SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest

Report of the Comptroller and Auditor General of India for the period ended March 2024

Government of Bihar

Report No. 01 of 2026

(Performance & Compliance Audit-Civil)

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Comptroller and Auditor General of India
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Preface

This Report of the Comptroller and Auditor General of India for the period ended March 2024 has been prepared for submission to the Governor of Bihar under Article 151 of the Constitution of India.

This Report contains significant results of the Performance and Compliance Audit of the Departments of Rural Development, Water Resources, Building Construction, Education, Scheduled Castes and Scheduled Tribes Welfare and Rural Works.

The instances mentioned in this Report are those, which came to notice in the course of test-audit for the period 2023-24, as well as those which came to notice in earlier years, but could not be reported in the previous Audit Reports. Instances relating to the period subsequent to 2023-24 have also been included, wherever necessary, giving updated position. The audit observations contained in this Report are based on a limited test-check.

The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

Overview

OVERVIEW

This Report of the Comptroller and Auditor General of India for the period ended 31 March 2024 includes findings of one Performance audit on 'Implementation of Mahatma Gandhi National Rural Employment Guarantee Act in Bihar', one Subject Specific Compliance Audit (SSCA) on 'Construction, raising and strengthening of embankments under Water Resources Department', and six audit paragraphs. A summary of important audit findings is given below.

Performance Audit

2. Implementation of Mahatma Gandhi National Rural Employment Guarantee Act in Bihar

Performance Audit on the "Implementation of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) in Bihar", covering the period 2019-20 to 2023-24, was conducted to assess process of planning, financial management, generation of employment and achievements thereon, besides creation of durable & useful assets *etc.*, under the Scheme.

Key audit findings are presented as under:

- The baseline survey, to assess the quantum and timing of demand for work was last conducted in 2015-2016, although required to be conducted once in every five years. In the absence of any baseline survey during 2019-24, there was no mechanism available with the Department to assess the quantum and timing of demand for work at the Gram Panchayat level, as well as any local level changes in pattern of livelihoods and opportunities for work.

(Paragraph 2.2.2)

- In the sampled districts, District Perspective Plans (DPP) 2020-25 were not prepared, which resulted in non-identification of the MGNREGA projects for convergence with other schemes of the Central, as well as Bihar Government.

(Paragraph 2.2.3)

- Against 13,798 sanctioned posts for the implementation of MGNREGA in the State, 6,086 posts (44 *per cent*) were vacant as of 20 November 2024. The extent of vacancies ranged from 16 *per cent* in the case of District Programme Officers (DPOs) to 80 *per cent* for computer operators. This is despite the fact that the issue of manpower shortage had been highlighted earlier in CAG's Audit Report No. 3 of 2021 (Government of Bihar).

(Paragraph 2.2.6)

- Out of total 1,05,253 Mates trained at the State level, only 26,278 (25 *per cent*) were deployed, as of December 2024. The shortfall in deployment of Mates impacted the implementation of the Scheme. Audit observed instances of non-updating of Job Cards, discrepancies in recording workers' attendance, and deficiencies in capturing demand for work, functions that were required to be performed by Mates.

(Paragraph 2.2.7.1)

- During 2019-20 to 2023-24, the State utilised ₹ 30,615.93 crore (96 *per cent*) against the total available funds of ₹ 31,730.69 crore for implementation of the Scheme. However, as of March 2024, ₹ 36.22 crore was lying as unadjusted advance against various implementing agencies for more than five years. Further, royalty and tax amounting to ₹ 6.95 crore, deducted from bills of material suppliers, had not been deposited in the respective heads of Government Accounts.

(Paragraph 2.3.2)

- Out of total outstanding liabilities of ₹ 1,903.58 crore towards payments of unskilled wages and materials cost as of 31 March 2024, ₹ 302.24 crore had been pending from periods prior to 2019-20, while ₹ 1,506.75 crore pertained to liabilities arised during 2023-24.

(Paragraph 2.3.3)

- Capturing worker's details, issuing Job Cards (JCs) to all registered HHs and verification thereof, was mandated under the Act. However, as of November 2024, JCs were not issued to 1,42,746 (1.04 *per cent*) and 42,171 (1.63 *per cent*) registered HHs in the State and sampled districts, respectively. Further, only 30.12 *per cent* to 53.84 *per cent* of all JCs and 43.52 *per cent* to 63.84 *per cent* of active JCs were verified in the State during 2019-24.

