

**Performance Audit
relating to
Government Company**

Chapter II - Performance Audit Relating to Government Company

Performance Audit on the working of Assam Tourism Development Corporation Limited

The Assam Tourism Development Corporation Limited (Company) was set up (June 1988) under the Companies Act of 1956 with the objective to boost tourism in the State. The activities of the Company included creation of well-connected tourism infrastructure and providing tourist facilities in important tourist destinations. The present Performance Audit (PA) primarily covered the activities of the Company for the period of five years from 2010-11 to 2014-15 with focus on the adequacy of efforts made by the Company to attain the laid down objectives of the State Tourism Policy. In addition, the records of the Directorate of Tourism (DoT) functioning under the Department of Tourism, Government of Assam (GoA) were also scrutinised to assess the effectiveness of the supporting role played by GoA/DoT in achieving the overall objectives of the State Tourism Policy.

Highlights

The Company earned profits consecutively during 2010-11 to 2014-15. The profits so earned during the five years were, however, solely on account of the interest earned from Fixed Deposits made out of capital grants received from Government of India and Government of Assam.

(Paragraph 2.6.1)

The State Tourism sector lacks authentic data on tourist inflow due to failure of the GoA/Company to put in place a proper data collection mechanism and conduct the benchmark survey of all tourist potential destinations. The Company did not prepare any short or long term plans to identify and prioritise the projects to be developed on scientific basis. No systematic procedure was adopted in the selection process of projects and no exercise was done for circuit-wise identification and prioritisation of projects for development.

(Paragraph 2.8.1, 2.9.1, 2.9.3 and 2.12)

Tourist facilities were minimal. Important tourist friendly measures like online booking, signages, radio taxi services, wayside amenities were insufficient or not available and projects pertaining to them did not take off. Not many initiatives were taken for training of guides and impact assessment of training for drivers. There was ample scope for development of the tourist circuits in Majuli, wetland tourism, off-season tourism circuit around National parks, Monsoon tourism, River tourism, homestay tourism, adventure and eco-tourism, rural tourism, handloom tourism, rail tourism and comprehensive

pilgrimage tourism *etc.* Though all the plans of the Company were designed for these circuits and activities, most of these projects never took off beyond proposal stage.

(Paragraph 2.12 to 2.22.2, 2.23.2 and 2.23.3)

Efforts at promoting the tourist attractions were ad-hoc, erratic and did not yield effective results. Documentaries and films on the State were commissioned without verifying the credentials of the producers and content of the products were also not vetted nor was their actual dissemination vouchsafed. Facilitation centres and Information kiosks for tourists though planned and in some cases executed, were not operational and the fact that the law and order situation had improved in the State had not been advertised sufficiently.

(Paragraph 2.11.4, 2.24.6 and 2.24.7)

The Company received ₹ 116.87 crore for 138 projects sanctioned during 2010-11 to 2014-15. As against this, the Company could utilise only ₹ 83.38 crore (71 per cent) during 2010-15 (including refund of ₹ 12.50 crore to the GoI) leaving an unspent balance of ₹ 33.49 crore. Out of total 50 projects of GoI and 88 projects of GoA sanctioned during 2010-15, only 17 GoI projects (34 per cent) and 8 GoA projects (9 per cent) could be completed by the Company (September 2015).

(Paragraph 2.10.1)

Due to slippage in completion of projects within the time schedule, 13 projects were dropped and amounts sanctioned were refunded (₹ 12.50 crore) to the GoI. Further, the Company was also deprived of availing further assistance from GoI during 2012-13 and 2013-14 due to failure to submit Utilisation Certificates against earlier sanctions of GoI.

(Paragraph 2.10.3 and 2.10.4)

Important infrastructure development projects such as building of the State's first Five Star hotel, and building of the Convention Centre at Guwahati were stalled because of inability of the Company to get clearances. In other matters such as taking over of completed assets, getting artistic, informative and technical projects executed in a timely fashion, the Company despite having the funds and detailed plans in place, was indifferent to the pace of work and eventual completion and the quality of work done.

(Paragraph 2.11.5, 2.14.3, 2.15.4, 2.22.1 and 2.22.2)

The occupancy of the lodges operated by the Company was poor due to shabby maintenance as well as inappropriate selection of locations for development of lodges. The Company also delayed in leasing out the completed assets by as much as 60 months on account of delay in inviting tenders and excessive time taken in finalisation of bids, *etc.* As a

result, the Company had to bear additional financial burden on repairing of these idle assets, besides losing the opportunity of earning potential lease rental income during their vacancy period.

(Paragraph 2.25 and 2.25.2)

The projects implemented by the Company were not adequately monitored by the GoA leading to expenditure on some projects being rendered unfruitful and the potential for tourism in the state remaining unrealised. Assam Tourism Council was set up (September 2009) for development, promotion and coordination of tourism activities in the State under the Chairmanship of the State Chief Minister. However, only one meeting of the Council was held (June 2010) in 6 years (upto October 2015) defeating the prime objective of its formation. State Level Monitoring Committee (SLMC) had held only 5 meetings during the period 2010-11 to 2014-15 as against the minimum 20 meetings required to be held during this period. There was no prescribed format for Management Information System for giving a feedback summary to the Headquarters of the Company from its lodges.

(Paragraph 2.27, 2.27.1, 2.27.2 and 2.27.3)

Introduction

2.1 Assam is an enormous repository of scenic beauty, cultural diversity, ethnic mixture, and diverse flora and fauna. With two World Heritage Sites²⁵, five national parks²⁶, 18 wildlife sanctuaries²⁷ that are home to a variety of flora and fauna, a network of more than 50 rivers and rich biosphere reserves, Assam has huge potential to become a hotspot for nature and wildlife tourism. Home to more than 25 tribes, all with very rich and colourful cultures, festivals and traditions, Assam has potential to become a big attraction for cultural tourism too. Besides, the presence of many pilgrimage centres and a vibrant tea industry makes Assam a key stakeholder in the tea and pilgrimage tourism industry.



²⁵ National parks at Manas and Kaziranga

²⁶ Manas, Kaziranga, Pobitora, Dibru-Saikhowa and Orang

²⁷ Garampani, Laokhowa, Bornadi, Chakrasila, Burachapori, Panidehing, Hollongapar Gibbon, Pobitora, Nambor, Sonai Rupai, Bherjan-Borajan-Padumoni, East Karbi Anglong, Marat Longri, Nambor-Doigrung, Amchang, Dehing-Patkai, Borail and Deepor Beel

Government of Assam (GoA) declared the Tourism Policy in 2008, recognising tourism as an important economic activity for overall economic growth, increasing employment generation and optimum utilisation of the tourism potential of the state.

Organisational Setup

2.1.1 The Department of Tourism (Department) of Government of Assam is the nodal agency in framing policies and programmes for the development and promotion of tourism in Assam. The Department is responsible for framing of policies and monitoring the implementation of projects for which financial assistance is sanctioned both by the Government of India (GoI) as well as the Government of Assam (GoA).

The Directorate of Tourism (DoT) functioning under the control of the Department is responsible for implementation/execution of the policies of the GoA. Besides, the role and functions of DoT also covered the aspects relating to planning, promotion and marketing, growth strategies, coordination with other departments/district commissioners, infrastructure development, monitoring and evaluation of projects, *etc.*

The Assam Tourism Development Corporation Limited (Company) set up (June 1988) under the Companies Act of 1956 is functioning under the administrative control of Department of Tourism, Government of Assam. The Company is engaged in execution of projects as well as development of tourist infrastructure on behalf of GoA/DoT. The management of the Company is vested in the Board of Directors (BoD), comprising of not more than 11 Directors including the Chairman and the Managing Director, who are appointed by GoA. The Managing Director is the Chief Executive of the Company and is assisted by an Assistant General Manager (Infrastructure), three Senior Managers and one Accounts Officer. As on March 2015, there were 10 Directors on the BoD of the Company. Further, during the period covered under Audit (2010-11 to 2014-15), four officers held the position of Managing Director while the position of the Chairman was held by one officer throughout the period under Audit.

Scope of Audit

2.2 A Performance Audit (PA) covering the activities of the Company for the period 1998-99 to 2002-03 was featured in the Comptroller and Auditor General of India's Audit Report (Commercial), Government of Assam for the year ended 31 March 2003. The Report was, however, pending for discussion by the Committee on Public Undertakings (COPU) (October 2015).

The present PA primarily covered the activities of the Company for the period of five years from 2010-11 to 2014-15 with focus on the adequacy of efforts made by the Company to attain the

laid down objectives of the State Tourism Policy. In addition, the records of the DoT were also scrutinised to assess the effectiveness of the supporting role played by GoA/DoT in achieving the overall objectives of the State Tourism Policy by the Company.

Audit Objectives

2.3 The objectives of the performance audit are to ascertain whether:

- the tourism policy and plans prepared by GoA/Company to promote tourism were well thought out and effective and the tourism development projects were executed by the Company economically and effectively;
- the operation of completed projects and lodges was efficient;
- the monitoring and evaluation system of the Company was effective.

Audit Criteria

2.4 The criteria for assessing the performance of the Company against above audit objectives were derived from the following sources:

- State Tourism Policy, 2008;
- Perspective plan and Projects Reports prepared by the Company;
- Article of Association/Memorandum of Association of the Company;
- Standard procedure for award of contracts with reference to principles of economy, efficiency, effectiveness, equity and ethics;
- Directions, Guidelines issued by GoI/GoA from time to time;
- Agenda/Minutes of the meetings of the Board of Directors of the Company;
- Manuals of the Company;
- Internal Audit Report and MIS reports of the Company.

Audit Sampling and Methodology

2.5 During the period of five years (2010-11 to 2014-15) covered in the Report, an aggregate amount of ₹ 137.57 crore was sanctioned by GoI/GoA to implement 138 Central and State sponsored tourism projects in the State. For the purpose of present Audit, 35 Central and State

sponsored projects (25 per cent) under construction involving total cost of ₹ 90.01 crore (65 per cent) were selected for detailed scrutiny after applying ‘Random Sampling with Probabilities Proportional to Size and Without Replacement’ (PPSWOR) method of sampling. In addition, out of 25 completed projects, 16 projects were also selected for detailed scrutiny.

The methodology adopted for attaining the audit objective consisted of explaining audit objectives to the top management of the audited entity in the Entry Conference (24 April 2015), analysis of data/records with reference to audit criteria, examination of Annual Reports, Internal Reports, etc., of the Company as well as Agenda/Minutes of the BoD, interaction with the Company officials, raising of audit queries, issuing of draft audit report to the GoA/Company for comments. The draft Audit Report was also discussed (15 October 2015) with the representatives of the GoA/Company in the Exit Conference. The formal replies (October 2015) of the GoA to the draft Report as well as the views expressed by the representatives of the Company and GoA in the Exit Conference have appropriately been taken into consideration while finalising the Report. We acknowledge the cooperation extended by the DoT and the Company during the course of the audit.

Audit Findings

Financial Performance

2.6 The Financial Position and Working Results of the Company for the last five years upto 2014-15 have been depicted under *Annexure 3* and *4* respectively. The GoA released funds (including Central funding provided by GoI to GoA) to the Company from time to time for execution of projects on behalf of GoA. On completion of the concerned project, the Company was supposed to transfer the asset to GoA so that these assets could be formally handed over back to the Company for operations.

It was observed that although the Company had been intimating the GoA from time to time about completion of such projects/assets, the GoA did not insist upon taking over of the same assets from the Company. The funds so released were shown in the Balance Sheet under ‘Grant-in-aid’ while the utilised portion of the said funds was booked under Capital Works in progress (Capital WIP). It was further, observed that out of the Capital WIP of ₹ 126.92 crore as on 31 March 2015 (*refer Annexure 3*), the infrastructure and other assets valuing ₹ 119.91 crore, which had already been completed by the Company on behalf of GoA were pending for transfer to GoA. Thus, due to the assets not being transferred to the GoI/GoA even after their completion, the Company could not formally takeover these assets from GoA for their fruitful operation. In absence of formal arrangements for transfer of operational rights of these assets to the Company, some of the said assets remained idle and open to risk of deterioration as discussed in *paragraphs 2.18.1* and *2.19.1 infra*.

The GoA should take appropriate steps to operationalise the GoI/GoA assets immediately after their completion by making formal arrangements in this regard with the Company.

A review of the financial position and working results of the Company and financial position had further revealed the following:

Non-operational profits due to interest earnings

2.6.1 As could be noticed from *Annexure 4*, the Company earned profits consecutively ranging from ₹ 0.76 crore to ₹ 2.45 crore during all the five years from 2010-11 to 2014-15. The profits so earned were, however, on account of the interest income earned from Fixed Deposits made out of capital grants received from GoI/GoA. As per GoI sanctions, the GoA was not entitled to keep any fund unutilised for more than 6 months and same were to be refunded back to GoI. GoI further directed (January 2013) GoA to refund all unutilised funds along with interest accrued thereon for all incomplete projects sanctioned upto 2009-10 and repeatedly for IHM, Jorhat (January and May 2015). The GoA, in turn, had endorsed (January 2013) the said instructions to the Company for necessary compliance. The GoA/Company, however, had not refunded the said funds to GoI so far (October 2015). Thus, the Company was a profit earning entity only because of the interest income earned against GoI/GoA funds and there was no operational profit. It was also noticed that the Company was not having an investment policy.

In reply, GoA accepted (October 2015) that unspent funds were kept in fixed deposits to increase the revenue of the Company. It further stated that it had refunded an interest amount of ₹ 15.68 lakh to GoI meant for the IHM, Jorhat project. The reply, however, was silent on the issue of refund of interest earned on earlier projects.

Irregular disbursement of loans without sanction of GoA

2.6.2 The Company had been providing loans to DoT from time to time for meeting their publicity and other expenses out of the project funds received from GoI/GoA without the permission of GoA. During 2000-2015, a total loan of ₹ 3.82 crore was so extended by the Company to DoT by diverting project funds of GoI and GoA without their permission. Taking cognizance of the possible adverse effect of such diversion on the execution of GoI/GoA funded projects, the BoD had requested (February and July 2012) the DoT to look into the matter seriously for repayment of the loan amount so that the projects undertaken by the Company are not hampered. In response, DoT had committed ((July 2012) for an equity contribution of ₹ 1.00 crore in the Company towards that purpose. However, no further action was found on record (October 2015). In November 2012, the BoD decided that no such loans should be provided by the Company to DoT until and unless clear instructions and assurance is received from the GoA for refunding the loan amount by DoT.

It was, however, observed that despite clear directions of the BoD, the Company continued to provide loans to DoT out of the GoA project funds. During April 2013 to March 2015, the Company had extended further loans aggregating ₹ 1.83 crore to DoT by diverting the project funds without any assurance or permission of the GoA. As on March 2015, a total amount of ₹ 1.80 crore was pending to be received by the Company from DoT on this account. On scrutiny of the records of the DoT, it was further seen that the amounts received from the Company were not recorded in the Cash Book of DoT and hence, the same were not shown as ‘liabilities’ payable to the Company in the accounts of DoT. Thus, due to unauthorised diversion of project funds by the Company towards loans to DoT, the execution of GoI/GoA funded projects had suffered besides blocking of ₹ 1.80 crore with DoT on this account.

In reply, GoA stated (October 2015) that the Company provided loans to DoT owing to urgent requirements and the Company has been taking steps to recover the same. The fact, however, remained that loans were provided by the Company to DoT without getting prior sanctions from GoA, and in contravention of instructions of the Board of Directors. The Company may devise a mechanism in this regard in consultation with GoA, so that the loans provided to DoT were received back in time and execution of GoI/GoA funded project was not hampered.

Audit Objective: Effectiveness of the Tourism Policy, Planning and Project Management

State Tourism Policy, 2008

2.7 The Assam Tourism Policy, 2008 (State Tourism Policy), became operative with effect from January 2009 with extended validity till December 2015.

The broad objectives of the State Tourism Policy were:

- to make tourism an important tool and place it on high priority for socio-economic development of the State;
- to fully harness the tourism potential of the State in such a manner that it becomes environmentally sustainable, socio-culturally enriching and economically beneficial to the people;
- to promote comprehensive development of tourism infrastructure of international standards;
- to improve the quality of the existing tourism products so as to meet the emerging demands of tourists and to enable them to have “unique experiences” that they look for;
- to devise pragmatic and long term Human Resource Development Program for capacity development of local people so as to enable them to avail benefits of available opportunities.

We observed that the Tourism Policy was a comprehensive document that identified strategies and major areas for promotion of tourism in the state. We examined the role of the Company in the implementation of the Tourism Policy and observed that although the Company was incorporated specifically to promote and develop tourism in the State in terms of its laid down objectives, it had neither identified critical areas for effecting micro-level planning towards achievement of the objectives nor fixed clear milestones for development of tourism as discussed in the next part of the report.

GoA in their reply stated that the DoT/Company was making the best possible effort to implement the State Tourism policy. Every year schemes were prioritized keeping in view the Tourism Policy and to effectively implement the ideas in letter and spirit. It was also in the process of revising the existing Tourism policy in convergence with the National Tourism Policy, 2015. The fact, however, remained that no long term or short term action plan was prepared by the DoT/Company to implement the tourism policy and projects were selected randomly every year as discussed in *paragraph 2.9.1*.

Tourist Inflows

2.8 The year-wise details of domestic and foreign tourists visiting the state during five years from 2010-11 to 2014-15 have been summarised in *Table 2.1.1*.

Table 2.1.1

Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
Tourists who visited Assam					
Domestic (Numbers in lakh)	41.27	44.08	45.45	44.44	48.64
Foreign (Numbers in lakh)	0.16	0.17	0.18	0.19	0.20
Total	41.43	44.25	45.63	44.63	48.84
<i>Per cent</i> of foreign tourists visiting the State to total tourists	0.39	0.38	0.39	0.43	0.41
<i>Per cent</i> increase of total tourists based on previous year inflow	--	6.81	3.12	(2.19)	9.43
No. of tourists who availed accommodation in the Company's resorts/hotels					
Domestic	26,517	26,349	22,057	23,890	21,092
Foreign	594	698	712	579	422
Total	27,111	27,047	22,769	24,469	21,514
<i>Per cent</i> of tourists (both domestic and foreign) who availed the Company's facilities	0.65	0.61	0.50	0.55	0.44

It was observed in Audit that although the overall tourist inflow in the State during 2010-11 to 2014-15 as shown in the **Table 2.1.1**, had shown increase of 7.41 lakh tourists (18 per cent), Assam was ranked²⁸ very low *i.e.* 21 in the national ranking list (2013) for domestic tourist arrival and 24 for foreign tourist arrival, which pointed towards inability of the GoA/Company to attract both domestic and international tourists.

It could further be noticed from the **Table 2.1.1** that although the tourist inflows indicated an increasing trend during five years²⁹, the number of domestic and foreign tourists who availed the Company's facilities was negligible and showed a downward trend³⁰ during 2010-11 to 2014-15 (excepting in 2013-14). We surveyed 245 tourists in seven lodges of the Company and observed that the main reasons cited for their disenchantment with Company's lodges were poor hygiene/cleanliness of the premises, lack of effective marketing and card payment facility *etc.* as discussed in **paragraph 2.26**.

The GoA/Company, however, failed to take cognizance of the above facts which would have been well within its knowledge and did not make any serious efforts to improve the tourist footfalls in the State. It was observed that the GoA had neither entered into a Memorandum of Understanding (MoU) with the Company for providing the commitments against the desirable/essential deliverables, nor had set any benchmarks/targets on the future tourist footfalls so as to harness the tourism potential of the State.

In reply, GoA stated (October 2015) that the tourism in the State was mainly based on wildlife and nature, which were seasonal in nature. It was further stated that steps were being initiated to attract more tourists to the State, which included organising of Road Shows, attending the international and domestic Tourism and Travel Marts, organising of Business to Business (B2B) meetings and Familiarisation (FAM) tours for domestic and international tour operators, *etc.*

The outcome of the claims made by GoA in terms of improvement in the tourist footfall in the State was, however, not visible in the data presently available on records. It is a desirable practice to have a MoU with the delivering organisation to keep the targets and commitments in regular focus and perspective.

