Home Stay owners was not forthcoming. Alternate training module was being designed and training was expected to commence shortly. The reply was not tenable as the Department was required to addressed the bottleneck and impart training to the stakeholders to reduce the deficit of skilled manpower.

Recommendation 5:

Tourism Department should formulate a plan of action for promotion and publicity to tap the unexplored tourism potential in the State. Besides, it should also take steps for capacity building & development of skilled manpower associated with the tourism industry through suitable training programmes.

[85] *The programme was aimed at targeting persons with not much means and in need to acquire skills facilitative for employment. MoT, GoI was to provide financial assistance to Govt. sponsored Tourism & Hospitality Institutes, Private Tourism/Hospitality Institutes, State Tourism Development Corporations and State Governments etc. to conduct Skill Development Programmes*

[86] *Districts having tourism prospects*

3.13 Monitoring

To execute tourism related projects economically and efficiently as well as to ensure timely completion of projects/schemes, an effective monitoring system was a pre-requisite. At district level, District Tourism Development Committee (DTDC) is looking after the ongoing projects of Tourism Department. Whereas WBTDCL looks after the ongoing projects of Tourist Lodges. The Department could not provide any records regarding conduct of meetings by the DTDCs for monitoring of ongoing projects. During the course of audit, instances of poor monitoring, wasteful/ unfruitful expenditure *etc*. were noticed as discussed in succeeding paragraphs:

3.13.1 Incomplete work due to delayed termination of Contract

Construction of a Tourist Resort at *Chandannagar* (ALO Resort), Hooghly district was scheduled to be completed in August 2019 at a cost of ₹ 9.48 crore as per work order issued in August 2018 by WBTDCL. It was noticed that the contract was terminated (February 2021) due to slow progress of work.

Fig 3.25: Non-completion of work of Chandannagar Tourism Properties (ALO Resort), Hooghly District

(Source: Picture was taken during Joint Physical Verification on 14 July 2023)

Audit observed that reasons for slow progress of work and responsibility for delay in termination of contractor were not on record indicating poor monitoring on the part of WBTDCL. Subsequently, the work order for the balance work was awarded in July 2021 to another contractor, at a cost of ₹ 6.87 crore with July 2022 as the date of completion. The work remained incomplete till date (September 2023). As of February 2023, only 29 *per cent* of the work was executed by the contractor.

Joint physical verification (July 2023) also revealed that the Resort was near a Sewerage Treatment Plant and did not have enough parking space which would deter potential tourists from using the tourist centre.

In reply, the Department stated (May 2024) that the project has been completed and the property would be made operational by the end of June 2024. It further stated that parking space adjacent to the property was since being allotted by the Municipal Authority. However, the property could not be put to use even after four years of scheduled date of completion.

3.13.2 Undue parking of funds by GTA

Tourism Department released (February 2013) ₹ 1.05 crore to Gorkha Territorial Administration (GTA) for the construction of a nine-hole Golf course in Tiger Hill, Darjeeling. The work could not be executed due to objections raised by the Forest Department as the site falls under the Protected Area within Senchal Wildlife Sanctuary. Thus, for more than 10 years, the amount of ₹ 1.05 crore remained parked in the current account of GTA and could not be utilised by the Government. The Department also did not initiate any steps to get the funds back from GTA or to complete the project. Non utilization of the funds for more than a decade also deprived the State of interest of ₹ 0.63 crore[87] due to parking fund in current account.

In reply, the Department stated (May 2024) that the project was completed after minor alterations. However, the project was completed after more than 10 years. Further, the Department did not provide details of the work done and utilisation of funds by GTA.

3.13.3 Wasteful expenditure at Piyali Tourism Lodge

Piyali Tourism Lodge was maintained by WBTDCL. For safety and security of the Lodge, WBTDCL undertook (February 2018 and June 2018) the work of construction of fencing with M.S. Angle and barbed wire around Piyali Tourist Lodge in South 24 Parganas District. The work was completed (March 2019) at a cost of ₹ 147.92 lakh by WBTDCL.

Fig 3.26: Missing assets (Fencing work) at Piyali Tourist Lodge, South 24 Pgns.

(Source: Picture was taken during Joint Physical Verification on 15 August 2023)

Joint Inspection was carried out by the Audit team along with officials of WBTDCL on 15 August 2023 which revealed absence of fencing over a large part around the Piyali TL and missing barbed wire along with M.S Angle over the entire area indicating poor monitoring on the part of WBTDCL. Audit observed that in absence of watch and ward staff, the materials appeared to have been stolen. The present status of work done pointed towards poor maintenance of created assets while rendering the entire expenditure of ₹ 1.48 crore unfruitful.