(Paragraph 2.4.2.1 & 2.4.2.2)

- Out of total payments of ₹ 20,374.91 crore to MGNREGA workers in the State during 2019-24, ₹ 735.10 crore (3.61 *per cent*) were paid with delays between 16 days and more than 90 days. These delays occurred mainly due to delays in generating and processing of Fund Transfer Orders at the Programme Officer level in blocks. Further, against total claims of 10.03 crore person days for compensation against delayed payment of wages, claims of only 0.42 crore person days (4.19 *per cent*) were approved during 2019-24.

(Paragraphs 2.4.4.2 & 2.4.4.4)

- Out of 1.21 crore works taken up during 2019-24, 44.73 lakh (37 *per cent*) works were completed, and the remaining 76.27 lakh works (63 *per cent)* were ongoing (as of November 2024).

(Paragraph 2.5.2)

- Out of a total of 35,261 works taken up in the sampled units during 2019-24, 5,800 (16 *per cent*) remained incomplete for period ranging up to five years.

(Paragraph 2.5.3)

- In the three sampled districts (East Champaran, Saharsa and Sheohar), expenditure of ₹ 5.65 crore was incurred on execution of 72 works related to desilting of rivers, which were not included in the list of works to be undertaken as per the Annual Master Circular (2019-20).

(Paragraph 2.5.4)

- As per the Annual Master Circular (2019-20), the concerned DPC was required to maintain a wage-to-material expenditure ratio of 60:40 for all works undertaken under the Scheme by Gram Panchayats and other implementing agencies. Analysis of expenditure data for the six sampled districts for the period 2019-24 indicated that five districts (excluding Saharsa) did not adhere to the prescribed ratio.

(Paragraph 2.5.5)

- The State Government constituted the State Employment Guarantee Council (SEGC) in May 2012 to monitor, review and evaluate the implementation of MGNREGS. The SEGC was subsequently reconstituted in July 2016 and January 2021. However, the Government had not framed any rules regarding the frequency, place and procedure of the meetings of SEGC established. In the absence of such rules, the SEGC held only three meetings during 2021-23, indicating insufficient monitoring of the scheme at the State level.

(Paragraph 2.6.2)

- In the sampled districts (except Gaya and Nawada), the post of the Ombudsman remained vacant for periods ranging between 21 months to 38 months.

(Paragraph 2.6.4.4)

- The State Government constituted (June 2015) an independent Social Audit Society for conducting social audits of MGNREGS including various public welfare schemes/ programmes of GoB, being operated in rural areas. However, the Social Audit Society prepared annual calendar considering audit of GPs on a yearly basis, instead of once in six months, as mandated under the MGNREGA Operational Guidelines, 2013. As a result, against the requirement of conducting 13,340 social audits in the sampled districts, only 3,454 audits (25.89 *per cent*) were conducted during the period 2019–24.

(Paragraph 2.6.5.1 & 2.6.5.2)

- Overall, 96 *per cent* of the total audit observations made during Social Audits of the sampled GPs during 2019-24 were pending for settlement, indicating insufficient monitoring at the District Programme Coordinators level.

(Paragraph 2.6.5.3)

Recommendations

The Department may:

i. ***conduct baseline survey to assess the quantum and timing of demand for employment in rural HHs.***

ii. ***prepare District Perspective Plans including identification of projects for convergence with other Government schemes.***

iii. ***ensure strengthening the process of the updation and verification of Job Cards.***

iv. ***ensure framing of rules for meetings of the State Employment Guarantee Council, to ensure proper monitoring of the Scheme at the State level.***

v. ***ensure filling up the vacant posts of Ombudsmen, to streamline the disposal of complaints.***

vi. ***ensure conducting social audits as per the prescribed frequency, as well as taking timely corrective action on the audit findings.***

SUBJECT SPECIFIC COMPLIANCE AUDIT

3. Construction, raising & strengthening of embankments under the Water Resources Department

- Seven schemes taken up (December 2005 to April 2022) in three sampled river basins remained incomplete/not started due to initiating the tendering process without ensuring land availability. Two of these schemes did not start (as of December 2024), despite lapse of two and half to more than six years since the award of work, while the remaining five remained incomplete (as of December 2024) with delays of one to 16 years from the scheduled date of completion. Hence, none of the schemes was complete as of December 2024, although overall an expenditure of ₹ 247.80 crore had been incurred by the Department.