Absence of reliable data on tourist inflow

2.8.1 We also observed that there was no structured mechanism for collection and compilation of tourist statistics. As a result, huge variations were noticed in Audit. For instance there were huge discrepancies between the figures of tourist inflow collected by the DoT from its own lodges only and the data compiled and released by the Economic Survey of GoA. According

²⁸ India Tourism Statistics 2013 published by GoI

²⁹ excepting 2013-14

³⁰ excepting 2013-14

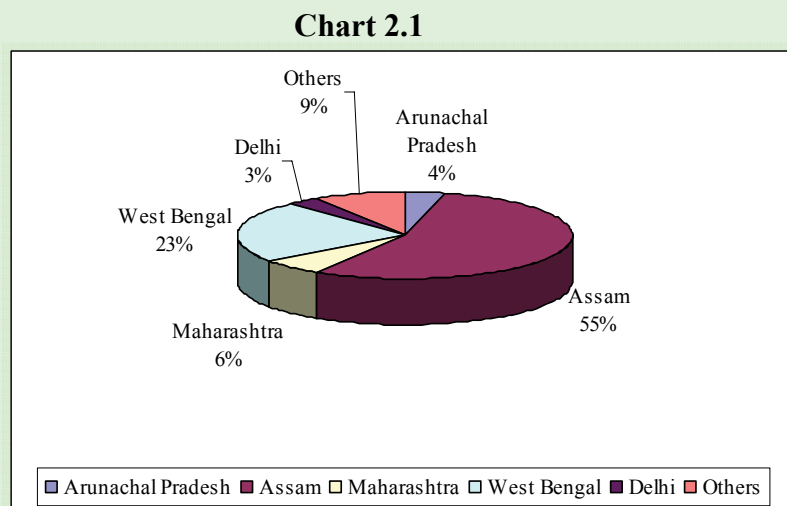
to the Economic Survey of the GoA, the tourist inflow to Kaziranga as per Principal Chief Conservator of Forests (PCCF) data based on entry passes issued in the National Park by PCCF was 1,01,165 for 2012-13 as against the DoT data of 8,989 tourists only bound for Kaziranga for the same year. The trend of similar variations in tourist statistics continued to persist in other years as well. Although the Company was directed (December 2013) by the GoA to engage a consultant for developing an effective software to get a more realistic data on tourist inflows, no action had been taken by the Company in this regard (October 2015). In absence of a well-structured mechanism for collection and compilation of data on tourist inflow, the authenticated figure on year-wise inflow of tourists in the State was missing.

In reply, GoA accepted (October 2015) the facts and stated that the data maintained by DoT were collected from Lodges owned by the DoT/Company only, as private hotels/resorts were reluctant to provide the required information to DoT. It was further stated that the GoA has planned to outsource the data collection to a competent agency, which would use suitable software and IT mechanisms for getting more accurate data.

In the absence of reliable data, the planning cannot be effective as it would be difficult to identify the focus areas.

Comparison of tourist inflow with other neighbouring states

2.8.2 The occupancy data in three³¹ out of seven lodges of the Company during April 2014 to May 2015 was analysed as depicted in **Chart 2.1**.



As could be seen from **Chart 2.1**, out of total 11,198 guests who availed accommodation in the said three lodges, the highest number of domestic tourists were from Assam (55 per cent) itself,

³¹ Tezpur, Kaziranga and Nagaon Tourist Lodge

followed by West Bengal (23 per cent), Maharashtra (6 per cent), Arunachal Pradesh (4 per cent), Delhi (3 per cent) and other parts of the country (9 per cent). Out of these, 25 per cent visited for tourism, 31 per cent for business and the rest 44 per cent for other purposes. The poor tourist footfalls from states other than Assam and West Bengal further highlighted the fact that the DoT/Company needed to boost its publicity measures to attract more tourists to the State, which was inadequate and not well planned as discussed in **paragraph 2.24.1 to 2.24.8**.

As per India tourism statistics published by GoI (2013), the number of domestic tourist arrivals in Assam was 46.86 lakh which was much higher compared to the other North-Eastern States viz. Arunachal Pradesh (1.32 lakh), Manipur (1.41 lakh), Meghalaya (6.91 lakh), Mizoram (0.63 lakh), Nagaland (0.36 lakh), and Tripura (3.60 lakh). The tourist footfall in the other two adjoining states viz. West Bengal and Bihar was, however, five times more than Assam, with 255.47 lakh and 215.88 lakh tourists visiting West Bengal and Bihar respectively.

Likewise, in case of foreign tourists visiting India, there were similar trends as above. Out of 199.51 lakh foreign tourist who visited India during 2012-13, only 0.18 lakh (0.09 per cent) visited Assam. The foreign tourist footfall in other two adjoining states viz. West Bengal and Bihar was, however, significantly high at with 12.45 lakh (6.24 per cent) and 7.66 lakh (3.84 per cent) tourists respectively.

The broad factors that could be attributed to the better tourist footfalls in West Bengal were better road conditions, railway connectivity and Convention Centre³² facilities etc. Presently, the road length in West Bengal was 8.52 per cent³³ of the total area³⁴, in comparison to the available road length of only 2.97 per cent of the total area in Assam. Similarly, in case of rail connectivity, West Bengal had a railway network of 4,000 km as against the network of 2,458 km in Assam. Further, there were 4 existing and 3 upcoming convention centres in West Bengal, while no convention centre existed in Assam at present (October 2015).

In reply, GoA accepted (October 2015) the fact of poor tourist footfalls and stated that the major reason behind the same was misperception about the region regarding law and order situation although the same had now improved a lot. The reply was, however, silent on the steps being taken on improvement in infrastructure, publicity and what the GoA was doing to dispel the wrong notions.

³² Convention Centres consists facilities for holding conferences, meetings, exhibitions etc.

³³ Width of the road has been considered at 24 metres as per the guidelines of Indian Road Congress for a four-lane highway.

³⁴ As against 3.15 lakh km roadways in West Bengal in a land area of 88,752 square kilometres, the roadways in Assam is 0.97 lakh km in a land area of 78,438 square kilometres.

Planning

2.9 The Company being the State's Public Sector Undertaking in the tourism sector was incorporated with the specific objective of promoting and developing the tourism facilities in the State. Hence, the Company was supposed to make great strides in this area. The State plan allocation for tourism saw a significant increase from ₹ 27.93 crore in 2010-11 to ₹ 64.27 crore in 2014-15, representing an increase of over 130 *per cent* during the last five years. Seen in perspective, however, the same was still only 0.28 *per cent* of the total State Budget (2014-15) compared to 0.36 *per cent* during 2010-11. The Central financial assistance (CFA) to the tourism sector also increased during the last few years, from ₹ 23.55 crore in 2010-11 to ₹ 48.18 crore during 2014-15³⁵ highlighting the increased attention of the GoI towards this sector. During the course of audit, several deficiencies were observed in the planning activities of the Company as discussed in subsequent paragraphs.

Procedure for selection of projects

2.9.1 The Company being assigned with the responsibility of developing tourism sector in the State was required to identify and categorise the tourism potential and draw up long term plans for development of this potential in order of priority. The Company, however, did not draw up any short or long term plans for development of tourism infrastructure. On the contrary, it was observed that the Company, DoT and GoA prepared the draft list of projects individually based on recommendations received from the politicians, NGOs and other agencies. The draft lists of projects so prepared by three authorities, were then discussed in the joint meeting by the Company, DoT and GoA, and a few projects were selected randomly and finalised in the same meeting. The selected projects were then discussed with GoI officials in a prioritisation meeting. The projects not approved by GoI were separately finalised under State plan. Accordingly, DoT and the Company commenced execution of project works based on the project lists approved by GoI and GoA after receipt of sanctions.

Preparation of Master Plan

2.9.2 Based on the directions of GoA, a work order was issued (December 2004) by the Company in favour of M/s JPS Associates (Consultant) for preparation of Master Plan and marketing strategy for integrated tourism development of the State. After submission of the final report by the Consultant, the Company had also released (March 2007) the entire payment (₹ 26.98 lakh) to the Consultant. The report of the Consultant, however, was not approved by the DoT/GoA underlining several deficiencies in their report like role of private sector not being detailed, improper identification of circuits, superficial suggestions

³⁵ CFA was not provided during 2012-13 and 2013-14 due to failure of the Company to submit UCs to GoI against earlier sanctions.

etc. No action was seen to have been taken by the Company thereafter in the matter to address the concerns expressed by GoA/DoT. After a period of more than 5 years, GoA had suggested (December 2013) the Company for appointment of another consulting agency for preparation of a comprehensive master plan afresh. No further action was, however, taken by the Company in this regard till date (October 2015).

Thus, despite incurring substantial expenditure on preparation of Master Plan and marketing strategies, no fruitful results could be obtained due to inaction on part of the Company.

In reply, GoA accepted (October 2015) that the Company had prepared a Master Plan through a Consultant in 2007. The reply was, however, silent on the reasons behind the Master Plan lying in cold storage, thereafter.

In the absence of Master Plan, road map and clear cut directions to the targets cannot be laid out and will affect systematic execution of the projects which can only be taken up as they come and in a haphazard manner, which happened, as can be seen in subsequent paragraphs.

Absence of a Benchmark Survey

2.9.3 The State Tourism Policy stipulated that a benchmark survey of all the tourism potential was to be undertaken in every district of the State to identify the products and tourist attractions according to their importance. The said products included heritage buildings, monuments, archaeological sites *etc.*, which remained neglected and unprotected so far. The BoD also directed (September 2013) the Company to execute five or six major projects instead of too many small projects here and there, so as to have visible positive impact in the overall tourism scenario. In this connection, following observations are made:

- With a view to provide necessary protection and preservation to unprotected heritage buildings, monuments, archaeological sites *etc.*, the DoT submitted (December 2013) a draft Heritage Preservation Act (draft Act) to GoA as per the mandate of the State Tourism Policy. The said draft Act was, however, pending for notification by GoA (October 2015).

In reply, GoA accepted (October 2015) the facts. The reply was, however, silent on the reasons behind delay in the notification of the Act.

- In line with the stipulations made in the State Tourism Policy, the GoA issued (December 2011) instructions to the Company to carry out benchmark survey and identify/prioritise tourism potential and attractions of the State according to their importance. Instead of complying with the above directions, the Company, after a gap of two years, suggested (December 2013) the GoA to issue necessary instructions to all the

Deputy Commissioners (DCs) and Sub-Divisional Officers (SDO) to undertake a benchmark survey of tourism potential and attractions in their respective districts. GoA had not initiated any action on the Company's suggestion till date (October 2015). We observed that although the Company devised a format for collection of data required for the preparation of Perspective Plan, and forwarded the same to the GoA (January 2014) for circulation to all the DCs, neither any data nor any further action on the Perspective Plan was found on record (October 2015).

In reply, GoA stated (October 2015) that a format has been circulated to the DCs to indicate the tourist potential in the respective districts. It was also stated that further action in the matter would be taken after receipt of the required information/reports from DCs.

Thus, the State's tourism potential was not identified and prioritised based on their importance due to failure of the GoA/Company to conduct the benchmark survey even after lapse of almost 7 years from the notification of State Tourism Policy.

Failure to create a Land Bank

2.9.4 Out of the 138 projects sanctioned by the GoI/GoA during the period 2010-11 to 2014-15, only 25 projects were completed (October 2015). Of the ongoing 113 projects, 63 projects executed by the Company were getting delayed due to shortage of land, inspite of regular pursuance of the issue with the DCs concerned. With a view to overcome the problem, the Company suggested (November 2011/December 2013) the GoA to create a Land Bank for tourism projects covering all the districts of the State by issuing necessary instructions to all the DCs and SDOs to make a detailed survey of Government land available at their disposal for the purpose.

GoA as well as BoD of the Company, however, suggested (March 2012) that the top management of the Company should start visiting at least three districts in a month along with a GoA official, and contact personally the respective DCs and SDOs to ascertain and sort out land constraints. It was observed by Audit that the failure of the top management to comply with the instructions was not discussed in subsequent Board meetings and no follow up action was found on record. It was observed that the Company could not implement 8 centrally aided projects³⁶ due to project land not being available. Consequently, the Company had to refund (August 2012 to February 2014) the project funds (₹ 5.20 crore) to GoI as discussed under ***paragraph 2.10.4 infra***.

³⁶ Sualkuchi (5), Ethnic village at Guwahati, Dibru-Saikhowa tourist circuit, Eco-tourism project at Manas

In reply, GoA stated (October 2015) that information regarding availability of land had been sought from DCs and once the same are received, the matter of creation of land bank would once again be taken up.

However, a more proactive and time-bound approach to sort land constraints could have helped in better utilisation of funds and completion of projects so that the funds would not have been returned.

Project Management

2.10 GoI and GoA extend financial assistance to the Company for development of tourist infrastructural facilities, production of publicity material and promotion of State tourism through organisation Fairs and Festivals. Financial assistance was provided in the form of grants each year after prioritising the projects based on the proposals submitted by the DoT/Company. Central Financial Assistance (CFA) was provided by GoI mainly based on the following criteria:

- past performance of the State in timely implementation and operationalisation of GoI projects;
- regularity in furnishing of the quarterly statements on the expenditure and progress of the project works;
- utilisation of project funds on intended purposes;
- submission of Utilisation Certificates (UCs) for utilisation of project funds within the prescribed time limit;
- proper maintenance of facilities created out of GoI funding; and
- refund of unutilised project funds to GoI within the prescribed time limit of six months.

The deficiencies noticed in the Project Management of the Company have been discussed in the following paragraphs.

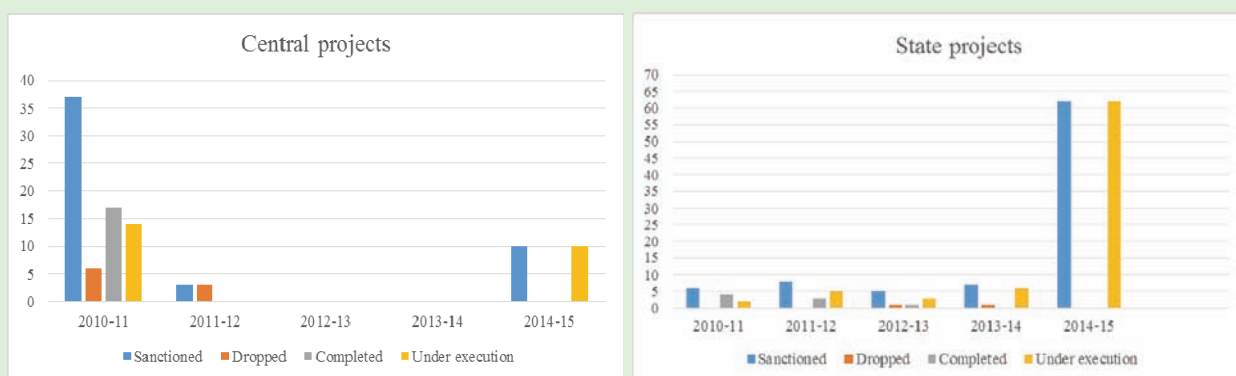
Physical and Financial Progress

2.10.1 During the period from 2010-11 to 2014-15, the projects sanctioned under the Central and State plan are as shown in **Table 2.1.2** and **Chart 2.2**.

Table 2.1.2

Year	No. of projects							
	Sanctioned		Dropped		Completed		Under execution	
	Central	State	Central	State	Central	State	Central	State
2010-11	37	6	6	0	17	4	14	2
2011-12	3	8	3	0	0	3	0	5
2012-13	0	5	0	1	0	1	0	3
2013-14	0	7	0	1	0	0	0	6
2014-15	10	62	0	0	0	0	10	62
Total	50	88	9	2	17	8	24	78

Chart 2.2



The position of funds received and utilised during 2010-11 to 2014-15 is given in *Table 2.1.3*.

Table 2.1.3

(₹ in crore)

Year	Amount sanctioned				Amount received	Amount utilised ³⁷
	Central Projects			State Projects		
	Central	State Share	Total			
2010-11	23.55	2.42	25.97	12.84	19.18	19.71
2011-12	10.57	1.52	12.09	10.29	17.34	17.54
2012-13	0	0	0	4.98	35.42	13.85
2013-14	0	0	0	4.22	13.23	21.18
2014-15	48.18	0	48.18	19.00	31.70	11.10
Total	82.30	3.94	86.24	51.33	116.87	83.38

As could be noticed from the *Table 2.1.3*, the Company received an aggregate amount of ₹ 116.87 crore against total 138 projects sanctioned during 2010-11 to 2014-15. As against this, the Company could utilise ₹ 83.38 crore³⁸ only (71 per cent) during 2010-15 leaving an unspent

³⁷ The amount utilised in some years is higher because of carry forward of previous balances.

³⁸ Including refund of unutilised project funds aggregating ₹ 12.50 crore to the GoI.

balance of ₹ 33.49 crore (27 per cent). It may further be seen from **Chart 2.2 supra** that out of total 50 projects of GoI and 88 GoA projects sanctioned during 2010-15, 17 GoI projects (34 per cent) and 8 GoA projects (9 per cent) could be completed by the Company (September 2015). The unspent balance remained unutilised mainly due to delay in completion of projects by the Company.

Delays in project implementation

2.10.2 Of the 138 projects sanctioned by the GoI/GoA during the period 2010-11 to 2014-15, 25 projects were completed. It was further, observed that out of total 25 projects completed by the Company during 2010-15, only 2 projects were completed as per schedule and remaining 23 projects delayed in completion for periods ranging from 1 to 29 months from the scheduled date of completion. Further, out of 103 ongoing projects (excluding 10 abandoned projects), 21 projects had been lagging behind the schedule for periods ranging from 5 to 56 months (October 2015). Scrutiny of records of the Company further revealed that in case of 4³⁹ out of said 21 ongoing projects, the delays ranging between 34 and 45 months were attributable to excessive time taken in finalisation of tenders.

In reply, GoA stated (October 2015) that the major reasons for delay were local problems like encroachment of lands and yearly floods in the State. The reply is not tenable as obtaining possession of encroachment free project land is a pre-requisite for timely implementation of the projects and the related issues should have been addressed at pre-planning stage of the projects.

This also indicated that the projects were taken up without identification of inherent problems.

Projects not sanctioned due to delay in submission of UCs

2.10.3 We noticed huge delays in furnishing of UCs by the Company to the GoI and GoA due to which various projects have been delayed or abandoned. We further noticed that against the project funds of ₹ 5.16 crore released (April 2008 to July 2014) by the Company to 6 Deputy Commissioners (DCs) for execution of 22 projects, no UCs have been submitted by these DCs to the Company so far (October 2015). The failure of submission of UCs by the DCs within the due dates had cascading effect on submission of UCs by the Company to GoI against Centrally aided projects as well as sanction and release of GoI funding for subsequent GoI projects. It was observed that during the years 2012-13 and 2013-14, the GoI had not sanctioned four projects involving total GoI funding of ₹ 73.40 crore due to failure of submission of UCs by the Company against earlier GoI project funds as summarised in **Table 2.1.4**.

³⁹ Wayside Amenities Centres at Dudhnoi, Numaligarh, Teok, Silapathar

Table 2.1.4

(₹ in crore)

Sl. No.	Name of Project	Amount Proposed
1.	Development of a standard design of signage, story board in Assam along the National and State Highways	8.00
2.	Mega circuit Tawang	8.00
3.	Wildlife Mega circuit	49.40
4.	Alipukhuri-Batadrawa Pilgrim circuit	8.00
Total		73.40

Thus, due to failure of the Company in submission of UCs against GoI aided projects within the due dates, the Company lost the opportunity to avail Central grants aggregating ₹ 73.40 crore for development of tourism infrastructure in the State.

In reply, GoA accepted (October 2015) the facts and stated that reminders had been given to the DCs repeatedly for early submission of UCs.

