

OFFICE OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA

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Audit Report on Indo-Nepal Border Road Project Presented in Parliament

Performance Audit Report on Indo-Nepal Border Road Project – Report No. 23 of 2021 of the Comptroller and Auditor General of India - Union Government (Civil) was tabled in Lok Sabha on 5.4.22 and in Rajya Sabha here today.

This Report contains significant results of the Performance Audit on the Indo-Nepal Border Roads Project covering the period from 2010-11 to March 2021.

Government of India in November 2010 took up the construction of 1377 km of roads along the Indo-Nepal Border in Bihar (564 km), Uttar Pradesh (640 km) and Uttarakhand (173 km) at a cost of ₹ 3853 crore and MHA released funds aggregating ₹1709.17 crore to these States as of 31 March 2021. The timeline for completion of the project was March 2016, but was subsequently extended to December 2022.

The Performance Audit brings out inadequacies in planning and financial management coupled with poor contract management and execution of works as well as lack of synchronisation and coordination of activities leading to undue delays as well as additional costs.

Some of the main points brought out in the Report are summarised below:

Project Planning and Execution:

In West Champaran (Bihar), the proposed alignment approved by Cabinet Committee on Security (CCS) in September 2010 was in proximity with the INB touching Valmikinagar, which was on the northernmost side of the wildlife reserve area. Although the wildlife clearance under “Single Window System” was available for the border road, presuming that wildlife clearance would not be given by the Ministry of Environment, Forest and Climate Change (MoEF), Road Construction Department (RCD) did not apply for the same and changed the alignment (April 2011). The alignment was shifted to the southernmost boundary (April 2011) of the wildlife reserve area more than 20 km away from the international border. Shifting of alignment did not serve the purpose of border road, as it was beyond the patrolling jurisdiction of the *SSB*.

As on March 2021, 363 BOPs (81%) were away from the main alignment of the proposed border road. Out of 363 BOPs, 125 BOPs were away at a distance of ranging one km to 20 km and 16 were away at a distance of more than twenty km. No provision was made to provide the connectivity to such BOPs which were away from the proposed border road.

15 bridges were constructed in the alignment of the roads along the Indo-Nepal border in Bettiah (West Champaran District) of Bihar before August 2016. After their construction, the alignment of the roads was changed by the RCD of Bihar. There was no clarity on whether the bridges were connected to the revised alignment. Audit team along with the engineers of the RCD, Bettiah (West Chamaparan District) conducted joint physical verification of three approachable bridges and found that the bridges were incomplete with no approach roads. The bridges remained unutilised (March 2021) as they were not connected to roads.

As a result of failure to obtain forest/wild life clearances in Uttar Pradesh and delay in finalization of Detailed Project Report (DPR) for Pancheshwar Dam on river Mahakali by the Ministry of Water Resources in Uttarakhand, as of March 2021, DPRs for only 842.86 km out of the targeted 1262.36 km of roads (67 *per cent*) were approved leaving DPRs for 419.50 km of road length (33 *per cent*) yet to be approved. MHA did not ensure that preparatory works such as land acquisition and Forest/Wildlife clearances were completed by the States before approval of DPR.

In the approved DPRs, audit observed various deficiencies like deficient designing of road in Uttarakhand and overestimation in estimates of ₹11.93 crore in Uttar Pradesh.

Financial Management:

Utilisation of funds was not properly managed as MHA released funds to the States though the unspent balance of previous years were not utilised by the State Governments. This resulted in blocking of funds with the State Governments during the years 2013 to 2016.

MHA sanctioned ₹ 2.34 crore on inadmissible components like utility shifting and afforestation to the State of Uttar Pradesh. Further, the State Government had diverted/incurred expenditure on inadmissible components aggregating ₹13.41 crore.

MHA did not account for the interest of ₹36.74 crore earned by the State Government on unutilized central funds. Further, the advances and interest thereon aggregating ₹136.60 crore for mobilisation advance and equipment advance are yet to be recovered from the contractors in Uttar Pradesh and Bihar. Due to the slow progress of construction of roads, the projects costs were increased by ₹ 831.30 *crore* in 21 stretches.

Contract Management and Execution of works:

The progress of the work of construction of roads in all the three States was slow and the road construction could not be completed despite the lapse of ten years i.e. 2011-2021. Out of targeted 1262.36 km road to be constructed along the Indo-Nepal border, only 367.48 km of

road (29 *per cent*) has been completed (surfacing work) as of March 2021. The major reasons for delay in progress of work were delay in acquisition of land/ forest clearance.

The work was awarded without ensuring land free from encumbrance which caused arbitration and termination of contracts at various stages. This led to stoppage of work on 408.98 km (396.98 km in Bihar and 12 km in Uttarakhand), i.e. 49 per cent road length of the approved DPRs, up to five years. In Uttar Pradesh, the work of 8 stretches were completed after a delay ranging upto 69 months from the target date of completion. In Uttarakhand also, there was time overrun of 49 months in completion of 12 km of road length.

Quality Assurance and Monitoring:

In Uttar Pradesh, mandatory tests of samples at various road levels were not carried out as per norms leading to shortfall ranging from 28 *per cent* and 91 *per cent*. Further, there was substantial shortfall in field inspections by Chief Engineer and Superintending Engineers. This was fraught with the risk of sub-standard work.

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