(Paragraph 3.2)

- Due to construction of embankments in patches on account of non-availability of land along Jhim Jamura and Banke rivers under Adhwara basin, the intended benefit of protection of 5.26 lakh population and 17,400 ha agricultural land was not achieved, rendering ₹28.97 crore unfruitful (December 2024).

(Paragraph 3.2.1.3)

- Due to non-acquisition of complete land, 25.85 km of embankment works along Rato river under Adhwara basin remained incomplete, and the scheme's objective of protecting 50,000 population and 6,000 ha of land from floods was not achieved despite expenditure of ₹6.09 crore.

(Paragraph 3.2.1.4)

- Imprudent decision of the Department to cancel the first tender in September 2020 for 'Raising, Strengthening and black topping of Kamala Balan embankment' without assigning any specific reasons, though the lowest bidder had quoted rates of 2.25 *per cent* below the BoQ rates (of ₹282.95 crore) indicated lack of transparency in bid finalisation. This resulted in an avoidable payment of ₹7.15 crore due to awarding the contract, after 12 months, at higher rate.

(Paragraph 3.3.1)

- In nine desilting works (2018-19 to 2021-22) under Flood Control Divisions Darbhanga, Jhanjharpur (I & II), and Bagmati Divisions Sitamarhi and Runnisaidpur, although the estimates provided for spreading the excavated earth along embankments, no embankments or suitable banks were available along the river channels to allow for spreading and profiling of excavated earth. This indicates a risk that only excavation of earth was executed. However, payment of ₹6.55 crore was made to the contractors for the entire earth work, including the cost of spreading and profiling of the earth work as provisioned in the estimates.

(Paragraph 3.3.3)

- In two works executed in Flood Control Division (FCD) Salmari and Kishanganj, keeping excess width of Wet Mix Macadam (WMM) led to execution of additional WMM work resulting into wasteful expenditure of ₹5.03 crore. In FCD, Katihar, Dense Bituminous Macadam was used against the Indian Road Congress provisions, leading to an avoidable expenditure of ₹1.89 crore.

(Paragraphs 3.4.1.1 & 3.4.2.2)

- In Bagmati Division, Sitamarhi and FCD, Katihar, short deduction of shrinkage/compaction allowance from the quantity of compacted earth resulted in excess payment of ₹1.27 crore (up to June 2021) to the contractors.

(Paragraph 3.4.3.1)

- The contract for construction of embankments along the rivers Jhim, Jamura, and Banke was foreclosed in November 2024 by the Executive Engineer, BD, Sitamarhi, due to non-availability of land. As per the final measurements recorded by the Division in September 2024, works amounting to ₹26.68 crore were actually executed. However, a payment of ₹28.97 crore had already been released to the contractor by March 2021, resulting in an excess payment of ₹2.29 crore as of November 2024.

(Paragraph 3.4.3.2)

- In FCD Darbhanga, non-construction of left and right embankments along the Bagmati River as per design High Flood Level, in contravention of the Guidelines issued by the Central Water Commission and the recommendations of the Central Water and Power Research Station, Pune (Ministry of Jal Shakti, GoI), left the embankments vulnerable to floods, despite an expenditure of ₹320.85 crore.

(Paragraph 3.4.5.1)

- In FCD (I & II), Jhanjharpur (Madhubani), salvaged bricks worth ₹1.86 crore were neither recorded nor utilised/disposed of. Thus, the possibility of misutilisation or theft of these unaccounted salvaged bricks cannot be ruled out.

(Paragraph 3.4.5.3)

- Non-adherence to quality norms during construction of embankments and non-conducting of quality tests in borrow area indicated poor quality assurance under test-checked divisions.

(Paragraph 3.5)

- In Kamala Balan and Bagmati rivers, impairment of drainage by the bridges existing between the embankments of both the rivers led to the risk of breach to embankments.

(Paragraph 3.6.1.1)

4. Audit Paragraphs

- Due to its lackadaisical approach, the Education Department did not assess and pay the Service Charge in respect of its 161 buildings for the period 1995 to 2023 within the stipulated time, in violation of the provisions of the Bihar Municipal Property Tax (Assessment, Collection and Recovery) Rules, 2013 , resulting in an avoidable expenditure of ₹8.47 crore towards penal interest.