Refund of project funds

2.10.4 During the conduct of Audit, it was observed that the Company had refunded (August 2012 to February 2014) Central project funding aggregating ₹ 12.50 crore to the GoI pertaining to 13 GoI aided projects, which could not be taken up as detailed in **Table 2.1.5**.

Table 2.1.5

(₹ in crore)

Sl. No.	Name of the project	Sanctioned cost	Amount released	Amount utilised	Amount refunded
1.	Sualkuchi Cottage 4 Nos.	0.97	0.78	0.34	1.79
2.	Sualkuchi Wayside amenities	1.00	0.79		
3.	Sualkuchi Exhibition centre	0.35	0.28		
4.	Sualkuchi TIC Sualkuchi	0.04	0.03		
5.	Sualkuchi Beautification of water body,	0.32	0.25		
6.	Ethnic village on the outskirts of Guwahati	0.82	0.66	0.02	0.64
7.	Tourist destination at Samaguri Lake	5.00	2.78	0.08	2.70
8.	Development of wayside amenities, Raha	0.73	0.58	Nil	0.58
9.	Development of tourist circuit Dibru-Saikhowa, Makum-Margherita-Digboi	3.32	2.66	0.03	2.63
10.	Eco-tourism project at Manas	0.45	0.14	Nil	0.14
11.	Integrated convention centre and Wellness Centre, Hotel Brahmaputra Ashok	4.54	3.44	Nil	3.44
12.	Development of tourist infrastructure including Ghat and jetties along the Brahmaputra Riverways	6.59	0.13	Nil	0.13
13.	Central Financial Assistance for IT projects	0.50	0.45	Nil	0.45
Total		24.63	12.97	0.47	12.50

It was observed that out of the 13 projects listed in the *Table 2.1.5*, 8 projects⁴⁰ could not be implemented due to land not being available, although the Company had given assurance regarding land availability at the proposal stage of these projects. The project funds relating to remaining 5 projects were, however, refunded to reduce the pendency of UCs against earlier GoI fund sanctions. As discussed under *paragraph 2.10.3 supra*, GoI did not sanction any projects during 2012-13 and 2013-14 due to delay in completion of projects and failure of submission of UCs against the projects which were sanctioned during earlier periods.

In reply, GoA stated (October 2015) that prior confirmations were obtained from DCs regarding availability of land. During the implementation of the projects, however, the DCs failed to provide the lands citing local problems and encroachment *etc.*

The reply was indicative of the fact that no proper survey was done by the Company nor the actual possession of land was taken before submission of proposals, which was a pre-requisite for timely completion of projects.

Implementation of tourist-friendly measures

2.11 According to the State Tourism Policy, all the roads leading to the tourism destinations were to be marked by internationally accepted road signage. Further, each major tourism destination was to have a properly designed souvenir shop. The said souvenir shops were to develop and provide authentic designs of local art and craft forms with the help of local entrepreneurs in a way that the tourists could easily carry them as mementos. Further, the safety and security of the tourists visiting the State was to be accorded highest priority and accordingly, GoA was to put in place appropriate mechanism for this purpose. In this connection we observed the following:

Lack of souvenir shops

2.11.1 GoA issued (December 2011) instructions to DoT/Company for inviting Expression of Interests (EoI) for creation of souvenir shops. After a lapse of more than 3 years, the Company requested (March 2015) its field offices for identifying spots for creation of souvenir shops. In response, few proposals were received from field offices. No further action was taken in the matter till date (October 2015).

In reply, GoA stated (October 2015) that the process of setting up of souvenir shops would be taken up soon in important tourist locations.

⁴⁰ Sl. No. 1,2,3,4,5,6,9 and 10 of *Table 2.1.5*

The fact, however, remained that in the absence of souvenir shops, there was an opportunity lost by the Company to encourage employment opportunities through sale of local crafts and textiles.

Lack of tourist friendly facilities and information centres

2.11.2 An analysis of the websites of the DoT/Company along with virtual guide available on the website of Lonely Planet and other guides/websites showed that the literature/reference in the websites of GoA and the Company was not exhaustive and merely provided brief summary of a few tourist destinations. As could be noticed from the official websites of countries⁴¹ and Indian states⁴², a host of information relating to ATMs, banks, healthcare centres, phone and postal services, foreigner information desks, booking facilities, exhaustive guides and lots more were available on these websites. All such information, which could be very useful for the tourists were, however, completely missing in the website of the DoT/Company.

Further, in a survey⁴³ of 100 tourists conducted (October 2015) during the course of Audit, visitors (51 *per cent*) complained about Tourist Information Offices (TIOs) not having adequate stock of literature, brochures and other tourist reference books.

In this regard, it was observed that the Company could not avail GoI funds for development of a standard design of signage, or story board, in Assam along the National and State Highways. The proposal submitted (December 2011) by the Company for development of a standard design of signage, *etc.* at a cost of ₹ 8.00 crore was also not sanctioned by GoI due to failure to submit Utilisation Certificates (UCs) for earlier sanctions as discussed in **paragraph 2.10.3 *supra***. The Company also didn't place the same proposal to the GoA towards the same for reasons not on records. This indicates a casual approach towards an important aspect of tourist friendly measures on part of DoT and the Company.

In reply, GoA stated (October 2015) that during the last part of 2014-15, an amount of ₹ 10.00 lakh had been spent for installation of signage on selective locations. It also stated that steps were being taken to improve availability of brochures and other literature as also tie up with leading magazines to publish comprehensive handbooks on Assam.

The Company may, however, need to make more efforts to provide first hand tourist information on various platforms, including cyberspace so as to help tourists and make the State more tourists friendly.

⁴¹ Malaysia, Singapore, Dubai

⁴² Kerala and Sikkim

⁴³ Tourist lodges at Silchar, Tezpur, Kaziranga, Jorhat, Nagaon, Pobitora, Guwahati

Tourist information centres

2.11.3 Absence of an up-to-date information system with quick retrieval facilities leads to poor tourist facilitation. According to the State Tourism Policy, the quality of available tourist facilities was to be improved and proper visitor information and interpretation centres established at each tourist place. Under the latest available technology, information kiosks or

In Uttaranchal, Goa and West Bengal, the Tourism Departments had installed touch screen kiosks to impart information to tourists. For dissemination of tourism information, a Call-Centre with a National Toll-Free Number had also been set up and a number of Touch Screen information kiosks installed in Bangalore airport and railway stations.

booths, which dispense free information in the form of maps, pamphlets or other literature, had been very useful for the tourists. The most notable feature of the kiosks and new technology was to enable the tourists to directly bargain with facility providers without involvement of any agents, touts and middlemen.

The DoT/Company had total 17 Tourist Information Offices (TIOs) (including 4⁴⁴ TIOs outside the State) attached with the lodges of the DoT/Company. The TIOs within the State were functioning under the officers-in-charge of respective lodges. In this connection the following observations are made:

Irregular payment even without installation of information kiosks

2.11.4 For providing better tourist information, DoT awarded (May 2010) the work for supply and installation of interactive Touch screen Information Panel to M/s Kit & Consultancy Services (Supplier) for ₹ 45.00 lakh. The Supplier delivered the materials during July 2010. It was, however, observed that although the equipment was pending for installation, DoT issued (July 2010) the work completion certificate and released (July-October 2010) the entire payment to the Supplier. GoA, thereafter, sanctioned (January 2014) another ₹ 5.00 lakh to complete the project but the fund lapsed due to inability of DoT to draw the money in time.

The irregular payment even without completing the installation of the equipment raises doubts on the intentions behind procurement and utilisation of the system involving significant investment of ₹ 45.00 lakh. As the money was already released to the supplier, it was a loss to the exchequer.

In reply, GoA accepted (October 2015) the above facts and stated that the kiosks were lying idle owing to lack of trained manpower. It was further stated that the process of installation of the system has been initiated now.

⁴⁴ Kolkata, New Delhi, Mumbai, Siliguri

Online booking system was not operationalised

2.11.5 A. The Company incurred ₹ 29.23 lakh for installation of hardware and software for online booking in its lodges⁴⁵ and its offices (December 2006). The trial run was successfully done by the software agency (January 2007). In spite of repeated requests (January 2007) from the software agency to operationalise the project, the Company did not show any interest for reasons not on records. GoA suggested (December 2013/June 2014) for implementation of the online booking service by October 2014 by re-utilising the earlier software. The Company, however, preferred (March 2014) to invite fresh tenders for development of software for online booking system without noting any specific reason. No further action was found to have been taken in this regard. Thus, the inaction on part of the Company led to a wasteful expenditure of ₹ 29.23 lakh.

In reply, GoA stated (October 2015) that funding provision has been incorporated in the current budget and also assured that project would materialise as soon as funds were available. They are silent on the funds already spent and the work already done in this regard.

B. GoI sanctioned (September 2011) ₹ 50.00 lakh and released ₹ 45.00 lakh (January 2012) for networking of all the tourist lodges in the State for the purpose of online booking of the lodges. GoA, however, sanctioned (November 2013) and released the amount (March 2014) after a huge delay owing to administrative lapses in drawing the money. The money finally drawn was, however, refunded back to the GoI (May 2014) by the Company without execution of any work. The Company cited the reason that GoI stopped sanction of funds for 2012-13 and 2013-14 due to pending UCs relating to earlier sanctions. Thereafter, the Company did not send any fresh proposals to the GoA or GoI nor initiate further action in the matter (October 2015).

Thus, despite availability of project funds, the Company failed to operationalise the 'online booking system' of lodges due to its inability in utilising the GoI funding. The casual approach shown in this regard has led to the tourists being deprived of online booking facilities which is a basic requirement of tourism these days.

In reply, GoA stated (October 2015) that a proposal has been moved recently for sanction of funds for networking of tourist lodges and online booking, and the work would start once the funds were available.

⁴⁵ Guwahati, Kaziranga, Bhalukpong

Tourist Police

2.11.6 GoI mooted (July 2008, July 2014) a proposal to have a separate Tourist Police with one Tourism police station and five Tourism police kiosks in five major tourist places having highest footfalls⁴⁶. The police stations were to ensure safety and well-being of tourists visiting the places. Although, the GoI had reiterated (July 2014) its proposal regarding the separate Tourist Police/Police stations, no concrete action was noticed to have taken in this regard by GoA/DoT/Company so far (October 2015).

States like Odisha, Goa, Kerala, Rajasthan, Maharashtra, J&K and Andhra Pradesh had set up Tourist Police exclusively for providing safety and security to the tourists so as to prevent them from being cheated, harassed, etc.

The President of the Hotel Owners' Association had also stated (May 2015) that although the law and order situation in Assam had improved a lot, but the negative perception prevailing about the State needed to be changed. For the purpose, it was further suggested for the Media to be careful about the negative portrayal about the State so as to reduce the negative publicity among tourists.

In reply, GoA accepted (October 2015) the facts and assured that the proposal for creation of Tourist Police Station would be submitted to GoA soon.

Tourist helpline and task force

2.11.7 Based on a suggestion by GoI (May 2008), GoA suggested (June 2010, January 2011) the DoT/Company for creation of a Task Force and provision of toll free helpline telephone number for tourists so as to allay fears among foreign tourists about the region and encourage them to visit the State. The Company accordingly, initiated (October 2014) the process of obtaining a toll free number from BSNL to assist the tourists. No further action was, however, seen to have taken on record in this regard (October 2015).

In reply, GoA stated (October 2015) that steps were being initiated to take-up the matter with BSNL afresh for implementation of the project.

Radio taxi services

2.11.8 As Guwahati city did not have a regular cab service, the Company planned (May 2012) to launch a dedicated Airport Radio Taxi Service under PPP model on revenue-sharing basis initially for a period of three years. The vehicles were proposed to have equipped with

Goa Tourism Development Corporation operates a Radio Taxi Service exclusively for women and families since October 2014. The service operated by local women offers safe and excellent travel facilities to tourists visiting the state.

electronic meter-cum-printer, roof-top signs,

⁴⁶ wildlife sanctuaries at Kaziranga, Manash, Pobitora and Dibru-saikhowa, and the Kamakhya Temple

digital road map, GPS device and other related accessories. The project was intended to solve the transport related problems faced by tourists while travelling from the airport to the city. The Company planned to make the fare competitive, yet keep it relatively affordable to make it a popular form of public transport.

Accordingly, the Company submitted a detailed proposal to the GoA (July 2012) for operation of Radio Taxi service with an outlay of ₹ 4.50 crore in PPP mode, to provide reliable, timely and safe cab services. However, no further development was found on record in this direction (October 2015).

In reply, GoA stated (October 2015) that the scheme could not be materialised due to project not being sanctioned. The reply was, however, silent on the reasons behind this and what alternative transportation the GoA/Company planned to provide to tourists arriving at Guwahati Airport.

Construction of public conveniences

2.11.9 NABARD sanctioned (March 2010) loan of ₹ 8.30 crore for construction of 50 public conveniences and released ₹ 2.49 crore (November 2010) as mobilisation advance to the GoA with condition to complete the work by March 2013. The loan carried interest at the rate of 6.5 *per cent* per annum. The Company decided to implement the project (June 2010) through Sulabh International Social Service Organisation (SISSO) and accordingly requested GoA to release the fund to the Company. It was, however, noticed that no decision could be taken as to how the project would be executed till January 2012. GoA directed (January 2012) the Company to execute an agreement with SISSO for implementation of the project.

Contrary to the directions of GoA, however, the Company invited (January 2012) EOI for construction and maintenance of 50 units of public convenience which had to be cancelled (July 2012) as none of the bidders had past experience in such project. After wasting almost one year, the Company entered (December 2012) into an agreement with SISSO for execution of the project. The project was scheduled to be completed within 9 months (September 2013). The Company initially provided (December 2012) SISSO, the required land for construction of 10 units of public convenience. The construction work of remaining 40 units of public convenience, however, could not be taken up due to land not being available. Till October 2015, SISSO could complete the construction of only 4 units and the work of remaining 6 units was under execution (October 2015).

Thus, due to indecisive approach of the Company in implementation of the project, the benefits of the scheme could not be derived to the full extent. In addition, the GoA would have to bear interest liability of ₹ 0.74 crore on unutilised portion of NABARD loans for the period from November 2010 to October 2015.

In reply, GoA accepted (October 2015) that 40 units of public convenience could not be taken up due to land problems. The reply was, however, also silent on the reasons behind the initial indecision on the project.

Construction of Wayside Amenities Centres

2.11.10 With a view to enable the tourists to relax and refresh in between their travelling and make their travel on highways a better experience, GoI sanctioned an amount of ₹ 7.31 crore for construction of 10 Wayside Amenities Centres (WAC) along National Highways across the State. The move was to enable travellers to relax and refresh between tours. The WACs were intended to have facilities like food courts, restaurants, internet facilities, ATM, souvenir shop-cum-information kiosk, child care facilities and rest rooms for short stay and space for parking. The project was scheduled for completion within 24 months (December 2012) from the date of sanction (December 2010).



Wayside Amenity Centre, Numaligarh

It was, however, observed that out of 10 WACs proposed under the project, the Company could complete only 4 WACs till date (October 2015) while work relating to one WAC was dropped due to land problems. Further, the works relating to remaining 5 WACs were ongoing and could not be completed even after lapse of almost 5 years of sanction of scheme mainly on account of land related issues. This deprived the tourists of the much needed amenities between their tours.

In a survey of 100 tourists⁴⁷ conducted during the course of Audit, it was further noticed that 61 *per cent* of the tourists were not satisfied with the quality of rest rooms and restaurants in the State. It was also noticed that out of the 100 tourists surveyed, 67 *per cent* tourists complained about inadequacy and unhygienic conditions of the restaurants. Considering the above facts, the Company also needed to complete the ongoing WACs at the earliest and also to develop more WACs based on requirement ensuring proper hygiene and quality services in their operations.

In reply, GoA stated (October 2015) that necessary steps were being taken up with district administration to sort out the land related issues.

⁴⁷ Kaziranga, Bhalukpong and Tezpur

Wayside Amenity Centre at Jagiroad

2.11.11 Wayside Amenity Centre at Jagiroad was constructed (1995) at a cost of ₹ 19.51 lakh and subsequently leased out to a private party. The lessee did not pay its dues amounting to ₹ 1.00 lakh since inception citing inconvenient location. For widening of the NH 37 (June 2008) a portion was demarcated for dismantling by NHAI. Although the Company decided to let out the remaining portion, no party has responded and the centre remain abandoned. In reply, GoA stated (November 2015) that the renovation work had been included in a scheme of GoI, which was yet to be sanctioned. The Company should take steps to revive the project

Marut Nandan Kanan, Na pukhuri park restaurant

2.11.12 Marut Nandan Kanan, Na pukhuri park restaurant was completed at a cost of ₹ 25.00 lakh. The Company invited (July 2006) tender for operating the same. Due to no response from any party the Company selected (November 2006) one party at the recommendation of the Tinsukia Municipal Board. However, the party did not respond to operate the same and the project lies idle till date (October 2015). This had indicated that the selection of the site was not viable, and the investment has become infructuous as the project has become abandoned.

The reply by GoA was silent on these observations.

Development of tourism circuits

2.12 As per the Tourism Policy, more state circuits were to be identified for comprehensive development with appropriate linkage to the national circuits so that tourists had options of choosing their interest. Other tourism circuits were to be developed, concentrating on the strengths of Assam's tourism attractions.

In this regard, it was seen that GoA notified (July 2014) 8 tourist circuits (including 3 pilgrim circuits) for development. It was observed that no systematic procedure was followed in the selection process and no exercise was found on records for circuit-wise identification and prioritisation of projects for development. It was further seen that a project proposal (Tawang Mega Circuit-project cost ₹ 8.00 crore) submitted (February 2013) by the Company was not sanctioned by GoI due to failure to submit UCs against earlier projects as discussed in **paragraph 2.10.3 supra**.

In a survey of 100 tourists⁴⁸ conducted during the course of Audit, it was noticed that a major portion of the tourists preferred wildlife tourism (26 per cent), followed by religious tourism (13 per cent). This was indicative of fact that wildlife and religious tourism were the core

⁴⁸ Kaziranga, Bhalukpong and Tezpur

areas for the Company to focus on developing tourism in the State and care should have been taken for development of tourist circuits. The achievements of the Company on developing tourism in the major categories viz. wildlife, river, wetlands, culture, heritage, rural, handicraft, adventure, tea and golf as envisaged in the State Tourism Policy have been discussed in subsequent part of the Report.

Monsoon Circuit

2.13 We further observed that although GOA instructed (June 2011 and March 2014) the Company to submit a concept report on Monsoon circuit so as to boost tourism during the off-season, no such initiative was found to have taken by the Company on record.

To promote monsoon tourism, during June and July, Kerala and Goa Tourism had been offering discounts as also luxury tax rebates during the monsoons the discounts so offered ranged upto 30 per cent.

In reply, GoA stated (October 2015) that the work of preparation of off-season tourism circuit including Monsoon Tourism was under process.

Wildlife Tourism Circuits

2.14 Wildlife tourism was one of the main attractions of Assam. Accordingly, GoI had prioritised the scheme for development of a Mega Wildlife Circuit (Manas-Guwahati-Orang-Nameri-Kaziranga-Jorhat-Sibsagar - Majuli) in Assam during 2011-12, which proposed to cover 21 National parks, wildlife and bird sanctuaries as well as reserve forests at estimated project cost of ₹ 49.40 crore. The project, however, could not be taken up as the GoI did not sanction the project due to failure to submit UCs by the Company against earlier sanctions of GoI as discussed in *paragraph 2.10.3 supra*.

Table 2.1.6 below indicates the inflow of tourists in five National Parks in the State during the five years from 2009-10 to 2013-14⁴⁹.