In reply, the Department stated (May 2024) that the barbed wire was installed for safety and security purposes. However, the Department did not furnish reply about the safety issues in view of missing barbed fencing.

[87] *₹ 1.05 crore * 6 per cent for 10 years*

3.13.4 Wasteful Expenditure on procurement of Equipment for Light and Sound show

For promoting cultural and heritage tourism, a *son et lumire*[88] was proposed to be developed at Barrackpore. The theme of the show was 1857-First war of Independence.

WBTDCL entered into (February 2010) an agreement with *M/s Standard Robotics Corporation* for procurement of USITT Micro controlled Intelligent Lighting and sound show (equipment for light and sound show) at *Malancha* Tourist Lodge. Further, WBTDCL entered into (May 2011) agreement with M/s *Lux and Decibels for Project Management Consultancy Service.* Audit observed that equipment for light and sound show was procured (September 2011) at a cost of ₹ 124.26 lakh by WBTDCL and commercial operations started from October 2013 onwards. However, the Show was operational only up to September 2014 and thereafter, due to a defect in the projector, it became non-functional and remained so upto September 2023.

In reply, the Department stated (May 2024) that the project became non-operational as the repair and maintenance costs were too high. Thus, the Department should have taken up the project only after assessing its feasibility and commercial viability.

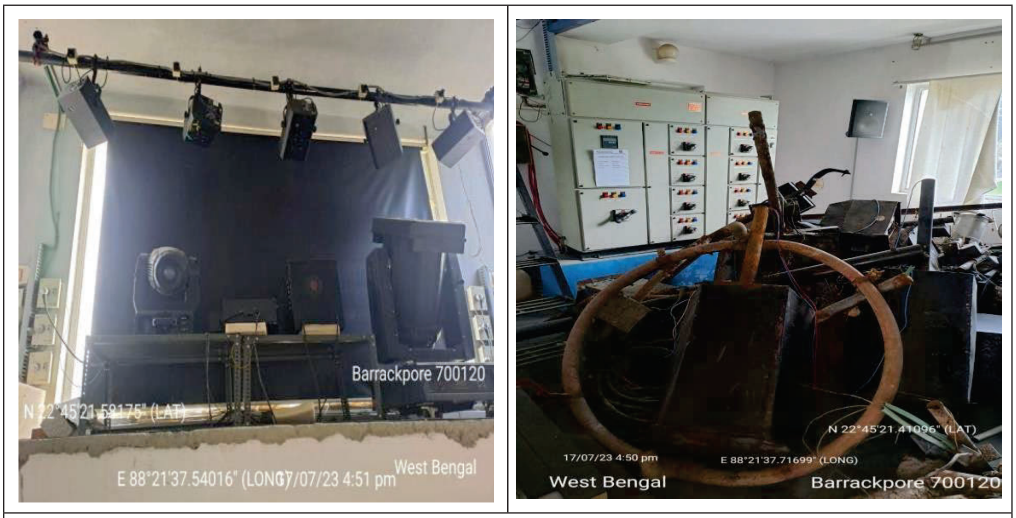


Fig 3.27: Equipment for Light and Sound Show at Malancha Tourist Lodge, North 24 Pgns. lying idle

(Source: Picture was taken during Joint Physical Verification on 17 July 2023)

3.13.5 Unfruitful Expenditure on construction of paver path

To provide an alternate shorter route from Bakkhali Tourist Lodge to the sea beach, WBTDCL undertook the work of "*Construction of paver path from Bakkhali TL to Seabeach*" at a cost of ₹ 17.90 lakh and the work was completed in June 2019. During Joint Physical Verification (18 August 2023) along with officials of WBTDCL, it was noticed that the road remained unutilized and was in poor condition as seen in pictures below:

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[88] *an entertainment held by night at a historic monument or building, telling its history by the use of lighting effects and recorded sound*

Fig 3.28: Poorly maintained & unutilised Paver Path at Bakkhali Tourist Lodge, South 24 Pgns.

(Source: Picture was taken during Joint Physical Verification on 18 August 2023)

Audit observed that WBTDCL did not initiate any action to utilise the created asset. While accepting the Audit observations (May 2024) the Department stated that Gangasagar Bakkhali Development Authority has started to clear the site regularly for ensuring its usage.