(Paragraph 4.2)

- Inadmissible IGST payments to the printing agency by Lalit Narayan Mithila University, Darbhanga, resulted in financial loss of ₹5.37 crore, to the University.

(Paragraph 4.3)

- Avoidable expenditure of ₹ 3.77 crore was incurred towards payment of interest and damages levied for delayed remittance of Employees' Provident Fund contribution by District Programme Officers, Madhubani and Muzaffarpur and 11 District Welfare Officers.

(Paragraph 4.4)

- Due to commencement of works without ensuring availability of land, the work of approach roads and bridge under Rural Works Divisions, Pakridayal and Araria remained incomplete, and expenditure of ₹ 3.30 crore remained unfruitful. Besides, the intended objective of connecting the habitations was not achieved.

(Paragraph 4.5)

- The decision of the Water Resources Department to sanction transportation of 70 *per cent* of boulders through road, despite rail transport being more economical, resulted in avoidable payment of ₹3.56 crore by FCD Gopalganj.

(Paragraph 4.6)

Chapter-I
Introduction

CHAPTER-I
INTRODUCTION

1.1 About this Report

This Report contains matters arising from the Performance audit (PA) on 'Implementation of MGNREGA in Bihar' related to the Rural Development Department, Subject Specific Compliance Audit (SSCA) on 'Construction, raising and strengthening of embankments under Water Resources Department', as well as Compliance Audit Observations related to five Departments[1] of the Government of Bihar (GoB).

The primary purpose of this Report is to bring to the notice of the Legislature, audit findings of significant materiality in respect of Performance Audit and Compliance Audits taken up during 2023-24. The audit findings are expected to enable the Executive to take corrective actions and to frame policies and directives for proper management of organisations in order to ensure better governance.

This Report comprises of four chapters. The present chapter provides a brief analysis of the expenditure of the State and responses of the Government to Inspection Reports/ Audit Reports and corrective action taken therein. Chapters II to IV present detailed audit findings and observations based on the Performance and Compliance audits, taken up during 2023-24.

1.2 Auditee profile

As of March 2024, there were 45 Departments in the Government of Bihar. During 2023-24, against a total budget of ₹3,26,230.12 crore, the State Government incurred an overall expenditure of ₹2,60,718.07 crore.

The overview of expenditure, in major departments under the audit jurisdiction of the Principal Accountant General (Audit), Bihar, during 2019-20 to 2023-24 is shown in **Table 1.1**.

Table 1.1: Trend of expenditure in various departments

(Amount: ₹ in crore)

Sl. No.	Name of Department	2019-20	2020-21	2021-22	2022-23	2023-24
1	Education Department	26,084.00	26,813.75	34,101.88	42,095.78	42,331.66
2	Energy Department	9,107.45	8,911.62	10,506.45	16,207.98	16,153.17
3	Urban Development and Housing Department	3,144.53	5,640.39	6,941.43	6,546.06	14,743.88
4	Home Department	9,508.75	9,611.79	10,802.45	11,811.93	13,675.58
5	Health Department	7,813.04	9,166.17	11,712.31	12,013.95	13,483.56
6	Panchayati Raj Department	8,734.75	8,402.40	8,178.85	8,661.18	12,426.68
7	Rural Works Department	3,549.02	5,199.65	5,990.09	9,478.96	10,306.77

[1] *Building Construction Department, Rural Works Department, Water Resources Department, SC & ST Welfare Department and Education Department.*