Table 2.1.6

Year	National Parks					Total
	Kaziranga (per cent)	Manas (per cent)	Orang (per cent)	Dibru-Saikhowa (per cent)	Nameri (per cent)	
2009-10	1,12,844 (87)	8,169 (6)	1,953 (1)	2,675 (2)	4,688 (4)	1,30,329
2010-11	1,19,839 (85)	11,346 (8)	1,882 (2)	2,391 (2)	4,812 (3)	1,40,270
2011-12	1,24,829 (79)	19,942 (13)	2,837 (2)	4,012 (2)	6,058 (4)	1,57,678
2012-13	1,01,165 (80)	16,108 (13)	1,917 (1)	2,675 (2)	4,898 (4)	1,26,763
2013-14	1,26,211 (79)	20,738 (13)	2,345 (1)	4,284 (3)	6,672 (4)	1,60,250
Total	5,84,888 (82)	76,303 (11)	10,934 (1)	16,037 (2)	27,128 (4)	7,15,290

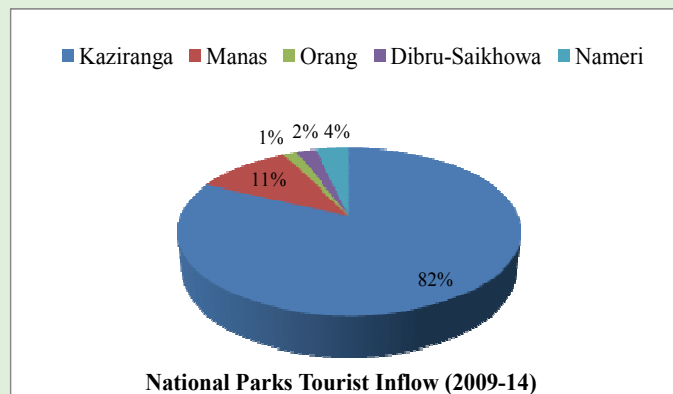
Source: PCCF (Wildlife), Economic Survey, Assam

⁴⁹ Data for 2014-15 not yet published (September 2015)

It could be seen from the **Table 2.1.6** that during 2009-14, Kaziranga National Park recorded the highest tourist flow (82 *per cent*), while the *percentage* increase in tourist inflow in Manas National Park was the highest, which rose by 154 *per cent* in 2013-14 compared to 2009-10. In past, the Manas National Park was known to be an extremist affected location. The situation, however, had improved significantly during previous few years and the tourists had started visiting the park again. Thus, the increase of tourists in Manas National Park could be attributed to the improvement in law and order situation in and around the place which could be publicised and emphasized for improvement of tourism in other parts of the State.

The inflow of tourists in the National Parks during 2009-10 to 2013-14 has been depicted in the **Chart 2.3** below:

Chart 2.3



Off-season activities around National parks

2.14.1 As tourists in Assam had been largely attracted towards wildlife tourism, the Chief Conservator of Forest (Wildlife) suggested (January 2005) the DoT/Company for introduction of additional activities around or beyond the periphery of National parks during the off-season (April to September), when the national parks remain closed. The same would also extend the duration of tourist visit and stay. It was, however, observed that even after lapse of more than 10 years of the suggestion made by the CCF, no action in this regard was found to have taken by DoT/Company on record.



In reply, GoA stated (October 2015) that development of activities around or beyond the periphery of the National Parks/Wildlife sanctuaries was under active consideration to boost tourism during the off-season.

Funds for wildlife circuit not utilized

2.14.2 Based on the proposal of the Company, GoI released (2008-09) ₹ 2.66 crore for development of Tourist Circuit (Dibru-Saikhowa National Park, Makum-Margherita-Digboi). The Company, however, dropped (July 2013) the project and refunded the entire amount citing unavailability of the project land. It was observed that the Company while sending proposals to GoI for development of the project had provided the mandatory land availability certificate. As such dropping the projects on the ground of unavailability of land was self-contradictory. As discussed under *paragraph 2.9.4 supra*, the issue of delay in execution of projects was due to unavailability of land had been of major concern for GoA/Company. The matter had also come up for consideration of GoA from time to time to find some feasible solution. No significant and fruitful results were, however, seen on records in the absence of adequate coordination and persuasion at the level of the Deputy Commissioner, Land and Revenue Department, GoA.

In reply, GoA stated (October 2015) that owing to failure of DCs to handover land to the Company because of local problems and encroachment resulted in the project being dropped. The fact, however, remained that the Company submitted proposals based on the certificates provided by the DCs. Hence, return of project fund citing unavailability of land established the fact that the project proposals were submitted by the Company without conducting appropriate feasibility study and without obtaining the possession of project land leading to delay and dropping of the projects after sanction.

Creation of tourist facilities at Kaziranga Complex, Phulaguri

2.14.3 GoI sanctioned (2008-2009) ₹ 2.42 crore for beautification and creation of tourist facilities at Kaziranga Complex at Phulaguri. The Company later prepared two estimates, one for construction of cottages, street structure, kiosk, jogging track, retaining wall, street lighting *etc.* for ₹ 1.59 crore (first work) and another for interior and services work for existing conference room for ₹ 0.54 crore (second work). The Company issued work orders (June 2010) for execution of first and second works in favour of Assam Valley Construction Company (AVCC) and M/s G.L Agarwalla (GLA) at their lowest quoted rates of ₹ 1.57 crore and ₹ 0.52 crore respectively. The works were to be completed within 15 months of issuing (June 2010) of work orders *viz.* by September 2011. The site was handed over to AVCC (January 2011) and till date the company had released ₹ 0.98 crore to the firm.



Kaziranga Complex Phulaguri



Phulaguri Rooms

It was observed that AVCC completed the construction work of all the four cottages but did not complete the remaining works despite repeated reminders by the Company. Further, AVCC had unauthorisedly operated (September 2013) two cottages through GLA without any intimation to the Company. AVCC had not handed over the possession of the cottages to the Company till date (October 2015). It was, however, observed that despite no response from AVCC to the reminders of the Company for completing the remaining works as well as leasing out of two cottages without authorisation, the Company had not initiated any legal course of action against AVCC as per the contract terms. The Company had also not terminated the Contract with AVCC, which was tantamount to extending undue favour to AVCC.

It was also observed that many items of works included in the estimates like installation of public address system and civil works were not envisaged in the project sanctioned by GoI. The work order given by the Company also did not include Ring Fountain and supply of paddle boats, which were sanctioned by GoI.

As regards the second work, it was noticed that the work was not commenced by GLA, despite reminder (July 2014) of the Company. Accordingly, the Company had terminated (May 2015) the work order. It was observed that both the works were lying in incomplete condition despite spending substantial amount of ₹ 0.98 crore.

In reply, GoA stated (October 2015) that the process of leasing out the cottages completed under first work has been initiated. As regards the second work, it was stated that the remaining works would be completed after executing a working estimate. The Company needed to take immediate action for completing the two works so as to fruitfully utilise the new infrastructure to generate additional revenue.

River Tourism Circuit

2.15 The mighty Brahmaputra river and its many tributaries, have immense potential for tourism development in the State, like, river cruises connecting the tourism destinations. Further, abundant water resources and unique waterways of the State was to be harnessed to provide an unforgettable experience of leisure

Kerala Tourism has launched innovative products like houseboats, tree houses and identified backwaters and Ayurveda as core sectors to focus and highlight.

In West Bengal river cruises operated throughout the year and connect different states like Bihar, Odisha, and Andhra Pradesh.

tourism. Aiming at mid-income and low-income groups, GoA directed (December 2013) the Company to submit plans and estimates for development of cruises. The Company, however, had not submitted the proposals to GoA in this regard so far (October 2015). In this connection, following observations are made:

Lapses in destination development of river Brahmaputra

2.15.1 During the years from 2006-07 to 2011-12, GoI sanctioned an amount aggregating ₹ 14.94 crore for development of 5 projects⁵⁰ under Destination Development Scheme on the Bank of River Brahmaputra. The Company, however, could complete only one project relating to of construction of luxury cruise vessel. The funds relating to other two⁵¹ projects were refunded citing that they were not feasible or project land not being available. The remaining two projects⁵² were stalled due to objections raised by PWD (Roads) and lack of cooperation by Forest Department. The case study in respect of 3 out of the above 5 mentioned projects has been presented below.

Ongoing projects

2.15.2 GOI sanctioned (December 2009) ₹ 2.01 crore for the project 'Destination Development on the Bank of River Brahmaputra at Guwahati'. The project included two components viz. Development of tourism facilities at Kharghuli Hill top and Ethnic Village on the outskirts of Guwahati city. In this connection, following observations are made:

Tourism facilities at Kharghuli Hill Top



2.15.3 A. GoI released (December 2009) ₹ 1.56 crore for Development of tourism facilities at Kharghuli Hill top at Tai Samaj Complex (₹ 0.90 crore) and Ethnic Village on the outskirts of

⁵⁰ Bramhaputra riverfront development, Cruise vessel project, Ghats & Jetties project, Kharghuli hill top beautification and Ethnic Village at Guwahati

⁵¹ Creation of ghats/jetties and ethnic village at Guwahati.

⁵² Kharghuli hill top beautification (2009-10) and Bramhaputra riverfront development (2006-07)

Guwahati city (₹ 0.66 crore) to be completed within 24 months from the date of sanction (December 2009), viz. by December 2012. It was, however, observed that after a lapse of two years from release (December 2009) of funds by GoI, the Company allotted (December 2011) the work to the Contractor (viz. Hiten Dutta) at a contract value of ₹ 0.70 crore and also handed over (January 2012) the site. The Contractor, however, had to stop (June 2013) the work as the approach road to the project site was closed by Public Works Department for repairing the road. No further progress in the project work was noticed thereafter and the project remained incomplete after spending an amount of ₹ 0.18 crore (October 2015). The reply of GoA that the work was stopped due to closing of approach road by PWD is not convincing as more than two years have passed since stopping of the work.

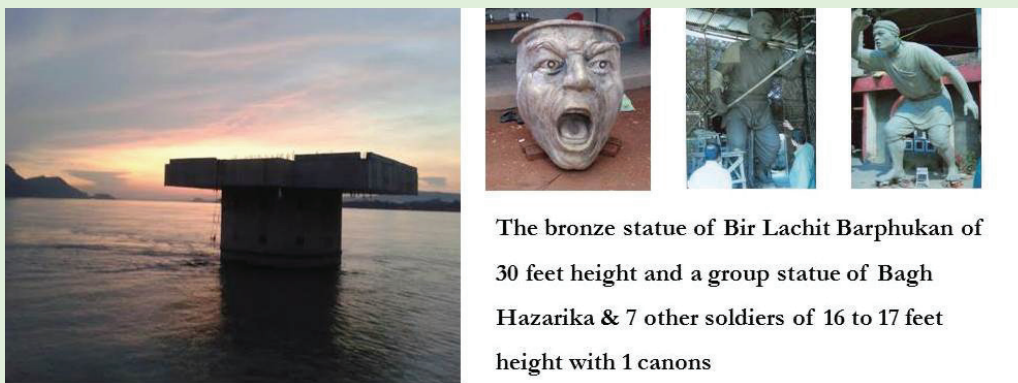
Ethnic Village on the outskirts of Guwahati City

B. For execution of the Ethnic Village on the outskirts of Guwahati city, the Company issued four separate work orders at total contract value of ₹ 0.42 crore. It was observed that excepting the construction of boundary wall at a cost of ₹ 0.02 crore, no other work could be taken up as the site was being encroached and illegally occupied by Forest Department till date (October 2015). Taking note of the abnormal delay in execution of work, the State Level Monitoring Committee (SLMC) instructed (June 2015) the Company to sort out the matter with PWD Commissioner and the Forest Department and resume work on both sites immediately. No further development was, however, seen in the matter till date (October 2015).

It was, however, observed that the Company had submitted (February 2014) the UCs for ₹ 1.10 crore to the GoI as against the actual expenditure of ₹ 0.20 crore incurred on two projects.

In reply, GoA stated (October 2015) that PWD had been requested for early completion of the project road and necessary steps have been initiated to resume execution of the works. However, the reply is silent regarding re-sanction of the project as the original fund allotted had already been refunded to the GoI. Thus, due to taking up of projects prior to consultation with the concerned departments, it had delayed the project considerably.

Installation of statue of Bir Lachit Borphukan on river Brahmaputra at Guwahati



The bronze statue of Bir Lachit Barphukan of 30 feet height and a group statue of Bagh Hazarika & 7 other soldiers of 16 to 17 feet height with 1 canons

2.15.4 The Company decided to erect statues of Lachit Borphukan⁵³ and his soldiers on the bank of Brahmaputra and make it a tourist attraction in the city of Guwahati. The work for installation of statue was offered (February 2011) to Shri Biren Singha (Artist) at his quoted amount of ₹ 1.86 crore, without inviting any tenders or EoI or analysing the market rates of items or the quantities required. The work was scheduled for completion within 18 months from the date of Agreement (August 2011) *i.e.* by January 2013.

The Artist at a meeting of the Project Monitoring Committee (Committee), requested (May 2012) to allow him increase in the value of the work due to increase in prices. The Committee, however, decided the details to be worked out jointly between the Artist and the Company after examination of market prices and other relevant factors. It was, however, observed that despite instructions of the Committee to analyse the market price for the work, no such exercise was carried out by the Company. The Artist submitted (November 2012) a revised estimate of ₹ 3.95 crore, which was approved by the Committee. As the Company had accepted the rates and quantities of work quoted initially by the Artist without analysing the market rates or the quantities required, or any tender, accepting the revised estimate quoted by the Artist had resulted in an additional benefit of ₹ 2.09 crore to the Artist.

The work remain incomplete even after sanction of the additional amount (May 2014) and the Company in their unit level reply had attributed the delay in completion of the project on slow progress of work by the Artist, as well as paucity of funds faced by the Company.

In reply, GoA stated (October 2015) that the estimate was approved by the Artists Guild and the Project Monitoring committee and the work would be completed soon.

The fact, however, remained that no market survey was done by the Company before agreeing to the price hike proposed by the Artist ignoring the instructions of the Committee in this regard.

⁵³ In the Battle of Saraighat that took place (1671 AD) on the banks of the Brahmaputra, Lachit Borphukan and his soldiers had bravely fought and stopped the Mughal Army from entering into the State.

Hence, acceptance of the revised estimate of the Artist without independent evaluation of the estimate could not be considered to be a prudent decision on part of the Company/Committee.

The Company, however, needed to take appropriate steps to complete the project at the earliest so as to derive the intended benefits of the project.

Projects stalled due to irregular diversion of funds



Nagaon Tourist Lodge



Beautification of River Kolong

2.15.5 GoI sanctioned ₹ 3.23 crore and released ₹ 2.58 crore (2008-09) for beautification and creation of tourist facilities at Kolong River under development of Kaliabor-Jakhalabandha-Nagaon circuit. The Company, however, spent only ₹ 1.44 crore for the project and diverted the balance of ₹ 1.15 crore on construction of Tourist Lodge at Nagaon, being executed under the State plan by District Rural Development Authority⁵⁴ (DRDA) without the concurrence of GoI. Works on both the projects, however, had stopped (August 2013) due to fund constraints and remained incomplete till date (October 2015). It was, however, observed that the Company had not initiated any proposal to seek additional funds from GoA for completion of the two projects. As a result, both the projects involving investment of ₹ 3.48 crore⁵⁵ as of October 2015 were lying idle and unutilised. During the field survey (June 2015), we noticed that the assets and other infrastructure created under two projects were deteriorating and open to risks of further damages and losses.

Thus, due to unauthorised diversion of project funds by Company, the investment of ₹ 3.48 crore in two projects remained blocked for more than two years and frustrated the very objective for which it was intended.

In reply, GoA stated (October 2015) that the tendering process has once again been initiated to complete the projects.

⁵⁴ GoA sanctioned an amount of ₹ 70.00 lakh for Construction of Tourist Lodge at Nagaon under the state plan.

⁵⁵ ₹ 1.44 crore (GoI project) plus ₹ 2.04 crore (DRDA project) as of September 2015.

Completed project

Luxury Cruise Vessel



MV Mahabahu in River Bramhaputra

2.15.6 The MV Mahabahu was developed for high end river tourism under Public Private Partnership (PPP) mode by the private partner, M/s Far Horizon Tourism Projects Pvt. Ltd. (FHTPL) and was in operation. As per the agreement, FHTPL was to liable pay rent of ₹ 36.16 lakh per year with effect from September 2009. It was, however, observed that FHTPL was not regular in payment of their dues. FHTPL had refused to pay the rental dues during the period from February 2012 to September 2013 citing operational difficulties. As of June 2015, the total dues of FHTPL stood at ₹ 1.10 crore comprising of the lease rent, penalty and minimum interest on delayed payments. On the directions of the GoA/BoD, the Company formed (March 2015) a Committee to examine and find an acceptable solution in the matter. The issue, however, remained to be resolved (October 2015). The Company also had never explored the option of initiating any legal course of action in this matter to recover its dues.

In reply, GoA stated (October 2015) that FHTPL had been requested to settle the dues. The fact, however, remained that the inaction on part of the Company for recovery of its dues tantamount to extending of undue favour to FHTPL and responsibility needs to be fixed.

Alternative ferry services for Majuli not provided

2.15.7 Majuli is the largest fresh water mid-river deltaic island in the world with very rich heritage and has been considered to be the abode of Assamese Vashnavite culture with tremendous option for spiritual and Eco-tourism. There were two commercial ferries in operation from Jorhat⁵⁶ to Majuli. The normal time taken to reach Majuli by ferry was around one and a half hours. In this connection, following observations are made:

- Based on the proposal of the Company, GoA sanctioned (March 2012) an amount of ₹ 10.00 crore for introduction of Catamaran Ferry service on river Bramhaputra from

⁵⁶ The nearest starting point for Majuli

Guwahati to Majuli. The project, however, could not be taken up due to inability of DoT to draw the sanctioned funds in time. Reasons for this were not on record. Based on further request of the Company (April 2013), the DoT requested (January 2014) the GoA to re-sanction the funds for the project. The GoA, however, had not responded on the request of DoT till date (October 2015).

- Based on the advice (June 2010) of the State Chief Minister, the Company submitted (April 2013) proposal for introduction of river cruise service in Majuli island at a cost of ₹ 2.00 crore after almost three years of suggestion made by the Chief Minister. The proposal, however, had not been sanctioned by GoA till date (October 2015) for reasons not on record.

The above cases highlighted lack of initiative on part of the DoT/Company officials in planning of the river cruises projects. As a result, the projects, which had the potential of generating considerable revenue for the State and opening up the potential of Majuli as a tourist destination could not take off. Considering the inconvenience caused to the tourists, both the projects were needed to be implemented on priority.

The reply of the GoA was silent on the observations raised by Audit.

Wetlands and Lake Tourism Circuit

2.16 In Assam, many of the inland wetlands (*'beels'*) across the State such as Deepor, Samaguri, Sivasagar, Kaziranga, Pobitora, Urpod, Dalani, Tamranga, Dhir and Sonbeel had tremendous potential of becoming major tourist attraction. Framing of appropriate protocol/guidelines for development of tourist infrastructure in an eco-friendly manner was essential for optimising the tourism activities in and around lakes. The GoA had also instructed (June/July 2011) DoT/Company to take up the subject of conservation and preservation of wetlands with Guwahati Development Department. The GoA had further suggested (December 2013) DoT/Company for preparing a Master Plan for development of infrastructure in major wetlands. No action was, however, found to have taken on records by the DoT/Company on the suggestion of GoA. In this connection, following observations are made:

Assets lying idle

Boating and ropeway facilities at Samaguri Lake



Ropeway Samaguri lake

Samaguri lake Viewpont

2.16.1 Two projects of boating facilities and mini passenger ropeway at Samaguri Lake in Nagaon district, were completed by the Company during July 2009 and May 2014 respectively, at a cost of ₹ 0.18 crore and ₹ 1.36 crore respectively. Both the projects, however, were not operational due to poor response of bidders leading to the investment of ₹ 1.54 crore remaining unfruitful.

In reply, GoA stated (October 2015) that the tendering process has been initiated once again to lease out the project.

The reply is not tenable as poor response from bidder was indicative of improper selection of project site as well as lack of concerted efforts on part of the Company to promote the project. No consultant was found engaged to guide the Company appropriately in this regard.