3.14 Effective utilisation of Government Tourism properties

3.14.1 Occupancy of Self-managed Hotels and Tourism Properties

West Bengal Tourism Development Corporation Limited (WBTDCL) manages tourism properties spread over different locations in the State through its managers of respective properties. The performance of these tourism properties as indicated by occupancy percentage achieved during 2017-23 is as given in **Table 3.6.**

Table 3.6: Year-wise occupancy of WBTDCL-managed Hotels and Tourism Properties

Particulars		No. of self-operated Hotels/ TPs/ Dormitory facility available	No. of room days available	No. of days room occupied	Occupancy (in *per cent)*	No. of Hotels/ TPs / Dormitory having occupancy			
						Below 20 *per cent*	20 *per cent* and above but below 40 *per cent*	40 *per cent* and above but below 60 *per cent*	Above 60 *per cent*
2017-18	**Room**	29	2,13,236	92,818	43.53	7	5	11	6
	Dormitory	9	21,185	4,228	19.96	6	2	1	0
2018-19	**Room**	29	1,69,957	82,095	48.3	3	3	15	8
	Dormitory	8	17,212	2,033	11.81	6	2	0	0
2019-20	**Room**	28	1,30,031	75,887	58.36	0	3	12	13
	Dormitory	9	17,047	1,980	11.61	7	2	0	0
2020-21	**Room**	30	1,43,984	59,494	41.32	2	11	12	5
	Dormitory	11	21,110	3,234	15.32	7	4	0	0

Particulars		No. of self-operated Hotels/ TPs/ Dormitory facility available	No. of room days available	No. of days room occupied	Occupancy (in *per cent*)	No. of Hotels/ TPs / Dormitory having occupancy			
						Below 20 *per cent*	20 *per cent* and above but below 40 *per cent*	40 *per cent* and above but below 60 *per cent*	Above 60 *per cent*
2021-22	**Room**	32	1,86,123	89,601	48.14	1	6	15	10
	Dormitory	14	37,048	5,163	13.94	10	3	1	0
2022-23	**Room**	34	2,20,589	1,15,316	52.28	1	8	14	11
	Dormitory	17	44,059	6,144	13.94	13	3	1	0

(Source: Figures obtained from the Tourism Department)

As is evident from the above, the occupancy of the hotels/TPs managed by WBTDCL ranged between 41.32 to 58.36 *per cent* and that of dormitories was from 11.61 to 19.96 *per cent* only during 2017-22. This was lower than all India average occupancy which ranged between 43.50 to 66.90 *per cent*[89] during 2017-22. Thus, it indicates that the TPs/ TLs could not attract tourists due to lack of efforts towards promotion of tourism, poor development of associated tourism facilities and non-acquiring the status of star category as discussed in **paras 3.11** and **3.7.1**.

In reply, the Department stated (May 2024) that occupancy rate of WBTDCL properties ranged between 48 *per cent* and 66 *per cent* and appears to be within the all-India average occupancy rate. However, this contention is not supported by the records of the Department which reveal that the occupancy rate ranged between 41 to 58 *per cent* only. Further, the Department, remained silent regarding low occupancy rate of Dormitories.

3.14.2 Leased out Tourism Properties

As of March 2023, WBTDCL had leased out 11 tourist lodges, two house boats and one mobile tower to different private agencies on Minimum Annual Guarantee Return (MAGR) basis. Audit observed that the Company did not have a documented policy for leasing out properties as well as their management and therefore, there was absence of uniformity. On scrutiny of records, it was noticed, that during the period from September 2003 to August 2022, WBTDCL had leased out 14 properties for varying periods ranging between 1 to 33 years with yearly increase in lease rent varying between nil to 20 *per cent*. Further, scrutiny of records made available showed that WBTDCL did not take prompt action against lessees for violating the terms of lease/authorization agreements like recovery of outstanding dues and terminating the contract

In reply, the Department stated (May 2024) that the WBTDCL decided the terms of the lease period on a case-to-case basis. However, it was evident that the Department did not have a uniform policy regarding leasing its property.

Audit further observed that:

(i) Bakreswar Tourist Lodge was given (September 2003) to a private agency on contract basis for a period of 33 years by the WBTDCL, at a minimum annual guaranteed return of ₹ 1.01 lakh, to be increased by five *per cent*

[89] *Source: Hotel Industry Survey conducted by FH&RA, India*

after every four years. However, it was seen from the records, that no amount was received from the lessee since 2008. Despite the fact that the lessee did not adhere to the terms and condition of contract, WBTDCL allowed the lessee to operate the said property without taking any action like termination of agreement, as per applicable terms and conditions. As of August, 2021, the total amount due to the Company from the lease was ₹ 25.42 lakh. Later, after the demise of lessee, his wife expressed (August 2021) inability to pay the dues and intended to hand over the property to WBTDCL. Although WBTDCL had taken back (May 2023) the property, the recovery of pending dues is doubtful. Thus, due to lack of initiative on the part of WBTDCL there was loss to Government to the tune of ₹ 25.42 lakh. The Department stated (May 2024) that WBTDCL was initiating the process of recovery of outstanding dues.