Sl. No.	Name of Department	2019-20	2020-21	2021-22	2022-23	2023-24
8	Road Construction Department	2,776.07	4,894.40	5,625.87	8,126.33	9,308.01
9	Social Welfare Department	7,376.09	8,794.70	8,995.84	11,192.66	8,858.10
10	Rural Development Department	9,692.46	9,314.16	14,015.03	18,412.91	8,570.65
11	Building Construction Department	1,783.35	1,572.05	3,729.50	3,645.98	6,759.24
12	Water Resources Department	1,812.41	2,770.48	4,296.12	3,336.19	6,380.98
13	Finance Department	1,645.53	866.03	978.71	3,095.96	3,402.49
14	Disaster Management Department	3,621.18	6,741.95	3,895.42	3,119.10	3,002.16
15	Industries Department	435.26	464.6	1,560.80	3,330.76	2,582.24
16	Public Health Engineering Department	2,342.29	5,378.24	2,661.81	2,142.95	2,507.57
17	Agriculture Department	2,152.49	1,498.54	1,927.94	2,571.44	2,289.28
18	Planning and Development Department	1,372.43	1,220.94	1,899.21	1,843.53	2,090.13
19	Scheduled Castes & Scheduled Tribes Welfare Department	1,121.26	1,270.24	1,456.48	1,628.09	1,536.92
20	Food and Consumer Protection Department	706.24	728.05	914.88	1,384.47	1,458.51
21	Animal and Fisheries Resources Department	789.36	639.99	640.20	825.78	1,415.70
22	Backward Classes and Most Backward Classes Welfare Department	1,416.80	413.42	2,852.95	1,634.54	1,220.49
23	Law Department	768.04	809.63	848.17	1,057.12	1,186.95
24	Revenue and Land Reforms Department	561.72	668.47	790.64	903.65	1,157.45
25	Co-Operative Department	593.29	1,070.49	876.79	1,015.01	1,119.77
26	Minor Water Resources Department	510.11	1,129.70	466.42	644.29	1,037.94
27	Other Departments and Grants/Appropriation*	40,224.04	43,923.56	47,535.97	58,450.24	71,712.19
	Total	**1,49,641.96**	**1,67,915.41**	**1,94,202.21**	**2,35,176.84**	**2,60,718.07**

**Includes departments having expenditure less than ₹ 1,000.00 crore and expenditure of other Grants/ Appropriation pertaining to the year 2023-24*

(Source: Appropriation Accounts of the Government of Bihar for the respective years)

1.3 Mandate for Audit

Authority for audit by the CAG is derived from Articles 149 and 151 of the Constitution of India and the CAG's Duties, Powers and Conditions of Service (DPC) Act, 1971. CAG conducts audit of expenditure of State Government Departments under Section 13 of the CAG's DPC Act. CAG also conducts audit of other Bodies, which are substantially financed by the Government under Section 14 of the DPC Act. Section 16 of the CAG's

DPC Act, authorises the CAG to audit all receipts (both revenue and capital) of the Government of India and of the Government of each State and of the Government of each Union Territory having a legislative Assembly. Besides, CAG conducts audit of bodies/ PSUs, audit of which is entrusted under Section 19(2), 19(3) and 20(1) of the DPC Act. Principles and methodologies for various audits are prescribed in the Regulations on Audit and Accounts, 2020, and Auditing Standards issued by CAG.

1.3.1 Planning and conduct of Audit

Performance and Compliance Audits are conducted as per the Annual Audit Plan wherein units are selected on the basis of risk assessment of the Apex units, Audit units and Implementing units. Risk assessment is carried out on the basis of expenditure profile of the units, past instances of fraud, embezzlement, loss, irregularity, media reports *etc.*, as well as findings of previous Audit Reports.

Inspection Reports are issued to the heads of units after completion of audit. Based on the replies received, audit observations are either settled or further action for compliance is advised. Important audit findings are processed further as Draft Paragraphs (DPs) for inclusion in the Audit Report. Performance and Subject Specific Compliance Audits are prepared on the issues of significance and selection of issues is done following the methodology explained above.

Formal replies furnished by the Departments are duly considered while finalising the materials for inclusion in the Audit Report. Audit Reports are laid before the State Legislature under Article 151 of the Constitution of India.

1.3.2 Response of the Government to Inspection Reports

Principal Accountant General (Audit), Bihar, conducts periodical inspections of Government Departments though test-check of transactions and verifies maintenance of important accounting and other records as per prescribed rules and procedures. These inspections are followed by issue of Inspection Reports (IRs) to the Heads of Offices, with copies to the concerned Departments. The audited entities are impressed upon to submit replies of audit findings included in the IRs within four weeks from the date of receipt of the Report.

Whenever replies are received, audit findings are either settled or further action for compliance is advised. The important audit observations, pointed out in these Inspection Reports are processed for inclusion in the Audit Reports of the Comptroller and Auditor General of India, which are submitted to the Governor of Bihar, under Article 151 of the Constitution of India.

During 2023-24, Compliance Audits of 391 Drawing and Disbursing Officers (DDOs) of the State related to 39 Departments including 15 Autonomous Bodies, were conducted by the office of the Principal Accountant General (Audit), Bihar.