Tourist Recreational Centre at Ramnagar Anwa, Silchar

2.16.2 Tourist Recreational Centre at Ramnagar Anwa, Silchar, including jetty, cafeteria, landscaping and houseboat was completed during September 2009 at a cost of ₹ 87.00 lakh. DC Cachar executed the work in the lake owned by Assam Fisheries Development Corporation (AFDC) without permission of AFDC. AFDC (December 2007) requested to stop the project initiated by the Company as AFDC also undertook an eco-tourism project in the said area. The Company, however, went ahead and invited (May 2010) tenders for operation of the restaurant and the houseboat.

Subsequently, the Company had to put the project on hold due to a court case filed by the Contractor to whom the lake was leased out by AFDC. It may be mentioned that, the Inland Water Transport department, reported (April 2010) that the deck of the boat was broken due to severe storm and there was further possibility of damages unless the same is maintained properly. Audit also observed during survey (June 2015) that only the dilapidated ruins of the base of the boat and all other assets created remained in the lake.

Reply of GoA was silent on this issue.

Refund of funds due to cost overrun

2.16.3 GoI released (May 2011) ₹ 2.78 crore to GoA for development of Samaguri lake. It was, however, noticed that the GoA had delayed releasing of project funds to the Company by 31 months for no reason on records and released the same in December 2013. As a result the Company had to refund (February 2014) the project funds to GoI citing cost overrun issues. Hence, the project could not come up due to unjustified retention of Central project funds by GoA.

In reply, GoA accepted (October 2015) that there was delay on part of DoT in drawal of released fund from the State Exchequer. The reply was silent on reasons for not drawing the fund in time. This indicated the DoT's casual approach in drawing and releasing of the project fund to the Company.

Religious Tourism Circuit

2.17 The State Tourism Policy envisaged that pilgrim friendly management arrangements would be introduced to make visits to Kamakhya temple a worthwhile experience. The Policy also suggested 'Hajo' as another centre where people from three religions *i.e.* Hindus, Muslims and Buddhists come for pilgrimage.

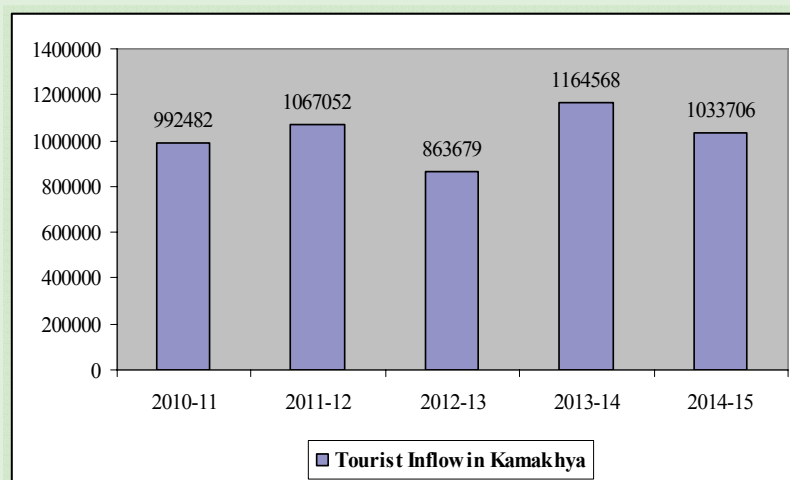
The Ambubachi Mela could be developed further through proper and timely planning and promotion in line with the Pushkar Mela in Rajasthan and the Kumbh mela in Uttar Pradesh so as to enable tourists to plan their visit in time.

Although, GoI prioritised the scheme for development of a Pilgrim Circuit in Assam (2011-12) at estimated cost of ₹ 8.00 crore, the project was not sanctioned due to recurring failure of the Company in submission of UCs against earlier sanctions of GoI under **paragraph 2.10.3** *supra*. The Company had submitted (May 2015) fresh proposal to GoI for ₹ 134.45 crore giving a more comprehensive plan, the outcome of which was awaited. We further observed the following:

Developing tourism in Kamakhya temple

2.17.1 Despite an overall increase (18 *per cent*) in tourist arrivals in Assam between 2010-11 and 2014-15 as explained in **paragraph 2.8** *supra*, the increase was insignificant (4.15 *per cent*) in the case of pilgrims visiting Kamakhya during this period and in fact, it fell by 11.24 *per cent* from 2013-14 to 2014-15 as depicted in **Chart 2.4**.

Chart 2.4



One of the main segments of domestic tourists in the State was pilgrimage tourists visiting the Kamakhya temple only. As depicted in **Chart 2.4**, the temple attracted 11.65 lakh visitors during 2013-14, which was 26.10 *per cent* of the total visitors (44.63 lakh) coming to Assam in that year. An average 3190 visitors⁵⁷ visited the Kamakhya temple every day throughout the year. A large number of tourists from all over India visited the temple when the Ambubachi Mela was organised during the month of June each year. During June 2014, the temple attracted 5.29 lakh visitors, which was 51.51 *per cent* of the total visitors (10.27 lakh visitors) coming to the State in that month.



Ambubachi Mela, Kamakhya Temple



Kamakhya Temple Arch-Gate

To promote tourism through religious and cultural festivals like Ambubachi Mela in Kamakhya temple, the GoA released an amount of ₹ 4.56 crore during 2013-14 to 2014-15 mainly for the purpose of carrying out the publicity of the festival by the DoT. It was, however, noticed that the DoT had not prepared an effective plan for publicising the event in National and International media.

In reply, GoA stated (October 2015) that the publicity campaign was well thought-out and coordinated.

⁵⁷ Average tourist per day based on the tourist inflow for the year 2013-14 (1164568/365)

The reply is not tenable in view of the fact that in the name of publicity measures, the DoT/Company had published advertisements only one or two days before the event in two city editions (*viz.* Kolkata and Ranchi) of a few national/local daily. It would be difficult for a potential tourist to take an informed decision and arrange a trip in such short time. A well planned publicity could have helped in attracting more tourists to the place.

Lack of promotion of Buddhist Circuit



2.17.2 With a view to facilitate Buddhist tourism, development of a Buddhist Circuit covering 10 Buddhist Monasteries⁵⁸ was completed (March 2014) by the Company at a cost of ₹ 6.53 crore. The newly developed project needed proper promotion and publicity to attract tourist footfall. In this regard, the GoI has identified three circuits for Buddhist tourism in the entire country till date. One of the three circuits recognised by GoI covering 11 States included several neighbouring States to Assam like Odisha, West Bengal, Sikkim and Arunachal Pradesh. The newly completed Buddhist circuit in Assam was, however, not recognised by GoI. The DoT/Company may take-up the matter with GoI for early recognition of Buddhist Circuit developed by the Company in Assam so as to boost tourism and derive the intended benefits from the project assets.

UP Buddhist Circuit attracted 25.82 lakh domestic tourists and 6.86 lakh foreign tourists in 2014 whereas the Buddhist Circuit in Bihar attracted 51.93 lakh domestic tourists and 4.58 lakh foreign tourists in 2014.

Indian Railways run a special Mahaparinirvan Express Buddhist Circuit Train that connects Buddhist pilgrimage places in Bihar and Uttar Pradesh.

In reply, GoA stated (October 2015) that Monasteries were run by their own management and revenue generated from it goes to them directly. They were also promoting the same through road shows and other events.

⁵⁸ Bokajan, Charaideo (2), Amingaon, Sonitpur, Lekhapani, Naharkatia, Ledo, Titabor, Barpeta

The fact, however, remained that GoA has not approached the GoI yet to get the circuit recognised till date, which would help in improving the visibility and awareness about these places immensely.

Hajo Tourism Project

2.17.3 Hajo Tourism Project (Lodge) was completed during January 2002 at a cost of ₹ 30.60 lakh. The Company leased out the lodge to different lessees time to time but due to failure in payment of monthly lease rent by each party, the project was taken over (January 2012) and the Company operated the project on its own till September 2013. During this period of 21 months under operation, the revenue earned by the Company was ₹ 4.15 lakh only against operating expenditure of ₹ 7.23 lakh. The lodge was again leased out (October 2013) to a party, who surrendered it after three months. The Management requested the lessee to operate the lodge till it gets a suitable party. However, even after lapse of one year, it did not get any response against the tender issued. The lessee has been carrying out some other business activities in the premises like rearing pigs, storing bricks, parking of trucks *etc.* and has also not paid any monthly dues. GoA in their reply stated that the property has already been leased out to a new party. The reply was, however, silent on how the Company would realise the outstanding lease rent from the previous party.

Pilgrim cottage at Nabagraha temple

2.17.4 Pilgrim cottage at Nabagraha was handed over to Company by DoT during May 2006. The Cottage was leased out (May 2007) for operations to Nabagraha Dewalaya Managing Committee (Lessee). The Lessee was, however, not regular in payment of their monthly rent citing that the cottage was occupied by para-military forces without authorisation. The cottage could be got vacated from para-military forces in February 2012. Due to failure of the lessee to pay outstanding dues, the cottage was taken over (April 2012) by Company in a badly damaged condition. The Company invited tender (June 2013) to lease out the unit and selected a party for operation. The Company, however, could not handover the asset as some temple priests (*Pandas*) occupied the cottage without permission. Management communicated (August 2014) the matter to the Deputy Commissioner, Kamrup to intervene in the matter, but no progress has been noticed till date. In reply, the GoA accepted (October 2015) that the project needs renovation and it is under management of Temple Committee.

Development of Kirtan Ghar, Barpeta

2.17.5 GoI sanctioned (December 2010) an amount of ₹ 1.25 crore, for development of tourist facilities and infrastructure development at Kirtan Ghar⁵⁹, Barpeta. Despite the work being awarded (February 2012), the site could not be handed over to the contractor due to unavailability of encroachment free site. In March 2015, the Company submitted proposal for implementation of the project at an alternative site. No further progress in the matter was, however, found on record. GoA/Company had not offered (October 2015) any comments on the issue.

Culture and Heritage Tourism Circuit

2.18 Assam is the home of numerous fairs and festivals that attract not only local people but also visitors from outside the region especially during the state's biggest festival of Bihu. The rich cultural heritage of Assam, like the mythological Agni Garh, Madan Kamdev temple, Hajo, Phat Bihu, Batawdroa, Barpeta, Majuli and the Royal remains of the Ahom rule in Sivasagar provide great opportunities for promotion of State's cultural tourism. In this connection, we observed the following:

In promotion of Shopping Tourism, the 10 day Kolkata pre-puja shopping festival is marketed domestically as well as internationally by the West Bengal Tourism Corporation.

Similarly, a Cultural Tourism Project initiated by the Kerala Tourism Department offers 3 hours audio-visual tour of Kalamandalam campus, an internationally acclaimed training centre on Kathakali and Mohiniyattam dances.



Rongali Bihu festival

The national festival of Assam was Bihu, held during the spring season in different parts of the State, where the young boys and girls dance in separate groups with the beating of drums and pipes. Bihu theme based promotions which advocate a secular celebration has the potential to attract a lot of international and domestic travellers. West Bengal Tourism department promoted the Durga Puja through special packages, road shows and special tours with popular film stars and journalists from Europe, America and other countries. Similar nature of promotions could also be adopted for attracting tourist during the popular Bihu festival in the State.

No proactive steps were, however, seen being undertaken by GoA in this regard.

⁵⁹ Barpeta is renowned in the historical map of Assam as the Land of the Satras (Kirtan Ghars). These Kirtan Ghars bear the testimony of the great Assamese reformer, saint, scholar and cultural exponent Srimanta Sankardeva.

Charaideo-Su-ka-pha and Rudra Singha Ethnic Village Complex not opened for public



2.18.1 GoI sanctioned (2006-07) ₹ 5.00 crore for destination development of Sivasagar. The project included construction of Rudra Singha Ethnic Village, Charaideo-Su-ka-pha Complex with public conveniences, a Museum and various structures depicting the journey of Ahom Kings. The entire work was completed (December 2014) at a cost of ₹ 5.00 crore. The Rudra Singha Ethnic Village was leased out by the Company, but the operations of the same were yet to start (October 2015). The other project *viz.* Charaideo- Su-ka-pha Complex which was created out of GoA funds, was not operationalised in the absence of necessary directions from GoA/DoT, for leasing out the project (October 2015).

In reply, GoA stated (October 2015) that the operations of Rudra Singha Ethnic Village could not be started owing to absence of power lines and same would be commissioned soon. As regards Charaideo-Su-ka-pha Complex, the GoA stated that tendering process has been initiated for leasing out the complex.

Tourism Resort at Madan Kamdev

2.18.2 Tourism Resort at Madan Kamdev was completed during January 2003 at a cost of ₹ 13.86 lakh. The Company leased out (January 2003) the resort to a private party on recommendation of the Madan Kamdev Temple Management Committee. However, the party was unable to operate the resort and failed pay its monthly dues. So the Company took over the resort from the lessee and handed over (July 2006) to the Temple Management Committee without entering into a formal agreement. Due to failure to pay its dues, the Company took over (March 2008) the resort from the Temple Committee in a badly damaged condition. The resort was lying under damaged condition (October 2015).

GoA in their reply stated that the renovation work had been included in a scheme of GoI, which was yet to be sanctioned.

Rural, Handicrafts and Handlooms Tourism Circuit

2.19 Assam is the home of several types of silks, bamboo crafts, orchids, ethnic jewellery *etc.* As per the Tourism policy designed dress material produced by highly acclaimed weavers of Sualkuchi was to be developed through promotion of rural tourism so as to provide a positive environment to tourists to visit the

place. It was, however, seen that no efforts were taken by the DoT/Company in developing and showcasing the other potential avenues of the state like bamboo crafts, orchids, ethnic jewellery which has a tremendous potential to lure tourists to the State. We further observed that:

Kumbalangi Model Village in Kerala was a unique initiative to transform the tiny island as a model fishing village and tourism spot. For promotion of Rural Tourism, the concept of Vishwa Gram at Ahmedabad and Tambi Village in Umril Taluka in Bhavnagar District were the innovative attempts to provide ethnic Gujarati as well as international culture, history, events, monuments and heritage.



Sualkuchi Handloom weaving centre



Sualkuchi Temple

Sualkuchi Rural tourism project

2.19.1 Based on a proposal of the Company, the GoI sanctioned (November 2010) ₹ 4.41 crore for development of Sualkuchi as tourist destination. The project included construction of cottages, wayside amenity centres, exhibition centre, handloom weaving centre, Tourist Information Centre, beautification and development of water bodies and temples. Although the handloom weaving centre was completed (March 2014), the same was pending to be operationalised, in the absence of necessary directions from DoT for leasing out the project. The other works envisaged under the project were, however, dropped by the Company citing land problems even though the Company, at the time of submitting the project proposal, had furnished certificates regarding availability of project land. This was indicative of the fact that the Company failed to conduct appropriate feasibility study and obtain physical possession of land before submission of project proposal.

In reply, GoA accepted (October 2015) that some of the projects were dropped due to unavailability of land.

The fact, however, remained that the State/destination was deprived of the intended benefits of the scheme due to failure of the Company to ensure availability of project land before submission of the project proposal.

Assets lying idle



2.19.2 GoI sanctioned (2008-09 and 2009-10) ₹ 12.79 crore for Two Tourist Circuits viz. (Kaziranga – Sibsagar – Majuli – Jorhat) and (Morikolong – Badulikhorong – Chapanalla – Akashiganga) respectively. The projects included beautification of lakes, parks, craft village and other tourist facilities and the same were completed (May 2012). Both the projects were, however, pending to be operationalised even after more than 3 years of their completion for no reason on record (October 2015) On noticing the fact, the State Level Monitoring Committee (SLMC) instructed the Company (June 2015) to take up the issue with concerned DCs to explore the possibilities of leasing out the two projects at the earliest. No further developments were, however, noticed in the matter (October 2015).

In reply, GoA stated (October 2015) that necessary steps were being taken to operationalise the projects.

All the above cases highlighted that projects/assets created at huge costs were pending to be operationalised for no valid reason. The above examples also show a tiredness and inaction on part of the Company and DoT to operationalise even those projects which were completed. Hence, the DoT/Company and GoA should take immediate steps to lease out all such projects so that the investment does not become idle and the assets can be maintained well.

Development of home-stay facilities

2.19.3 DoT was to assist persons residing near wildlife destinations and other tourist spots in developing traditional home-stays for visitors. The exercise aimed at boosting tourism, providing tourists Home-Stay facilities in selected rural homes besides generating employment and revenue through community participation in the project. The initiative was developed (September 2012) in consonance with ‘Incredible India Bed and Breakfast Scheme’ that was intended to provide home-like, clean and affordable accommodation facilities to tourists. The scheme was meant to attract foreign tourists who are keen to stay with a local family, get a feel of the traditional life and savour the warmth and hospitality with local cuisines.

The Tourism Development Corporations of Maharashtra, Kerala and Karnataka (Coorg) has popularized the concept of individual ‘bed and breakfast’ homes called homestays, where homes are converted into tourist houses duly providing all facilities and conveniences. This has enabled the States to provide quick accommodation in places where demand exists but formal hotels may take time to come up.

The scheme entailed providing training and equipping the home-stay providers in matters of hospitality. In addition to training, the DoT would also facilitate hassle-free bank loans to the prospective home-stay providers and make the local people important stakeholders in tourism development.

Based on the proposal submitted (September 2012) by the Company, GoA sanctioned (November 2014) an amount of ₹ 2.25 crore for implementation of Rural Home Stay scheme. It was, however, noticed that even after a lapse of almost one year of sanction of the scheme, the Company was yet to initiate action for inviting EOI from willing households (October 2015).

Thus, the inaction on part of the Company to implement the project had deprived the tourists and the aspirant hosts of availing the scheme benefits as well as losing the opportunity to earn additional income by the latter.

In reply, GoA stated (October 2015) that the funds were yet to be released by GoA and tenders would be invited by the Company only after funds were available.

The reply is not tenable as no active persuasion was seen on part of the Company to get the funds from GoA, which was indicative of the casual approach on part of the DoT/Company as well as GoA for implementation of projects in time.

Adventure and eco-tourism

2.20 As per the State Tourism Policy, the abundant water resources of the state were to be harnessed to provide the tourists an unforgettable experience of adventure through water sports like white water rafting and kayaking. The DoT/Company had identified a number of

destinations for development of various water sports activities for adventure lovers like, trekking, mountaineering and rock-climbing⁶⁰. In most of these destinations services were provided by private organisation and no action was seen to have taken on records on part of the DoT/Company for promotion or construction of amenities along the route. In this connection, following observations are made:

No action on adventure tourism survey report

2.20.1 Based on a proposal (January 2008) by M/s Xola consultancy, USA (Firm) to the GoA, the GoA sanctioned (March 2010) ₹ 30.00 lakh for preparation of an Eco and Adventure tourism survey report for Assam. The report was handed over (April 2008) to the GoA and the Firm was paid (May 2008) ₹ 30.00 lakh against the same by the Company. GoA instructed (June 2009) the DoT to draft a framework for implementation of the recommendations of the Report. No further action was, however, found on record for appropriate compliance against the directions of GoA.

Thus, in the absence of any follow-up or remedial action and impact assessment by the DoT, the expenditure incurred for these works did not serve any purpose.

In reply, GoA stated (October 2015) that necessary steps would be taken to draft an implementable framework for execution of the recommendations.

Tourist Trains and Caravans

2.20.2 Travelling by Classic Trains and Caravans⁶¹ evokes a sense of nostalgia and adventure. Caravans were a unique tourism product that promote family tourism in destinations without the need of having the hotel accommodation. Under the policy, the Company proposes to build modern caravan parks under public-private partnerships to park tourism campers and motor homes.