(ii) WBTDCL entered (March 2015) into an agreement with Gangasagar Bakkhali Development Authority (GBDA) for operation of Gangasagar Tourist Lodge for an initial period of five years, at a minimum annual guaranteed return of ₹seven lakhs, to be increased after every three years at a rate of 10 *per cent.* In this context, Audit observed that GBDA made payments upto March 2020 only. The agreement ended as of March 2020 and had not been renewed as of March 2023. However, it was noted that the property is still being utilized by GBDA to run a hotel without making any payments to WBTDCL leading to potential loss of revenue of ₹ 24.64 lakh to the Government. No action was taken by the Department to terminate the contract as per clause 19 of the tender agreement.

While accepting the Audit observations the Department stated (May 2024) that a new agreement was under process and notice has been issued for recovery of outstanding dues. The reply was not tenable as lack of timely action on the part of WBTDCL to terminate the contract resulted in unrealized dues of ₹ 24.64 lakh from GBDA.

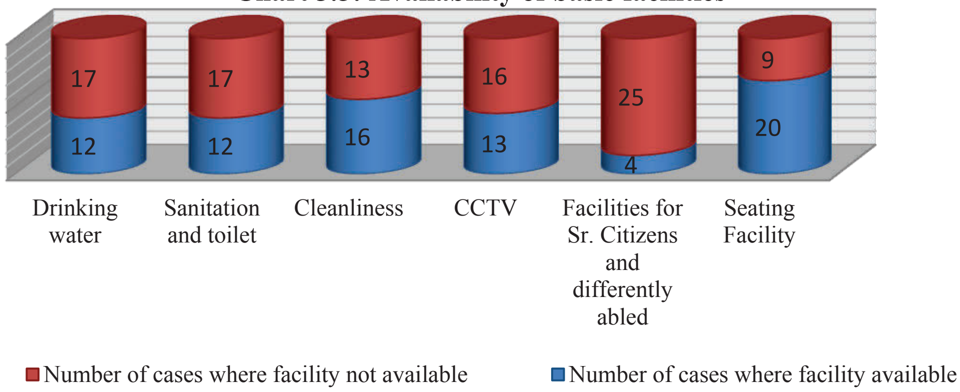
Recommendations:

6. ***The Tourism Department should utilize its Tourism infrastructure optimally by effectively promoting its property and obtaining star categorization.***
7. ***The Tourism Department should formulate a policy for leasing out properties to maximise revenue collection as well as promote tourism.***

3.15 Survey of basic infrastructure available at tourist spots

According to the Tourism Policy, 2016, the development of tourism infrastructure includes creation of basic infrastructure like roads, drinking water, power, transport, solid waste management, *etc*. To assess the availability of minimum basic facilities like drinking water, sanitation & toilets, cleanliness, CCTV, facilities for senior citizens & differently abled persons, seating facilities *etc*. Audit conducted a tourist survey in selected 29 tourist spots and result thereof, has been shown in **Chart 3.5** below:

Chart 3.5: Availability of basic facilities



Audit further noticed that basic facilities were in poor condition as depicted below:

<u>Dooars Circuit</u>

Gorumara Forest (wildlife tourism): NH 31 passes through *Gorumara* forest on both sides of the road for a stretch of 12 kms. Audit observed that the Toilet blocks in this area were inadequate and in an unhygienic condition.

Fig. 3.29: Dilapidated condition of Toilet at Gorumara Forest, Jalpaiguri

(Source: Picture was taken during visit of Jalpaiguri on 10 August 2023)

Chalsa View Point at Chalsa, Jalpaiguri: This point is noted for soothing views from a height of more than 300 metre. The spot was poorly maintained and engulfed with bushes and shrubs. Gazebo and seating arrangement were also in damaged condition.

Fig. 3.30: Tourist facilities poorly maintained at Chalsa, Jalpaiguri

(Source: Picture was taken during visit of Jalpaiguri on 10 August 2023)

Sundarban Circuit

Bakkhali: This site is noted for its beaches which were, however poorly maintained. The garbage was dumped in front of beaches and toilet blocks were also in an unhygienic condition.

Fig. 3.31: Tourist facilities poorly maintained at Bakkhali, South 24 Pgns

(Source: Picture was taken during visit of Jalpaiguri on 18 August 2023)

Inadequate and poor basic amenities in tourist locations highlights the need for taking up development of quality services in tourist spots in order to increase tourist footfall and showcase a positive image of a particular tourist place. While accepting the Audit observations the Department stated (May 2024) that relevant departments, local bodies and other tourism stake holders are being requested to facilitate the up keep and maintenance of basic amenities in and around the tourist attractions.

Recommendation 8:

Tourism Department should upgrade and maintain basic facilities at the tourist spots by involving all stakeholders which would help in boosting tourist traffic to the State.

3.16 Home Stay scheme

Home Stay is a concept of tourism where the tourist stays at the homes of locals, enjoys local culture, cuisine and hospitality. GoWB notified (January 2017) the Home Stay Policy which provides comprehensive guidelines regarding ownership, scale, size, registration, promotion and booking of home stays in the State. This Policy was valid till March 2022 and was later superseded by the Home Stay Policy, 2022.

According to the Home Stay Policy, 2017 (Policy), the Home Stay owners were required to register with the respective District Magistrates; the registration would be valid for three years. GoWB would provide a financial assistance of ₹ 1.50 lakh payable in three equal instalments, to the eligible home stay owners. The 1st instalment would be paid to eligible Home Stay units after registration, 2nd instalment after completing the basic construction/ up-gradation and 3rd after physical verification by the concerned authority. However, as per the revised policy of September 2022, this amount was to be disbursed to home stay owners in two instalments only. The details of Home Stays registered and subsidies disbursed by the Government from 2017 to 2023 (as of March 2023) are shown in **Table 3.7**:

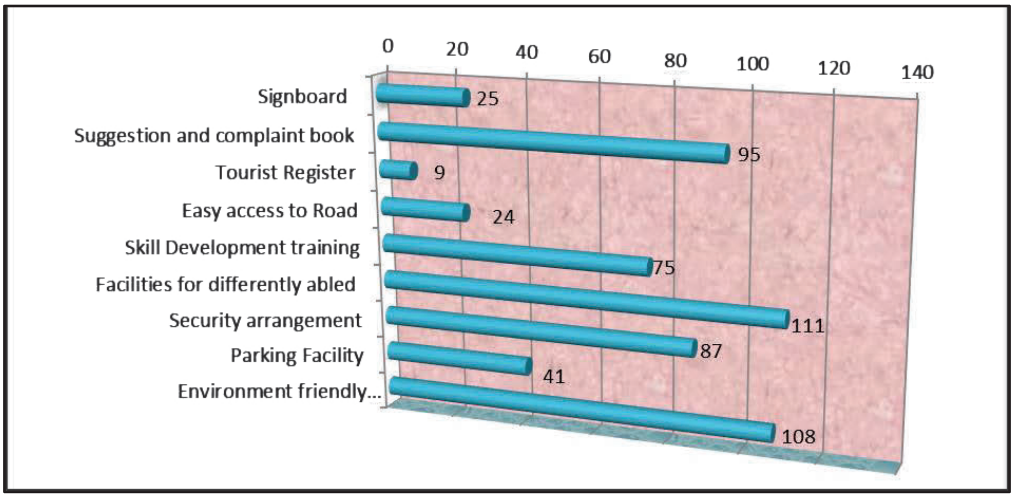
Table 3.7: No. of beneficiaries who received financial assistance and fund disbursed

No. of Home Stays registered	No. of Beneficiaries received financial assistance			Funds disbursed
	1st instalment	2nd instalment	3rd instalment	₹in crore
2081	1204	440	04	8.24

(Source: Data furnished by Department of Tourism, GoWB)

As per Home Stay Policy, 2017, certain standard facilities[90] had to be maintained by registered home stay owners. Audit conducted a Joint Physical Verification of 139 registered home stays in eleven districts along with the officials of Tourism Department. Out of 139 registered Home Stays, 28 of them were found to be used either for other unintended purposes[91] or were non- operational. The results of joint inspection of remaining 111 Home Stay are shown below in **Chart 3.6**.

Chart 3.6: Basic facilities not available (in Nos.)



In reply, the Department stated (May 2024) that concerned District Magistrates have been requested to look into the matter and take necessary action accordingly. Besides, the Department has taken initiative to inspect all the registered home stays by a third party.

3.16.1 Home Stay not used for intended purpose

As per Home Stay Policy, 2017, a home stay is an alternative to hotel accommodation where the tourist can stay with the owner's family member to promote social and cultural interaction.

During joint physical verification, Audit observed that in deviation from the Home Stay policy, certain registered units were being utilised for other purposes. Instances of such deviation are given below:

- A home stay in Murshidabad District was registered (September 2022) under the new Home Stay Policy, 2022 and received 1st installment of ₹ 0.50 lakh (December 2022) after obtaining registration under the scheme.