- Based on a proposal by IRCTC, (September 2014), the GOA decided to collaborate with IRCTC for running Tourist Trains in association with the Company at a cost of ₹ 1.00 crore. GoA also suggested introduction of Hill Trains on the unused metre gauge tracks of Haflong-Badarpur

Special tourism trains like Palace on wheels Deccan Odyssey Royal Orient, are operated by the Tourism Development Corporations of Rajasthan, Maharashtra and Gujarat respectively in joint venture with the Indian Railways and are extremely popular with tourists as also toy trains in hilly regions like Darjeeling and Shimla.

⁶⁰ Hempieupit peak, Simhasana Hill, Elephant Rocks (Morigaon district) Kaziranga-Kukurakata Hills, Manas, Dibru-Saikhowa national parks, Basistha-Garbhanga Reserve Forest, Barapani-Meghalaya via Rani Reserve Forest Nameri national Park *etc.*

⁶¹ Caravans are specially built vehicles used for the purpose of travel, leisure and accommodation.

route and a few others. In March 2015, GoA reiterated its instructions and directed the Company for expeditious implementation of the above proposals. As per the proposal, the Company was to execute the works relating to refurbishment of the Trains, designing the tourist circuits and publicity in coordination with IRCTC. No action was, however, taken by the Company in this regard so far (October 2015). No comments were offered (October 2015) by GoA on the issue.

- The BoD approved (March 2012) a proposal for introduction of Mobile Caravan tourism covering all the National Parks of the State as well as other tourist spots⁶². Subsequently, the Company invited proposals for procurement of two vehicles for the purpose (May 2012) and the same were delivered (August 2012) at a cost of ₹ 20.30 lakh. In April 2013, the Company, however, decided to make the vehicles more luxurious with provision of in-built modern amenities like sofa-cum-bed, washroom, LCD TV, Fridge, microwave *etc.* at a cost of ₹ 10.98 lakh each. The work of refurbishment of above vehicles could, however, be completed (September 2014) after a long delay of 3 years mainly due to lack of monitoring on part of the Company. It was further observed that although the EOI for running the Mobile Caravans had been invited (June 2015), the same were pending to be operationalised (October 2015).

The Caravan tourism policy of GoI is aimed to promote and facilitate and incentivise development of Caravan Parks in the public sector, private sector and PPP mode. GoI provides subsidies to state Governments for the same as also promote them.

In reply, GoA stated (October 2015) that the response from bidders was poor and efforts were being made to find out a suitable operator for operations of the Mobile Caravans.

The reply was not convincing as the Company could have considered in the meantime to operate the vehicles on its own to prevent them lying idle.

Thus, due to inadequacy of efforts on part of the Company, the State was deprived of the services of Tourists Trains and Mobiles Caravans besides the loss of potential revenue to the Company through operations of these projects. There was a major risk of deterioration of the vehicles and the cost of ₹ 42.26 lakh becoming infructuous. Audit noticed that these vehicles were lying unattended outside the premises of the Company.

⁶² linking Guwahati with Pobitora, Kaziranga, Majuli, Sibsagar, Orang, Tezpur, Bhalukpong, etc.

Tea and Golf Tourism

2.21 The Assam tea was a World renowned brand ambassador for the State. In addition of having 21 tea gardens, the State had 9 to 18 hole golf courses which were another major attraction for modern tourists. As per the State Tourism Policy, all these aspects were to be combined to develop a unique brand of tea, golf and nostalgia tourism. In spite of the instructions issued (June 2010 and October 2014) by GoA, no plans had been prepared by DoT/Company for integrated development of tourism categories like Nature, wildlife, river, adventure, tea, golf, rural tourism *etc.* In this connection following observations are made:

The President of the Tour Operators Association of Assam (TOAA) had suggested (May 2015) that Tea tourism was an area which could be improved through conversion of existing idle tea garden bungalows into tourist bungalows. The TOAA was actively pursuing with GoA for the same.

- North Eastern Council (NEC) had released ₹ 1.13 crore to GoA out of its share of ₹ 2.83 crore towards setting up a Tea Museum at Dibrugarh (March 2014). The GoA, however, had not released any funds to DoT/Company till date (October 2015) on account of several shortcomings/mistakes committed by DoT in submitting the demand for release of project funds. The Company had also not initiated any action for tendering in absence of project funds so far (October 2015).

Thus, delay in release of funds by GoA had deprived the State from getting the project benefit in time.

In reply, GoA stated (October 2015) that tendering process would be initiated soon. From the above it can also be seen that delay in release of fund by GoA to the company led to delay in implementation of project.

- Assam Tea Corporation had forwarded (August 2006) a list of tea estate heritage bungalows for renovation to the Company. No action against the same was, however, seen to have taken on records.
- In spite of the assurances given by the Company in BoD meetings (December 2011, June 2011 and March 2013) to seek funds under Large Revenue Generating Scheme for suitable golf courses, no exercise was seen to have initiated by the Company to identify golf courses for development or seek assistance from the GoI for the purpose (October 2015).

In reply, GoA stated (October 2015) that a land for development of golf course has been identified to be set-up in Public Private Partnership (PPP) mode near Guwahati and EOIs had also been invited for the same.

All the above facts highlighted the lack of efforts on part of the Company to fulfil the objective of developing a unique brand of tea, golf and nostalgia tourism in the State.

GoA may consider in consultation with the stakeholders conversion of the existing idle tea garden bungalows into potential tourist hubs/bungalows.

Meetings, Incentives, Conferences and Exhibitions Tourism Circuit

2.22 As per the Tourism Policy, modern convention facilities with required accommodation and other components like parking, *etc.*, was to be built to attract corporate tourists and boost meetings, incentives, conferences and exhibitions (MICE) tourism. In this regard, we observed the following:

Integrated Convention Centre and Wellness Centre at Hotel Brahmaputra Ashok

2.22.1 GoI released (November 2006) ₹ 3.63 crore (November 2006) to India Tourism Development Corporation (ITDC) for construction of Integrated Convention Centre and Wellness Centre in the compound of Hotel Brahmaputra Ashok, Guwahati under the Integrated Destination Development Scheme, Assam. ITDC transferred (April 2010) project funds (₹ 3.44 crore) to the Company for execution of the work.

To obtain the clearance from Guwahati Municipal Development Authority (GMDA), the Company revised the original plan of the project to make it compliant with the requirements of GMDA. The revised project plan was submitted (June 2010) by the Company to GMDA for approval. In response, however, GMDA informed (September 2010) the Company that the new plan would be considered only after finalisation of master plan for Brahmaputra Riverfront Development by GMDA. Although, the BoD of the Company suggested (March 2012) the Company to approach the Chief Minister for sorting out the bottlenecks, no action in this regard was found on record. Subsequently, the Company refunded (October 2012) the entire amount of ₹ 3.44 crore to GoI citing unavailability of mandatory clearances.

In reply, GoA accepted (October 2015) that the funds were returned to GoI, as GMDA did not provide the necessary approvals for the project. The reply was, however, silent on inaction on part of the Company against BoD's suggestion to approach the State Chief Minister for resolving the issue. The above case highlighted the absence of adequate co-ordination between different departments of GoA. This ultimately led to depriving the State of much needed Convention and Wellness Centres particularly in view of the fact that the State had no such facility till date (October 2015).

Delay in establishing a Five star hotel

2.22.2 As there was no 5-star hotel in Assam, DoT entered (October 2008) into an agreement with Indian Hotels Ltd. (Taj Vivanta Group) for Construction of a five star hotel in Guwahati. The work was to be completed within 48 months (*viz.* September 2012). The lease rent for the land was fixed at ₹ 30.00 lakh per year (to be enhanced by 10 *per cent* every 3 years) plus 3 *per cent* of the ‘Gross Revenue’ of the hotel.

It was seen that the land for the project was made available to Taj Vivanta in May 2009. It was, however, noticed that due to initial delay in obtaining statutory clearances from different State Government agencies⁶³, the work could be commenced (July 2011) after two years and the same was ongoing (October 2015). It was noticed that while the Environment and Forest Ministry, GoI had accorded the forest clearance during October 2010, Guwahati Municipal Development Authority, GoA had provided (May 2012) its clearance after a lapse of three years of making the land available (May 2009) for the project.

Thus, due to failure of the DoT/Company to assist the private partner (Taj Vivanta) in obtaining the statutory clearances within a reasonable period of time the tourists had been deprived of the intended benefits of the project. The State had also lost the opportunity of earning high end potential revenue in the form of share in Gross Revenue from the project as well as ancillary benefits to the city of Guwahati by way of employment, utilisation of services *etc.*

In reply, GoA stated (October 2015) that the project would be completed soon. No comments were, however, offered on the observations relating to avoidable delays in obtaining statutory clearances through effective persuasion and coordination with the State agencies.

Capacity building measures and Skill Development

2.23 As per State Tourism Policy, comprehensive plans was to be drawn up to create a pool of trained manpower for realising the future tourism vision. The State Tourism Policy further stipulated to encourage the private sector by providing suitable incentives for setting up new institutions to train various categories of people engaged in the tourism industry. In this connection, following observations are made:

The President of the TOAA had underlined the lack of trained guides in the State. It was also suggested that more and more interested youths should be trained who can be kept in the respective tourist destinations for 1-2 years to have a proper understanding of the dynamics of the place.

⁶³ Guwahati Municipal Development Authority, Assam State Electricity Board, State Fire Service, Environment and Forest Ministry

Institute of Hotel Management, Jorhat

2.23.1 GoI sanctioned (December 2009) an amount of ₹ 12.00 crore for setting up of a State Institute of Hotel Management & Catering Technology at Jorhat. The project involved three components (*viz.* construction of main building, hostel building and purchase/installation of equipment) and same was to be completed in all respects within three years (November 2012) from the date of sanction. The first instalment (₹ 4.00 crore) of the sanctioned amount was released to the Company in January 2010. The Company awarded (February 2011) the civil work relating to construction of main building of the project to M/s Buildrite Constructions (Contractor) at contract value of ₹ 3.36 crore to be completed within 12 months (February 2012) from the date of award of work.



During the course of execution of the project, the Contractor intimated (July 2011) about the difficulties faced in taking up the foundation work of the project on account of several hindrances like, overhead HT line passing over the project site, project land being cultivated by local farmers, work difficulties due to rainy season *etc.* and demanded to enhance the contract price by 25 *per cent.* After completing the piling work, the Contractor had completely stopped (April 2013) further work. With a view to reduce the pendency of UCs against earlier sanctions of GoI scheme funds, the contract was cancelled (November 2013) by the Company. It was observed that as against the project fund of ₹ 4.00 crore released to the Company, the UCs for ₹ 1.65 crore were submitted (February 2014) and balance amount (₹ 2.35 crore) was refunded to GoI. However, it amounted to only tokenism in submission of UCs without completion of any significant portion of the work.

The project was revived by GoI for execution and an amount of ₹ 4.00 crore was released (December 2014) for execution of incomplete works *viz.* construction of main building, hostel building, and purchase of equipment's. The Company had, accordingly, issued (April 2015) work order for construction of main building at a contract value of ₹ 6.08 crore to the same Contractor (M/s Buildrite Construction) whose contract was terminated earlier by the Company due to stoppage of work. As per the work order, the work was scheduled for completion by August 2016. The work orders for the other two works *viz.* construction of hostel building and purchase/installation of equipment were, however, pending to be issued (October 2015).

In reply, GoA stated (October 2015) stated that around 25 *per cent* of the work has been completed and remaining works would also be completed within stipulated time.

The Company should take steps so as to complete the project at the earliest so as to fruitfully drive the intended benefits of the project for development of skilled manpower.

Training of Guides

2.23.2 In a survey of 100 tourists⁶⁴ conducted during the course of Audit, it was noticed that 73 *per cent* of the tourists were not satisfied with the services of local guides available on the tourist destinations in the State. The State Tourism Policy also stipulated for launching of a training programme (namely, Training of Trainers Scheme) in collaboration with the private sector for providing necessary training to various categories of people engaged in the tourism industry like cooks, waiters, guides, taxi drivers, bell boys, *etc.* In this connection, following observations are made:

- GoA had suggested (January/July 2011) to the DoT that Management Course be introduced, with the support of branded Training Institutes so as to provide quality training to service providers. DoT was also suggested to submit proposal for teaching of Foreign Languages to the personnel engaged in tourism industry for improving the quality of their services. No action on part of the DoT was, however, found on record in the matter. It was, further, noticed that the DoT had received (May 2011, April 2013) few proposals from few Central institutes⁶⁵ interested in providing teaching Foreign Languages and tourism industry related trainings. No action was, however, seen to have been taken by DoT on such proposals till date (October 2015).
- The Employment Generation Mission (Mission) set-up by the GoA had expressed its willingness from time to time (July 2014/September 2014) to provide subsidies as well as training to wildlife guides and others so as to help creating employment opportunities in the State tourism sector. The Mission had also requested the DoT/Company for forwarding names of the aspirants interested to avail training along with any suggestions. No initiative on part of the Company was, however, found to have taken on record in the matter so far (October 2015).

In reply, GoA stated (October 2015) that recently few Institutes had been engaged and a comprehensive training plan proposed for training of guides in Foreign Languages, which was waiting approval of the GoA.

The reply is not tenable as the DoT/Company needed to take appropriate steps on a regular basis to enhance skill development in the tourism industry by utilising the opportunities coming up from different sources.

⁶⁴ Kaziranga, Bhalukpong and Tezpur

⁶⁵ Tezpur university (May 2011), Indian Institute of Tourism and Travel Management under GoI (April 2013)

2.23.3 *Training for Drivers*

- GoI sanctioned (October 2012) ₹ 5.61 lakh under the ‘Hunar Se Rozgar Tak’ scheme for conducting training programmes for imparting driving skills. During the course of training, the Company imparted the training to 90 individuals. The Company submitted (July 2014) another proposal involving an estimated cost of ₹ 83.56 lakh for conducting similar training programme. The proposal was, however, not sanctioned by GoI due to delay in completion of earlier project as well as failure of submission of UCs by the Company against earlier sanctions.

In reply, GoA accepted (October 2015) the above facts. No comments were, however, offered by GoA on the reasons behind the delay in completing the project and failure to submit UCs for GoI sanctions.

- The GoA also directed (December 2013) the Company to prepare a comprehensive plan on ‘Hunar Se Rozgar Tak’ scheme, for funding under State scheme for increasing trained guides. The same was, however, not prepared till date (October 2015). No reply was furnished by the GoA/Company on the reasons for not preparing the plan.
- The Assam Bikash Yojana (ABY) launched (2008-09) by the GoA had broadly aimed to provide financial assistance to educated unemployed youths of the state for purchase of tourist transport vehicles. The financial assistance under the scheme was restricted to ₹ 3.00 lakh or 40 *per cent* of vehicle cost, whichever is less. The details of funds received and utilised under the above schemes during the years from 2008-09 to 2012-13⁶⁶ have been summarised in *Table 2.1.7*.

Table 2.1.7

(₹ in crore)

Year	Amount released	Amount utilised	Beneficiary Target	Beneficiary Actual	Scheduled completion date	Actual completion date	Delay (months) upto October 2015
2008-09	8.50	8.50	305	305	31.12.08	08.11.2012	46
2009-10	2.75	2.75	313	313	30.09.11	21.07.2012	9
2010-11	5.00	5.00	135	135	30.09.11	21.07.2012	9
2011-12	3.15	5.43	280	188	15.12.13	Under progress	22
2012-13	4.50						
Total	23.90	21.68	1,033	941			

⁶⁶ No funds were sanctioned under the Scheme during the years 2013-14 and 2014-15.

As could be seen from **Table 2.1.7**, during the five years from 2008-09 to 2012-13, the Company received an amount of ₹ 23.90 crore for disbursement of subsidy under the scheme. As against this, the Company could utilise a total amount of ₹ 21.68 crore (91 *per cent*) till October 2015. It may also be seen that as against total 1033 beneficiaries targeted for disbursement of subsidy under the scheme, 941 beneficiaries (91 *per cent*) had actually availed the subsidy (October 2015). The scheme for the years 2011-12 and 2012-13 was ongoing with progress of 67 *per cent* in beneficiary coverage even after 21 months of the scheduled completion date of the scheme. For the remaining three years of implementation of the scheme (*viz.* 2008-09 to 2010-11), the beneficiaries targeted under the scheme could be covered by the Company with delays ranging from 9 to 46 months.

The above delays were mainly because the financial capability of beneficiaries were not evaluated during the selection process of scheme implementation. As a result, many candidates backed out subsequently due to their inability to arrange funds towards unsubsidised portion of vehicle cost. This led to considerable delay in disbursement of financial assistance to eligible beneficiaries in the project. It was further noticed that no inspection or impact assessment had been conducted by the Company to monitor the effect of the Scheme on the growth of tourism sector and generation of employment opportunities which was the basic objective of the scheme.

In reply, GoA stated (October 2015) stated that the delay in completion of the scheme was mainly due to floods, elections *etc.* and the inability to beneficiaries to acquire the bank loans in a timely manner. It was also stated that the efforts were being made to complete the schemes soon.

The Company, however, had no plans to tie-up with ITIs and other such institutes as well as Transport finance companies for skill development in the sector.

Marketing and Promotion

2.24 As per the Tourism Policy, a comprehensive marketing strategy was to be drawn up, and a brand image of Assam in the pattern of the Incredible India developed, after identifying the source markets for Assam.

The GoA directed (December 2013/October 2014/June 2015) DoT/Company from time to time for preparation of a comprehensive branding and publicity plan with the help of a professional consulting agency for marketing through various platforms like TV, films, fairs, web, workshops *etc.* Of late, DoT invited (June 2015) tenders for selection of Consultant for preparation of a comprehensive branding and publicity plan. No further action was, however, seen to have been taken on record in the matter till date (October 2015).

Both the President of the Tour Operators Association of Assam (TOAA) and Hotel Operators Association of Assam (HOAA) stated (May 2015) that the Government needed to build a brand image for Assam and showcase the State nationally and internationally through publication of booklets, souvenirs, monthly articles in national and international magazines, television and print media as also bring media people for FAM trips, travel writers to promote the destinations in the State.

They further expressed that the quality of the existing booklets, directories and materials available on Assam needed improvement as well as proper Signages needed to be placed on the tourist destinations. The President of the HOAA also mentioned that there was a greater scope for tie-ups among DoT and private hotels/lodges for raising awareness among tourists.

In reply, GoA stated (October 2015) that they were in the process of selection of professional agencies to improve branding and communication exercise of tourism in the State.

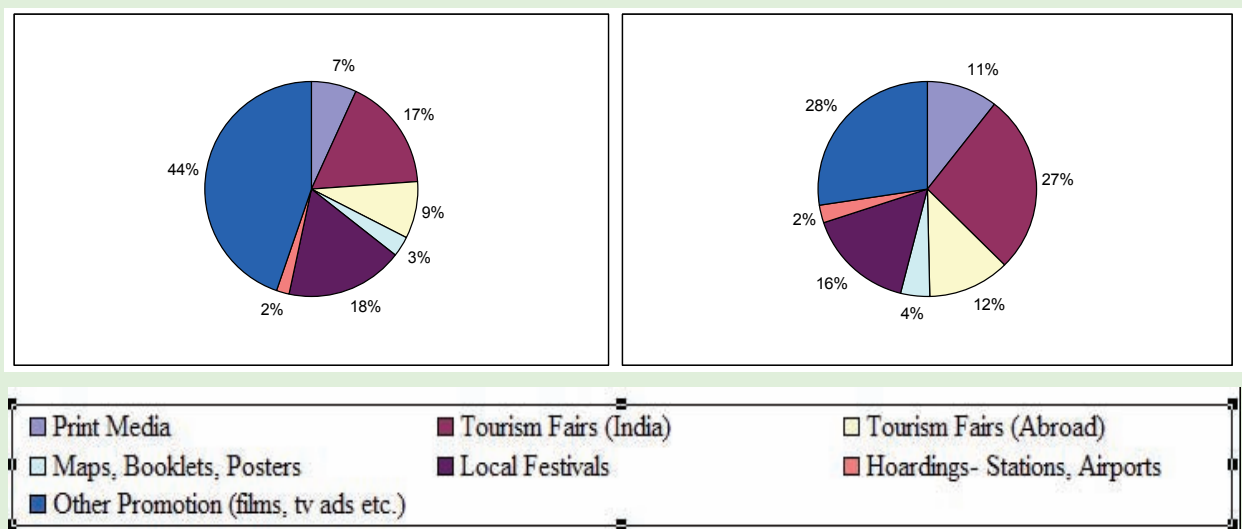
The reply, however, did not address the issue as to why the DoT/Company failed to take any effective steps to draw a comprehensive marketing strategy even after lapse of more than six years of framing (January 2009) of State Tourism Policy.