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90 *Every home stay needs to maintain sign boards, suggestion and complaint book, tourist registration book, proper security arrangement (CCTV), parking facility, environment friendly arrangement (solar lights, STPs, Rain water harvesting) etc.*

91 *Home Stays are being utilised for cultural centre, restaurants etc.*

However, during the joint physical verification in August 2023, it was observed that the home stay was instead being operated as a Lodge and Cultural Center.

Fig. 3.32: Home Stays in Murshidabad District

(Source: Picture was taken during Joint Physical Verification on 03 August 2023)

- A home stay in Bankura District was registered (August 2022) and received 1st installment of ₹0.50 lakh in December 2022 after obtaining registration under the scheme, but during joint physical verification (August 2023) it was noted that the units were being operated as a Lodge and Restaurant.

Fig. 3.33: Home Stay in Bankura District

(Source: Picture was taken during Joint Physical Verification on 30 August 2023)

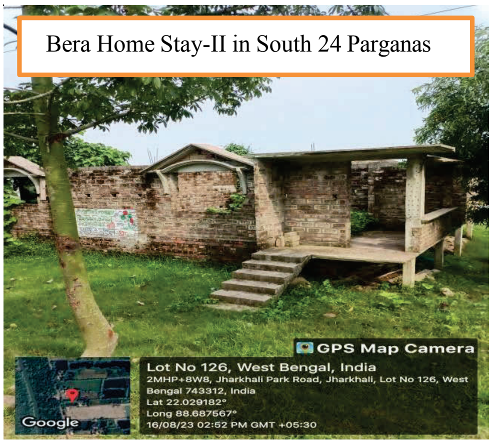
In reply, the Department stated (May 2024) that the concerned District Magistrates have been requested to look into the matter and take action accordingly.

3.16.2 Non-operational Home Stays

As per home stay policy, 2017, owners were required to secure at least 50 *per cent* marks during inspection by the concerned officials of the Tourism Department before registration as per Annexure-B[92] of Home Stay Policy to qualify for registration under Home stay scheme. As per this Annexure, for securing 50 *per cent* marks, the infrastructural works of the home stays should be completed and to be in ready to operate condition.

[92] *Annexure-B of Home Stay Policy listed the quality of tourism amenities required for Home Stays*

i) However, during Joint Physical Verification (14 and 16 August 2023), it was found that in two Home stay units which were registered and received funds aggregating ₹ 2 lakh in two installments (during July 2020 and June 2022), even constructional works were not completed and therefore, could not be utilised for the intended purposes as shown below:



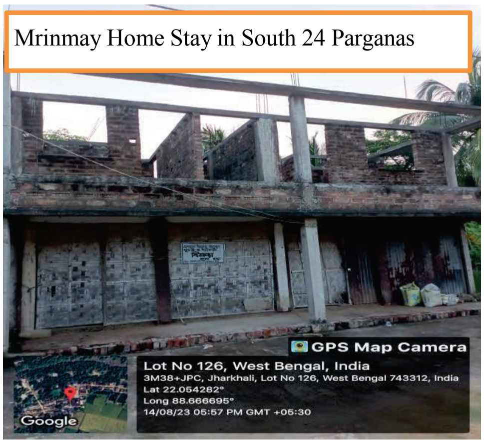


Fig 3.34: Home Stay units under construction in South 24 Pgns. District

(Source: Picture was taken during Joint Physical Verification on 14 and 16 August 2023)

Thus, disbursement of money to the incomplete Home stays indicated faulty appraisal process of the Tourism Department.

Maa Durga Home Stay in Hooghly District was registered by Tourism Department (September 2022) and thereafter, it received (November 2022) an installment of ₹ 0.50 lakh under the scheme. However, the owner was subsequently unwilling to operate the home stay. An application was sent (April 2023) by him to the Officer in Charge of Tourism, Hooghly stating the same. Audit noticed that there was no provision in the Home stay policy, 2022 for recovery of disbursed funds in case of cancellation of registration by Home Stay Owner. Thus, disbursement of ₹ 0.50 lakh to an unwilling Home stay owner resulted in wasteful expenditure.

ii) Non-renewal of Registration Certificate: As per the Home Stay policy, registration of a Home Stay is valid for three years from the date of issue of Registration Certificate after paying the requisite Registration fee. The said Certificate is to be renewed within six months of its expiry.

Audit observed that registration of 30 Home Stay units out of selected 139, were not renewed by the home stay owners, even after expiry (one month to two months) of the prescribed time limit, although the home stays are still in operation. The Department did not initiate any action against the defaulting owners, indicating poor monitoring on the part of the Tourism Department and OC Tourism.

In reply, the Department stated (May 2024) that the concerned District Magistrates have been requested to look into the matter and take necessary action accordingly. Besides, the Department has taken initiative to inspect all the registered Home Stays by third party.

Recommendation 9:

The Tourism Department should strengthen its monitoring & review mechanism to ensure that financial assistance are disbursed only after ascertaining availability of the required amenities as per Home Stay Policy.

3.17 Incentives to Tourism Units

The West Bengal Incentive scheme-2008 (WBIS) was initiated by the State Government to provide support to the growing tourism industry in the State and generate employment. The steps involved in the disbursal of incentives under the Scheme, were as follows: (a) issue of Registration Certificate by the Tourism Department, (b) issue of date of Commencement Certificate, (c) issue of Eligibility Certificate and (d) getting approval of Finance Department by the Tourism Department before granting incentives in each case. Subsequently, the scheme was modified in 2015 and 2021 and renamed as WBIS-2015 (in January 2015) and WBIS, 2021 (February 2021).

Any intending applicant who falls under the purview of definition of the Tourism Unit[93] (TU) as defined under the WBIS, would need to submit an application to the Tourism Department to avail subsidies ((*a) State Capital Investment Subsidy, (b) Interest subsidy, (c) Waiver of Electricity Duty, (d) Additional incentive generation of employment (EPF & ESI), (e) Additional Incentive for Adventure Tour Operator, (f) Reimbursement of Stamp Duty and Registration Fees, (g) Subsidy for Quality improvement, (h) Additional Floor Area Ratio (FAR) and (i) Tourism Promotion Assistance)* offered under the scheme. Details of Tourism Units registered *vis-à-vis* incentive benefits disbursed under WBIS-2008, 2015 and 2021 are shown in **Table 3.8**:

Table 3.8: Scheme wise incentive disbursed to Tourism units

Particulars	Tourism Units registered under the Scheme	Tourism Units to whom incentives were disbursed	Amount distributed *(₹ in crore)*
WBIS 2008	59	21	43.59
WBIS 2015	30	7	13.81
WBIS 2021	15	Nil	-

(Source: Compilation of data maintained at Department of Tourism and WBTDCL)

Above table indicates that the registration of tourism units was reduced by 50 *per cent* and 75 *per cent* under WBIS 2015 and WBIS 2021 respectively in comparison with the tourism units registered under WBIS 2008.

It was observed that the Tourism Policy 2016, emphasised setting up of Inter-Departmental Secretaries Committee to ensure speedy grant of permission and clearances through a single window system for ease of business and release of subsidies within the Scheme. However, this inter-departmental task force came into existence only in April 2022, after a lapse of six years from the date of notification of WBTP-2016. Reasons for delay in formation of such committee were not available on records. Further, lack of awareness among the hoteliers also affected registration under WBIS.

[93] *Means a project related to tourism activities like hotels, motels, heritage hotels, yatri nivas etc.*

No time limit for disbursement of subsidies was prescribed in the WBIS. After registration, the Tourism Units were to complete their physical infrastructure and apply for commencement of operation. Once certificate for commencement of operation is issued to Tourism Units, the subsidy amount was released. The Department did not maintain any records to monitor delay in commencement of operation and for taking appropriate action.

Further scrutiny of records of selected beneficiaries also revealed the following:

3.17.1 Inadmissible payment of ₹ 4.35 crore

WBIS 2008 stipulated that Tourism Promotion Assistance would be provided to Mega Units[94] in lieu of interest subsidy[95]. Further, maximum ceiling for interest subsidy was limited to ₹ 25 lakh per annum for a period of five years, so one unit could be reimbursed upto a maximum of ₹ 125 lakh (₹ 25 lakh × 5 years).

The *Swissotel Kolkata Neotia Vista* (Tourism Unit) was registered (June 2009) by the Tourism Department as a new unit under WBIS 2008 and started its commercial operation in July 2010. Eligibility certificate was issued to this Tourism Unit by WBTDCL in October 2015.

Swissotel was registered as Mega unit by WBTDCL located in Group 'B' Area[96] and was eligible to a Tourism Promotion Assistance @ 75 *per cent* of Value Added Tax (VAT) paid in the year previous to the year for which the claim was made for a period not exceeding five years, in lieu of interest subsidy under WBIS, 2008. Since Tourism Promotion Assistance (VAT reimbursement) was to be paid in lieu of interest subsidy, an eligible unit could claim up to ₹ 125 lakh for five years towards VAT reimbursement.