Utilisation of funds for publicity

2.24.1 The funds incurred by the Company on marketing and publicity aspect was negligible during the period covered in Audit as the DoT was the nodal agency for marketing and publicity related aspects with the major funds sanctioned and utilised by it. As the process of sanction and release of funds by GoA were time consuming, DoT obtained loans from the Company to fund the immediate requirements against publicity expenditure. During the years from 2010-11 to 2014-15, GoA sanctioned ₹ 15.77 crore for publicity through print, TV, fairs and festivals, films, brochures, and stickers against which an amount of ₹ 10.20 crore was utilised. In 2014-15, the drawn but un-utilised funds were the highest (₹ 5.34 crore) in five years mainly because of sanction of ₹ 4.10 crore in the month of March 2015.

The component-wise percentage of funds sanctioned vis-a-vis utilised towards marketing and publicity expenditure during the years from 2010-11 to 2014-15 is depicted in **Chart 2.5**.

Chart 2.5



As could be seen from **Chart 2.5**, 44 per cent of the funds were sanctioned for promotion through films, television commercial etc. while the sanction towards publication of maps, booklets, posters and hoarding were very low at 5 per cent only. Further, the utilisation of funds towards television and other media was to the extent of 28 per cent against the budget allocation of 44 per cent. As already discussed in **paragraph 2.11.2 supra**, tourists remained deprived of better information and related facilities in the State. The allocation of funds for the purpose needs to be improved.

In this connection, following observations are made:

Lapse of funds for print media

2.24.2 North Eastern Council (NEC) sanctioned (March 2011) an amount of ₹ 2.45 crore⁶⁷ towards its share to GoA for publicity and promotion of tourism in the State, integrating advertisement through print media and face lift of few selected tourist destinations. Against the sanctions, NER released (March 2012) ₹ 1.88 crore to GoA. Accordingly, GoA made (March 2012) the budgetary allocations for ₹ 1.88 crore out of the State budget for the year 2011-12 and again (September 2013) from the State Budget for the year 2013-14 subject to the ceiling fixed by GoA for drawal of budgetary allocations by DoT. It was, however, observed that DoT failed to draw the amount on both the occasions as it had already crossed the ceiling fixed by GoA for drawal of funds out of the budgetary allocations.

⁶⁷ NEC share – ₹ 2.21 crore and GoA share – ₹ 0.24 crore

Based on fresh GoA budget sanction (2014-15) for an amount of ₹ 0.94 crore, DoT could utilise only ₹ 0.89 crore (September 2014). GoA sanctioned (March 2015) the balance funding of ₹ 0.94 crore out of State Budget 2014-15. The allocations were, however, lapsed again due to the same reason *viz.* drawal of funds by DoT beyond the ceiling fixed by GoA for drawal of funds.

Thus, due to the ceiling fixed by GoA for drawal of funds out of budgetary allocations, the objective of effective and timely publicity could not be achieved.

In reply, GoA stated (October 2015) that DoT would complete the work after sanction in the fresh budget proposal. The ceiling fixed needs to be relooked vis-à-vis the requirement of the projects.

Absence of Television and electronic media plan

2.24.3 DoT invited EOI (January 2011) from accredited advertising agencies for providing seamless solutions through development of excellent cost effective, innovative and strategic media plans. The role of advertising agency included media buying and execution of a Television Campaign through various TV channels

West Bengal had a deal with BBC World which aired a 30-second advertisement and 15-minute documentary depicting various tourist attractions at an average of four to five times a day. The campaign was aired in the UK, USA, Western Europe, Middle East and Southeast Asia.

initially for a period of one year which was to be extended further based on the performance of the agency.

Based on the proposals received, M/s Group M Media (Agency) was selected (March 2011) for the assignment. An agreement was signed (September 2011) between the DoT and the Agency for preparing the ideal and most cost effective media plan for a 4 month campaign in National and Regional language channels at a contract value of ₹ 3.78 crore in first phase. The contract was to be extended for the second phase based on its effectiveness and evaluation, in international media. Meanwhile, GoA sanctioned ₹ 3.82 crore (March 2011) to DoT for telecasting 12 TV commercials on various channels. DoT in turn released (September 2011 and April 2012) an aggregate amount of ₹ 2.54 crore to the Agency in terms of the agreement. Subsequently DoT realised (March 2013) that the Agency had telecasted only 6 commercials on national/regional channels against the sanctioned 12 commercials and accordingly stopped releasing further payment to the Agency.

Following this incident, there was no further television campaigns planned or executed by the DoT or the Company. In February 2015, the DoT had invited fresh proposals to appoint a Branding and Communications Agency that would undertake National and International Media Campaigns. The selection of a suitable agency for media campaigns was under process (October 2015).

Thus, the DoT/Company could not tap advertisement through television, which remained one of the most effective modes of campaigning. The DoT did not try to evaluate the effectiveness of the television campaign done and whether the broadcast gained enough attention.

In reply, GoA stated (October 2015) that payment was stopped due to some technical problems and the matter was presently sub-judice which would be sorted out once the verdict was received. The half-hearted approach to publicity on a powerful medium of advertisement deprived the State of an important opportunity to campaign and increase its visibility for promotion of tourism.

Co-branding proposal with Airlines did not take off

2.24.4 Based on a proposal by Air India (March 2007) for branding of one of their aircraft with the name of the State, the GoA sanctioned ₹ 14.00 lakh (March 2008). Air India also offered to display photographs representing the State's history and culture in a specified space in the aircraft body along with a dedicated entertainment

.....
Kerala Tourism had a MoU with Go Air to offer exclusive discounted fares to passengers visiting the State. Kerala Tourism also had a tie up with Air India, Air India Express and Jet Airways for distribution of *payasam* and authentic Kerala food to the airline passengers during festivals.
.....

channel, a flyer brochure and onboard announcements regarding the State. Accordingly, Air India (May 2009) requested the GoA for providing photographs highlighting the culture, places of tourist interest symbolizing the State. However, inspite of repeated requests to the DoT by GoA (August, December 2009 and January 2010) for submission of photos, no further action was found on records.

GoA had again instructed (March 2015) the DoT/Company for finalising fresh tie-ups with various airlines for the branding and marketing exercise on the same lines as was proposed by Air India earlier. No further development was, however, noticed on record in this regard (October 2015).

In reply, GoA stated (October 2015) that the required photographs were submitted to Air India but due to unwillingness shown by Air India, the work could not take off.

The reply was not tenable, as the same fact was neither recorded or dated, nor formally noted in any of the records of the DoT.

Wasteful expenditure on Films and Documentaries

2.24.5 GoA from time to time, sanctioned funds for promotion of tourism through broadcasting of films and documentaries locally as well as internationally. However, in instances as highlighted below, DoT failed to follow the laid down procedures with regard to transparency

in selection of agencies, tendering process, optimising the economy through cost-benefit analysis and monitoring of the work.

Doubtful screening of films

2.24.6 Based on a proposal by DoT (September 2010), GoA sanctioned ₹ 60.00 lakh (January 2011) to DoT for screening of Assamese and other local films in four locations⁶⁸ depicting rich cultural heritage of the state. Accordingly, the work was awarded (January 2011) to M/s Anuradha Cine Auditorium (Agency) and an agreement was signed (February 2011) between DoT and the Agency. As per the terms of the agreement, the Agency was to submit a list of Assamese films to be screened for approval by DoT. DoT was entitled to verify the actual screening of the films with reference to the approved list before release of payment to the Agency.

It was, however, observed that contrary to the agreed terms, DoT released (November 2011) payment of ₹ 60.00 lakh to the Agency without verification of the films actually screened by the Agency with reference to the approved list. As the DoT neither had a list of films that were screened nor the viewership details for the films, the entire expenditure of ₹ 60.00 lakh appeared to have incurred haphazardly without verification of the fact whether the films screened had any merit from the cultural and tourism perspective. Further, one incidence of a film producer expressing (July 2011) displeasure to DoT for screening his film without his consent, was also noticed, which was indicative of not obtaining the legal rights by the Agency before screening of the films as per the agreement terms.

Thus, the above facts raised doubt on harnessing of benefits of the expenditure incurred on advertisement campaign to the full extent by DoT.

In reply, GoA stated (October 2015) that the work was successfully completed to its satisfaction. The reply was, however, silent on the observations regarding the lists of films and contents of the films screened by the Agency not being verified.

There was, thus, lack of policy in choosing a local language for promotion of tourism to people outside the State. There was no screening committee and no viewership details or tourist footfalls were available with DoT.

⁶⁸ Guwahati, Tezpur, Jorhat, Kaziranga

Wasteful expenditure on documentary films

2.24.7 In response to a proposal (November 2008) by Mr. Richard Bangs of Small World INC, USA, (Filmmaker) for preparation of documentary film of 60 minutes on Nature, Eco and Adventure tourism potential in Assam. GoA sanctioned (March 2009) ₹ 96.40 lakh for the purpose. DoT entered into an agreement (January 2009) with the filmmaker. Since the approval was awarded in response to the filmmaker's proposal, no effort was taken in verifying the credentials of the proposer and his suitability for the job or his knowledge about the subject matter. This despite the fact that there was no dearth of home grown talent or acolytes of the State's culture who could have been referred to for assistance. As per the agreement, the filmmaker was to market the film so prepared in USA and also broadcast it on a few channels in India like Discovery, National Geographic *etc.* for a period of 3 years. The filmmaker was required to post 25 clips from the film on websites such as MSN, Yahoo, Google, Youtube. The filmmaker was also obliged to share the royalty earned against this broadcast with the DoT in equal proportion.

The film was handed over (June 2010) to the GoA and entire payment (₹ 85.14 lakh) was also released (June 2010) to the filmmaker without even verifying the contents of the film. Subsequently, GoA observed (June 2010) certain objectionable contents in the film holding the film unsuitable for screening in existing shape like, display of inaccurate map of India, portrayal of Siberian tiger, a species not found in India in the video and inappropriate music in the video. Thereafter, no further action was found on record with regard to any modification or screening of neither the film. Further, there was no evidence of initiating any legal action against the filmmaker for the deficiencies noticed in the film.

It was, further, seen that no letter of commitment from Discovery or National Geographic for television broadcast was furnished by the filmmaker to DoT. As regards posting of clips from the film only 1 clip was found on one website (Youtube). DoT also failed to take up the matter with the Filmmaker for necessary corrective action.

Thus, entire expenditure incurred on preparation of documentary films proved to be wasteful due to ineffective monitoring and release of entire payment to Filmmaker without verifying the film contents.

In reply, GoA stated (October 2015) that they were not aware of the fact regarding any adverse observations on the film.

The reply is not tenable as the fact regarding adverse observations of GoA was found on the records of DoT during the course of Audit.

Online and web publicity

2.24.8 For the purpose of showcasing 'Live Streaming Videos' of five popular tourist spots identified by the State in the 'Incredible India' website of GoI and other websites, the GoI invited proposals (August 2014) from the GoA for funding Web camera procurement under the Central Financial Assistance for IT projects.

The President of the HOAA stated (May 2015) that the improved law and order situation in the State also needs to be highlighted in publicity campaigns undertaken by the Company.

As per the scheme guidelines, the GoA was to submit the proposals by 30th of September every year for consideration during the financial year duly supported by a detailed project report (DPR). The DPR should have full details of the Hardware/Software to be produced/developed and terms and conditions of the procurement and the justification for its being beneficial to the State. GoA was also required to clearly mention the cost of the project with State share, schedule of implementation, implementing agency, date of completion and method of funding.

It was noticed that although the DoT sent a list of five locations⁶⁹ (October 2014), no DPRs were sent to GoI. This was indicative of the lack of initiative on part of officials for implementation of the project ignoring the intended benefits of the project to State tourism sector.

In a survey of 100 tourists⁷⁰ conducted during the course of Audit, it was noticed that 73 per cent of the tourists visited places of Assam from word of mouth publicity, 2 per cent got to know through advertisements in magazines, newspaper, internet and brochure, 2 per cent through travel agent. The remaining 23 per cent of the tourists surveyed, however, did not respond. From responses received from the tourists, it could be concluded that the DoT/Company have to strengthen the publicity through different media to educate the tourist about the potential and attractive destinations in the State.

In reply, GoA stated (October 2015) that steps would be initiated to prepare a DPR for funding web camera procurement and the matter would once again be taken up with the GoI.

⁶⁹ Kamakhya, Sivasagar, Hajo, Kaziranga and Manas

⁷⁰ Kaziranga, Bhalukpong and Tezpur

Audit Objective: Efficiency in management of completed projects

Operational management

Occupancy of lodges

2.25 The Company had total 50 units⁷¹ and 30 lodges under its management (March 2015). The Company had leased out all the 50 units to private parties. However, 2 units⁷² were not operational. Further, out of 30 lodges of the Company, 23 lodges were leased out and remaining 7 lodges⁷³ were being operated by the Company at its own. The performance details indicating year-wise occupancy (*per cent*) achieved by the lodges operated by the Company during the five years from 2010-2011 to 2014-15 has been given in **Table 2.1.8** below.

The innovative Gold Card scheme of Odisha Tourism Development Corporation (OTDC) entitled a card holder of 10 *per cent* discount on accommodation, food and beverages and transport at the Corporation run hotels, restaurant and travel establishment by paying a nominal fee. In addition the holder was also covered for personal accident insurance benefit for which OTDC had tied up with New India Assurance Company.

Table 2.1.8

Particulars/Year	2010-11	2011-12	2012-13	2013-14	2014-15
No. of lodges operated	6	6	7	7	7
No of room days	33,560	33,672	34,288	37,960	37,960
All India average occupancy (in <i>per cent</i>)	60.50	59.30	57.80	58.90	58.90 ⁷⁴
Overall occupancy of Company lodges (in <i>per cent</i>)	38.56	37.38	37.30	33.86	35.67
No. of lodges having occupancy below 20 <i>per cent</i>	2	1	2	2	2
No. of lodges having occupancy ranging from 20 to 45 <i>per cent</i>	4	5	5	5	5

Source: Information furnished by the Company

Audit analysis of the performance of lodges revealed the following:

- The room days increased from 33,560 in 2010-11 to 37,960 in 2014-15 mainly due to taking over (May 2012) of one lodge (Prashanti Tourist Lodge, Pobitora) by the Company from the private lessee. The said lodge had recorded a very low rate of occupancy (2 to 7 *per cent*) while other two lodges *viz.* Silchar Tourist Lodge and Nagaon Tourist Lodge had also performed badly with occupancy percentage ranging from 8 to 15 *per cent* and 19 to 34 *per cent* respectively. One of the main reasons for

⁷¹ 31 Wayside Amenities, 17 Stalls/Bar/Canteen/PCO and two Cruise Vessels

⁷² Bir Lachit Park, Jolpori Cruise Vessel

⁷³ Including one lodge (Prashanti Tourist Lodge, Pobitora) taken over (May 2012) from the private lessee.

⁷⁴ As AIA occupancy for 2014-15 of GoI was not available so far, the previous year's occupancy *per cent* has been considered for comparison.

poor occupancy of Pobitora lodge was poor approach to its location. The distance between Guwahati city and the Pobitora lodge was 55 Kms only and hence, most tourists preferred accommodation in and around Guwahati city instead of staying in Pobitora Lodge. Further, during the survey (June 2015) of Silchar tourist lodge conducted by Audit, it was noticed that the lodge lies in a deteriorated condition, which was main reason for its low occupancy. The facts stated above were indicatives of the deficiencies in proper maintenance as well as inappropriate selection of locations for development of lodges leading to poor occupancy of the lodges. There was also no record that the Company had tried to analyse the reasons behind low occupancy of the lodges or taken steps to revive them.

In reply, GoA accepted (October 2015) the above facts, which established the contention of Audit.

- As against the All India Average (AIA) occupancy of 57.80 *per cent* to 60.50 *per cent* in the hotel industry during the review period, the overall percentage of occupancy achieved by the Company ranged between 33.86 *per cent* (2013-14) and 38.56 *per cent* (2010-11) only. The occupancy achieved during 2010-11 to 2014-15 was below 20 *per cent* in one to two lodges and 20 to 60 *per cent* in four to five lodges.

In reply, GoA stated (October 2015) that the misperception of people outside the State regarding the law and problems in the region was the main reason behind poor occupancy. It further stated that necessary measures were being taken to eradicate these issues through increased positive publicity. There were no records relating to any publicity done for lodges available in the Company.

- The Company was having its own website. There was, however, no provision for online booking of accommodation through the said website. It was observed that despite repeated suggestions made by GoA for creating online booking facilities for lodges, the Company could not operationalise the system till date (October 2015) as already discussed under *paragraph 2.11.5 supra*. The Company needed to take immediate action in this regard so as to facilitate the tourist in booking of lodges through its website, which would help improving the performance and occupancy of the lodges.
- It was, further, observed that the website of the Company had no provision for online registering of feedback/complaints by the tourist/guests. It was also noticed that out of the 7 lodges operated by the Company, only 2 lodges⁷⁵ maintained the feedback/complaint book in physical form. In absence of this facility, the centralised monitoring of activities/operations of lodges at the level of Company's head office was completely absent.

⁷⁵ Aranya Tourist Lodge, Kaziranga and Guwahati Tourist Lodge

In reply, GoA stated (October 2015) that necessary action was being taken on complaints wherever received. No comments were, however, offered on the reasons for not providing the facility for registering online feedback by the tourists.

Financial performance of lodges

2.25.1 The **Table 2.1.9** below indicates the summarised position of operating revenue earned, operating expenditure incurred, amount spent on salary and wages by the Company and DoT, etc. during five years from 2010-11 to 2014-15.

Table 2.1.9

Particulars	(₹ in lakh)				
	2010-11	2011-12	2012-13	2013-14	2014-15
No. of Lodges operated	6	6	7	7	7
Total Revenue (a)	122.23	160.25	164.69	186.98	215.87
Operating Expenditure	40.76	54.20	55.17	62.68	65.70
Salary and Wages paid by Company	4.05	5.42	7.84	21.04	26.97
Total Expenditure (b)	44.81	59.62	63.01	83.72	92.67
Operational Profit (a-b)	77.42	100.63	101.68	103.26	123.20
Salary and Wages paid by DoT (c)	148.65	152.67	173.03	175.38	181.52
Total Expenditure (d = b+c)	193.46	212.29	236.04	259.10	274.19
Net Operational Loss (e = d-a)	71.23	52.04	71.35	72.12	58.32

It could be seen from the **Table 2.1.9** that the Company would have been incurring significant operational losses in each year in respect of its lodges but for the fact that the expenditure incurred on the salary and wages of DoT employees was not placed at the disposal of the Company but paid by DoT. It was observed that at the time of transfer of management to the Company by the DoT, it was stipulated that the services of the existing employees of DoT would be placed at the disposal of the Company. As on 31 March 2015, the DoT staff consisted of 54 regular and 27 contractual employees who continue to draw their pay and allowances from DoT in spite of rendering services for the Company. Hence, expenditure figure incurred by the Company was on lower side and did not really reflect the actual cost of its operations.

In this connection, it was further observed that although the DoT employees were placed at the disposal of the Company, it did not have effective control over them. In absence of direct administrative control on DoT employees, the Company could not ensure availing the optimum benefit of their services. This had correspondingly caused adverse effects on quality of services of the lodges operated by the Company through DoT staff.

In reply, GoA accepted (October 2015) the facts. It was further stated that good relations were being maintained between DoT and the Company and salaries to DoT employees placed at the disposal of the Company were released based on the absentee statement issued by the authority concerned.