However, in the instant case, the Tourism Department released the claim of ₹ 5.60 crore to Tourism unit as subsidy resulting in inadmissible payment of ₹ 4.35 crore.

In reply, the Department stated (May 2024) that the subsidy was released as there was no upper limit of assistance in WBIS. The reply was not tenable as Tourism Promotion Assistance was given in lieu of Interest Subsidy and the amount of subsidy should be limited to ₹25 lakh per annum for five years.

3.17.2 Undue favour to Hoteliers

As per Clause 4 of WBIS-2015, projects commenced on and from 07 January 2015 will be eligible for grant of incentive under WBIS 2015. The scheme was not applicable to those projects that had been registered and sanctioned incentives under previous schemes of WBIS. Further a unit which had applied

94 *As per WBIS 2015, Mega unit means an eligible unit having fixed capital investment of ₹100 crore and above under Group A and Group B area, exceeding ₹ 50 crore for Group C and D areas and ₹ 25 crore and above for special areas.*

95 *Interest subsidy @ 50 per cent of total annual interest liability on the term loan borrowed from a commercial Bank/ financial institution is payable subject to a limit of ₹ 25 lakh per year for a period not exceeding five years.*

96 *Group B is the location of the project related to a tourism unit for the purpose of determination of the type and the quantum of incentives under the schemes. The Group B areas are North 24 Parganas, South 24 Parganas, Howrah, Hooghly, Durgapur and Asansol Municipal Corporation.*

for registration under WBIS 2008 before commencement of the 2015 Scheme and whose application had not been disposed of or deemed to have been disposed of before commencement of the 2015 Scheme, would be entitled to benefits under WBIS 2008 only.

Audit observed that in case of hotelier (*Akash Sarovar Hotel* in Purulia District, West Bengal) Registration Certificates (RC) both for its original and extension unit under WBIS 2008 scheme were issued (October 2012 & June 2013 with amended date August 2014) and its commercial operation was shown to have started from October 2013. Thereafter, Eligibility Certificates[97] (ECs) were issued (December 2013 which were again re-issued in September 2014) and the hotelier was accorded (December 2015) incentive of ₹ 149.38 lakh, both for its original and extension unit. Later on Tourism Department observed that both the original and extension units were the same or a single unit. The Legal Cell of the Tourism Department therefore suggested (February 2020) cancellation of RCs & ECs and recovery of the entire amount of ₹ 149.38 lakh.

Audit noticed that after cancellation (March 2020) of old RCs & ECs, the hotelier was issued (in November 2020) new RCs & ECs under WBIS 2015, showing a new date of commercial operation as February 2016 (earlier it was October 2013) on the grounds that the expansion unit had started only partial operations in October 2013. However, the Incentive Scheme had no such clause for partial commencement of operations. Further without recovery, the entire amount paid to hotelier earlier (under WBIS 2008) was shown as advance payment and adjusted with the payment made (January 2022) under WBIS 2015, though there was no such provision of advance payment in any of the WBIS Policy of 2008 and 2015. It was also observed that an amount of ₹ 149.38 lakhs was parked with the hotelier for about 72 months (December 2015 to January 2022) which also led to loss of interest of ₹ 53.78 lakh (@ 6 *per cent* per annum) as per WBIS (Form 2).

Accepting the Audit observation the Department stated (May 2024) that the entire amount was adjusted from the total subsidies required to be reimbursed as per WBIS-2015. However, the Department remained silent on disbursement of subsidy under WBIS-2008 for partial commencement of operation, as there was no such applicable provision in WBIS-2008.

3.17.3 Non-claiming of subsidy for generation of employment

WBIS (2008, 2015 and 2021) encouraged TUs to avail subsidies through provision of additional incentives for generation of employment. Under the scheme, 60 *per cent* of expenditure incurred by TUs on account of contribution towards Employee Provident Fund (EPF) and Employee State Insurance (ESI) would be reimbursed[98].

Audit observed that out of 15 selected TUs, only two TUs claimed the benefit whereas the others were also eligible to avail such benefit but had not claimed. Thus, the objective of providing incentive to Hoteliers for generation of

[97] *Eligibility Certificates are issued to Tourism Units for grant of assistance under the scheme.*

[98] *For five years, if TUs is located in Group A or B area and seven years if, TUs is located in Group C or D area.*

employment could not be ensured as claims for subsidy from the Hotelier were negligible due to lack of initiatives from Tourism Department to encourage hoteliers to employ permanent employees.

The Department accepted (October 2023) the Audit observation regarding implementation of Incentive Scheme.

Recommendation 10:

The Department should encourage hoteliers to engage permanent employees to avail additional incentives on generation of employment.