The fact, however, remained that in the absence of direct administrative control, the Company was not in a position to effectively control the activities of the DoT employees placed at its disposal.

Poor recovery of lease rentals

2.25.2 As on 31 March 2015, the Company had leased out 73 units⁷⁶. During 2010-15, the Company leased out 16 new units after completion of construction. It was observed that though the leasing of assets was being done by inviting tenders, the Company had not fixed any base price for recovery of lease rent. The Company also delayed in leasing out the completed assets (4 to 60 months) on account of delay in inviting tenders and excessive time taken in finalisation of bids, *etc.* As a result, the Company had to bear additional financial burden on repairing of these idle assets, besides losing the opportunity of earning potential lease rental income during their vacancy period. Further, the Company leased out its units after taking advance rent of two to three months as Security Deposit. It was, however, noticed that due to irregular payment of monthly dues by the lessees, dues of lease receivable exceeded the security amount. The year-wise details of the lease rent realisable, lease rent realised and lease rent outstanding for recovery against the leased out units, *etc.* for the period from 2010-11 to 2014-15 have been given in the **Table 2.1.10**.

Table 2.1.10

<i>(₹ in lakh)</i>						
Sl. No.	Year	No. of units leased out	Amount of lease rent receivable	Amount of lease rent realised	Lease rent outstanding	Percentage of arrear (<i>per cent</i>)
1.	2010-11	58	80.14	61.81	18.33	23
2.	2011-12	64	113.55	90.32	23.23	20
3.	2012-13	68	104.57	61.12	43.45	42
4.	2013-14	71	123.37	74.27	49.10	40
5.	2014-15	73	178.90	112.65	66.25	37

It could be seen from the above that amount of dues pending for recovery showed an increasing trend during 2011-12 to 2014-15 although there was marginal decline (3 *per cent*) in the percentage of arrears during 2014-15. The lease rent outstanding amount registered an increase of ₹ 47.92 lakh (261 *per cent*) during five years from ₹ 18.33 lakh (2010-11) to ₹ 66.25 lakh (2014-15).

In reply, GoA stated (October 2015) that the tendering process for leasing out the lodges was being streamlined by fixing the base price. It was also stated that the delay in leasing out of properties were due to delay in construction of service roads, electricity lines *etc.* As regards the mounting dues of lease rental it was stated that the steps were being taken to recover outstanding lease rent as per law.

⁷⁶ 23 lodges, 31 Wayside Amenities, 17 Stalls/Bar/Canteen/PCO and 2 cruise vessels

The fact, however, remained that due to avoidable delays in leasing out the completed units and inaction to recover lease rentals, the operational and financial performance of the Company had affected adversely.

Leveraging Public Private Partnerships

2.25.3 The State Tourism Policy envisaged a framework for development of tourism projects in Public Private Partnership (PPP) mode so that public capabilities and private enterprise could join hands to maximize the project benefits. The policy provided for establishment of a Facilitation Cell so as to facilitate the private partner in obtaining 'one stop' approval for PPP projects. The Tourism Policy further envisaged formulating a suitable incentive policy identifying tax benefits and cost subsidisation to the private investors so as to encourage private investment in tourism sector. Further, the GoA was to put in place a regulatory mechanism to prevent unplanned growth of tourism related activities.

The Presidents of Tour Operators Association and Hotel Owners Association stated (May 2015) that rationalisation of taxes as well as single window clearance needed to be introduced for projects along with reduction in different license fees being paid to the Government.

Although a PPP policy was notified long back in March 2008, the Selection Committee for selection of transaction advisors for PPP projects was constituted after more than six years in November 2014. At present, there were 5 PPP projects in the State of which 2 were under operation⁷⁷ while remaining 3 projects were ongoing⁷⁸.

2.25.4 Incentive Policy and Concession Agreement for lodges not finalised

- The Company submitted (April 2010) a draft 'Incentive Policy' identifying tax benefits and cost subsidisation to the projects to be implemented under PPP mode. The draft policy was, however, not approved by GoA for reasons not on record. A fresh draft with similar proposals was again submitted (December 2014) by DoT, which was also pending to be approved by GoA. Reasons for pendency were not on record (October 2015). The DoT/Company had also failed to effectively pursue the issue with the GoA. Thus, inaction on part of the GoA/DoT/Company, in notifying an appropriate 'Incentive Policy' for PPP projects for entrepreneurs even after more than 7 years of notification (March 2008) of State PPP policy had adverse impact in the growth of the State's tourism sector.

⁷⁷ Mahabahu river cruise, Phulaguri resort at kaziranga

⁷⁸ Golf course at Chandrapur, Taj Vivanta hotel, River cruise

In reply, GoA stated (October 2015) that the policy was yet to be approved. The reply was, however, silent on the reasons for the delay in approval of draft policy.

- With a view to provide upgraded facilities to tourists, the BoD approved (June 2014) a proposal for entering into appropriate ‘Concession Agreement’ with private sector for design, finance, upgradation, modernisation, management and operations of five tourist lodges⁷⁹. As all the said five lodges were already running under losses as discussed in **paragraph 2.25.1 supra**, a suitable ‘Concession Agreement’ could well help the Company in reviving these loss making units. It was, however, observed that the Company had not prepared any draft ‘Concession Agreement’ for approval by GoA till date (October 2015). The matter was also not brought for discussion by the BoD in subsequent four meetings of BoD.

In reply, GoA stated (October 2015) that the draft agreement is being discussed with a legal consultant.

The fact remained that the Company lost the opportunity of reviving the five sick units through public-private partnership mode due to its reluctant approach and inaction in the matter.

Idling of assets

2.25.5 We noticed that out of 23 lodges leased out for tourism activities (October 2015), 2 lodges⁸⁰ were not used for tourism purpose. Some projects remained idle even after their completion on account of indecisiveness of District Administration and poor response of bidders. Case study on these projects has been presented in succeeding paragraphs.

Assets not handed over by District Administration

2.25.6 A few projects of the Company were pending to be operationalised even after lapse of five years of their completion on account of reasons like poor response of bidders, delay in handing over of projects by District Administration, bad and damaged conditions of project assets, etc. as illustrated in **Table 2.1.11**.

⁷⁹ Tourist lodges at Kaziranga (Aranya), Pobitora, Silchar, Jorhat and Majuli

⁸⁰ Kakopathar Tourist Centre and Tourist Complex at Gogamukh

Table 2.1.11

Name of Project	Brief case details
Bongaigaon Tourist Lodge (completed during February 2010 at a cost of ₹ 56.52 lakh)	<p>The project was constructed (February 2010) under the supervision of DC Bongaigaon. The DC, however, did not hand over the asset to DoT/Company initially stating that it may create security threat to the Circuit House and Residence of the DC as the lodge was situated adjacent to these buildings. Finally, after lapse of more than four years the DC handed over (July 2014) the assets to the Company. To make the assets usable, however, the Company had to spend another ₹ 14.72 lakh on their repairs. The Company invited (November 2014) tenders for operation of the lodge. However, no party had elicited any interest in running the project till date (October 2015). The ground for delay in transferring the unit was not justifiable as the project was constructed under the supervision of DC only.</p> <p>The reply by GoA was silent on these observations.</p>
Tourist facility at Gossaigaon (completed during June 2010 at a cost of ₹ 36.72 lakh)	<p>DC, Kokrajhar had not handed over the facility to the Company till date as the guest house was totally damaged (2012) during communal tensions. Presently a local market with temporary shed had been started inside the boundary wall by the local vendors.</p> <p>The reply by GoA was silent on these observations.</p>

Thus, it could be seen that due to in-decisiveness of the DCs in handing over the completed assets to the Company resulted in the assets remaining idle.

Assets irregularly utilised for purposes other than tourism

2.25.7 The prime objective of creating assets under the tourism projects was to utilise the said assets for the intended purposes so as to facilitate the tourists and promote the tourism sector. In some cases as illustrated in **Table 2.1.12**, it was observed that the assets created under the tourism projects were not utilised for the intended purpose thereby defeating the objective of investments made in this regard:

Table 2.1.12

Name of Project	Brief case details
Kakopathar Tourist Centre	Central Reserve Police Force (CRPF) occupied the Tourist centre since October 2004 at the instruction of the DC, Tinsukia, without paying any monthly rent. DC requested the Company (June 2009) to take up the matter with the Police Department or GoI directly, which, however, had not been done till date. In reply, GoA stated (October 2015) that several notices were issued to DC to pay the bill against CRPF occupation. The matter, however, remains to be resolved (October 2015).
Tourist Complex at Gogamukh	The Company entered into an agreement (June 2002) with the Border Roads Organisation (BRO) to accommodate their personnel in the tourist complex till March 2015 on monthly rental basis. Although locals appealed (March 2009) to the Management to use the lodge for tourist purposes, the Company ignored the same, which deprived the tourists to avail the accommodation. In reply, GoA accepted (October 2015) that the property was occupied by BRO who had decided to vacate the unit. After vacation of the unit, steps would be taken for leasing out the unit.

Tourist Survey

2.26 A joint survey of tourists was conducted by Audit along with the officers of the Company in the 7 lodges⁸¹ operated by the Company. A total of 128 boarders/guests were requested to respond on a pre-designed questionnaire on the facilities available in the lodges as well as quality of services provided to the guests. In addition, responses of 117 guests who had recorded their feedback/suggestions in the Visitor suggestion book⁸² were also analysed. **Table 2.1.13** and **Chart 2.6** show the summary of responses/feedback received from the boarders/guests:

⁸¹ Kaziranga (Aranya), Jorhat, Silchar, Nagaon, Pobitora, Guwahati and Tezpur

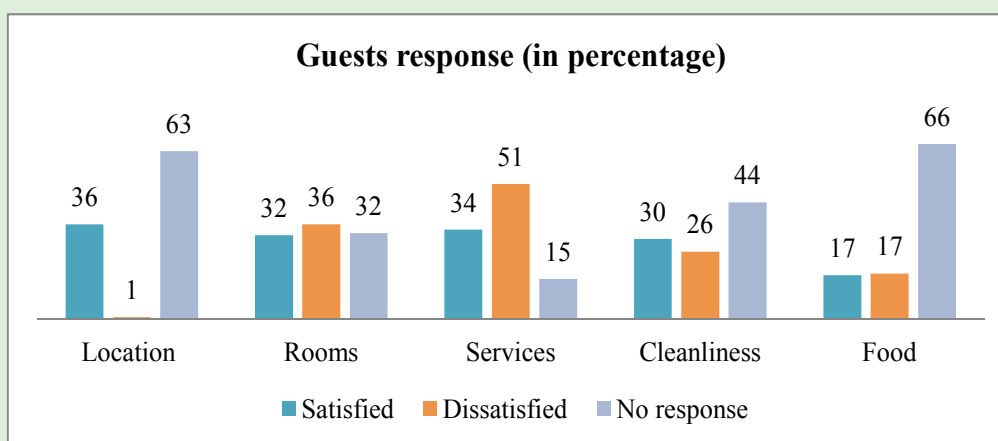
⁸² Aranya Tourist Lodge, Kaziranga and Guwahati Tourist Lodge

Table 2.1.13
(Total number of tourists surveyed: 145)

Sl. No.	Particulars	Individual responses (in numbers)		
		Satisfied (<i>per cent</i>)	Dissatisfied (<i>per cent</i>)	No Response (<i>per cent</i>)
1.	Location	52 (36)	1 (1)	92 (63)
2.	Rooms	46 (32)	52 (36)	47 (32)
3.	Services	49 (34)	74 (51)	22 (15)
4.	Cleanliness	44 (30)	37 (26)	64 (44)
5.	Food	24 (17)	25 (17)	96 (66)

- It could be seen from the above that most of the guests were not satisfied with services and rooms provided in the lodges. As regards suggestions on better performance of the lodges, 74 guests suggested on improvement of overall services, 52 on room services, 37 on improvement in hygiene and cleanliness, and 25 on food and restaurant services.

Chart 2.6



- The dissatisfaction of the guests with services was mainly attributable to lack of cleanliness of rooms, poor bathroom fittings, absence of intercom facilities, poor staff, lack of ATM and card payment facility, lack of entertainment facilities, faulty lift, charging of prices more than the MRP *etc.* In addition few guests pointed out poor publicity and advertisements and suggested improvement of the same through advertisements in newspapers and hoardings.
- It was noticed that facilities created in the lodges were not properly maintained to attract tourist. After test check of visitors comment book of Prashanti Tourist Lodge, Guwahati, for the period February 2012 to March 2015, it was found that 62 *per cent* of the visitors' comments were adverse mainly pointing out shortcomings like poor condition of rooms and bathrooms and lack of attentive room service *etc.* No follow up and remedial action was, however, noticed to have been taken by the Company on the feedback registered by the guests.

In reply, GoA stated (October 2015) that steps were being taken to minimize visitor dissatisfaction through improvement of hygiene and cleanliness, introduction of card payment facilities *etc.*

The fact, however, remained that the Company needed to pay regular attention to address the issues underlined by the visitors/guests so that the visitors recommend others to visit the destinations.

Audit Objective: Effectiveness of monitoring and evaluation system

Monitoring and Management

2.27 The projects implemented by the Company were not adequately monitored by the GoA leading to expenditure on some projects being rendered unfruitful and the potential for tourism in the state remaining unrealised. Some of the deficiencies noticed were:

Assam Tourism Council

2.27.1 As per the State Tourism Policy, one Assam Tourism Council was to be formed with members drawn from the DoT, GoI and the stake holders for formulation of tourism plan and giving appropriate directions for sustainable development and efficient operations of State tourism infrastructure. In addition, a Cabinet Committee under the Chairmanship of the State Chief Minister and a Committee of Secretaries under the chairmanship of the Chief Secretary were also to be set up to provide policy directions and ensure high level coordination between different departments for smooth and efficient implementation of the tourism policy. We observed that although the Assam Tourism Council was set up (September 2009) for development, promotion and co-ordination of tourism activities in the State under the Chairmanship of the State Chief Minister, only one meeting of the Council was held (June 2010) in 6 years (upto October 2015) defeating the prime objective of its formation. None of the other two committees mentioned above was, however, formed by GoA till date (October 2015). This was indicative of the casual approach adopted by GoA in ensuring effective and efficient implementation of tourism policy/projects in the State.

The reply (October 2015) by GoA was silent on these observations.

State Level Monitoring Committee

2.27.2 As per the directions (2010) of GoI, State Level Monitoring Committee (SLMC) meetings were to be held quarterly so as to take decisions on important issues and keep an effective watch on day to day operations of the Company. It was, however, noticed during the period of five years (2010-15) that the SLMC had held only 5 meetings as against the minimum 20 meetings required to be held during the said period. Considering the volume of Company's activities, it may be desirable for SLMC to hold frequent meetings, at least once in every quarter, for effective monitoring and providing guidance on day-to-day operations of the Company.

In reply, GoA stated (October 2015) that the Minister of Tourism, GoA was the Chairman of SLMC and the meetings were convened as per the Minister's convenience.

Management Information System

2.27.3 There was no Management Information System. There was no prescribed format for the lodges to give a feedback summary to the Company. GoA suggested the DoT/Company (August 2009 and June 2015) to direct officers to visit tourist lodges and other tourist facilities of the Company at regular intervals and submit report from time to time. The observations included in the said Reports should be uploaded on Company's website regularly for effective monitoring. The inspections of the lodges conducted by DoT/Company officers were, however, sporadic and no action taken report was found on record against the findings of these inspection reports.

In reply, GoA stated (October 2015) that the Company has been developing a software to monitor operation of the lodges and implementation of different schemes and the same would be put to use on an experimental basis.

Conclusion

The Company was incorporated (June 1988) with the main objective to boost tourism in the State. Although the State Tourism Policy, 2008, which had an extended validity till 2015 was a comprehensive document that could have been followed upon to fully exploit the tourism potential of the state, very little had been done to take the matter forward. The Company earned profits during the five years from 2010-11 to 2014-15, however, it was only due to significant interest income earned against unutilised scheme funds received from GoI/GoA.

- ❖ The State Tourism sector lacks authentic statistics on tourist inflow due to failure of the GoA/Company to put in place a proper data collection mechanism and conduct the benchmark survey of tourist potential destinations. The Company did not prepare any short or long term plans to identify and prioritise the projects to be developed on scientific basis. As a result, project proposals were casually prepared resulting in many projects getting stalled due to unavailability of land.
- ❖ Advertisement and Publicity initiatives were inadequate and tardy decision making had resulted in losing the opportunities to showcase the rich natural and cultural heritage of the Assam to a worldwide audience in an information age. The fact that law and order situation had improved in the State, which was stated by the Company, was not adequately disseminated outside the State.
- ❖ Due to slippage in completion of projects within the time schedule and failure to submit Utilisation Certificates (UCs) against earlier project, the Company had to refund huge project funds to GoI. This deprived the Company from availing further sanctions from GoI for its projects.
- ❖ Tourist facilities were minimal. Many initiatives such as training for guides, impact assessment of training for drivers, homestay tourism, adventure and eco-tourism, rural tourism, handloom tourism, rail tourism, comprehensive pilgrimage tourism never took off beyond proposal stage.
- ❖ Important infrastructure development projects such as building of the Five Star hotel and building of the Convention Centre at Guwahati were stalled because of inability of the Company to get clearances. All these shortcomings indicated that the Company was ill equipped to handle so many projects and activities due to the management not being equipped or empowered to obtain clearances, sanctioned funds, monitor progress of contractors, decide on introduction of skill training, oversee construction of hotel management institute *etc.* In other matters such as recovery of arrears from leased properties, taking over of completed assets, getting artistic, informative and technical projects executed in a timely fashion, the

Company despite having the funds and detailed plans in place, was indifferent to the pace of work and eventual completion and the quality of work done.

- ❖ The monitoring of projects implemented by the Company were not effective rendering the investment on several projects being unfruitful, or hugely delayed, or not being utilised.

Recommendations

- ❖ An effective mechanism may be put in place for collection of authentic tourist data. All potential tourist destinations may be identified and prioritised for development based on the benchmark survey as prescribed in the State Tourism Policy. A Master Plan may be chalked out for development of projects in long run with defined role of all stakeholders including the local population to enable smooth availability of land for implementation of projects. Creation of land bank as visualised in the Tourism Policy may also be expedited.
- ❖ Comprehensive Plan and adequate budget for Advertisement and Publicity may be prepared so as to fully utilise the advantages of electronic and social media for creating awareness of the tourist potential of the state. There is need to obtain feedback from tourists and build it into the plans for expansion and better management of tourist facilities. Special efforts at enhancing security should be made like creation of tourist police and helplines. The improvement in law and order should be adequately publicised to attract more tourists and increase their confidence.
- ❖ All pending schemes and projects which are under various stages of implementation may be reviewed and prioritised so that the investment made from the Exchequer can be made fruitful over a specific timeline. The delays should be analysed, responsibility needs to be fixed and action taken.
- ❖ The public-private-partnership model needs to be given more impetus by involving the industry player such as tour and transport operators, local economy representatives, hotel owners so as to enable easier financing into the sector and professional input in management of tourism services.
- ❖ The Company itself needs to invest in improving its planning and project management skills, rent collection activities and monitoring of technical, artistic and IT projects that it starts. There has to be greater synergy between GoA and the Company and other local bodies so as to obtain clearances/approvals/decisions/funds in time.

- ❖ **Being a service-heavy sector, much importance is to be given to capacity building, skill development and training for which the Government Training institutes like ITIs, IHMs and other firms/institutions that impart skills required for the industry may be involved. This will also boost employment prospects in the State.**
- ❖ **Norms of financial propriety may be adhered to while advancing loans to beneficiaries or even Government entities.**
- ❖ **The DoT/Company need to focus on systematic development of Tourist Circuits for which there is huge scope in the State. To facilitate business tourism proper conferencing facilities and convention centre in the State needs to be created.**
- ❖ **The system of monitoring and evaluation of project implementation needs to be strengthened.**