Serious irregularities were also brought to the notice of the Heads of the Departments, on a regular basis.

A detailed review of the IRs issued to 3,574 DDOs (up to March 2024), pertaining to 39 Departments, revealed that 47,645 paragraphs, having financial implication of ₹ 8,77,649.18 crore, covered in 5,236 IRs, remained outstanding as of 31 March 2025, as shown in **Table 1.2**. The age-wise analysis of outstanding IRs/ Paragraphs and types of irregularities are detailed in ***Appendix-1.1*** and ***Appendix-1.2***, respectively.

Table 1.2: Outstanding Inspection Reports/ Paragraphs

Sl. No.	Period since outstanding	No. of outstanding IRs (*per cent*)	No. of outstanding Paragraphs (*per cent*)	Amount involved *(₹ in crore)*
1	Less than one year	421 (8)	6,729 (14)	1,14,310.03 (13)
2	1 year to 3 years	705 (14)	8,246 (17)	2,71,768.29 (31)
3	More than 3 years to 5 years	373 (7)	4,097 (9)	2,00,816.12 (23)
4	More than 5 years	3,737 (71)	28,572 (60)	2,90,754.74 (33)
	Total	**5,236**	**47,645**	**8,77,649.18**

From **Table 1.2**, it can be seen that the departmental officers did not take necessary action on the observations contained in outstanding IRs, within the prescribed time frame, resulting in erosion of accountability.

Recommendation 1: The State Government may review outstanding Inspection Reports to ensure timely and proper response to audit observations.

1.3.3 Communication of draft Audit Reports/ Paragraphs to the Government

During the last few years, Audit has reported several significant deficiencies in implementation of various programmes/activities, as well as the quality of internal controls that impact the success and implementation of various programmes and the functioning of the selected Departments. The focus of this exercise was on auditing specific programmes/ schemes and offering suitable recommendations to the Executive, for taking corrective action and improving delivery of services to the citizens.

As per the provisions of the Comptroller and Auditor General of India's Regulations on Audit and Accounts, 2020, Departments are required to send their responses to draft PA, SSCA /Audit Paragraphs, proposed for inclusion in the Comptroller and Auditor General of India's Audit Reports, within a specified period of time. Draft PA, SSCA and Audit paragraphs, proposed for inclusion in the Report, were forwarded to the Heads of Departments, seeking their replies. It was also brought to the personal attention of the Heads of Departments that in view of the likely inclusion of such PA, SSCA and Audit Paragraphs in the Reports of the Comptroller and Auditor General of India, to be placed before the State Legislature, it would be desirable to include their comments in the matter. Heads of Departments were also reminded to furnish replies in respect of Audit findings contained under draft PA/SSCA and Audit Paragraphs through issue of reminder letters and during Exit Conferences held.

1.3.4 Response of the Government and Auditee units during the conduct of audits

Section 18 (1) (b) of the Comptroller & Auditor General's DPC Act, 1971 stipulates that, in connection with the performance of his duties under the said Act, C&AG has the authority to requisition any accounts, books and other documents which deal with or form the basis of or are otherwise relevant to the transactions to which his duties in respect of audit extends. Further, Regulation 19(6) of the Regulations on Audit and Accounts, 2020, stipulates that office in charge of the auditable entity shall comply with the requests made by Audit for data, information and documents, within a specified time.

Besides, Regulation 134 of the Regulations on Audit and Accounts, 2020, stipulates that the officer in charge at the auditable entity, shall ensure that to-the-point replies are rendered to the audit queries and audit observations within the stipulated time and that the particulars given in the replies are correct with reference to the records.

Despite these provisions, there were several instances of non-production of records to Audit. Though such instances were brought to the notice of the authorities, follow-up by the concerned authorities was not uniformly swift and effective.

This Audit Report for the year 2023-24 contains one PA, one SSCA and six Audit Paragraphs. Despite repeated efforts, a number of records requisitioned by the Audit teams, were not made available and replies to audit memos, issued during audit, were not provided in many cases. Out of 74 auditee units, 71 units did not produce certain records requisitioned by Audit. Out of total 770 audit memos issued in respect of one PA and one SSCA, replies were not received in case of 98 audit memos. Further, only partial replies were received in respect of 216 audit memos in respect of these PA/SSCA, as detailed in ***Appendix 1.3***.

Non-production of records severely limits the exercise of CAG's constitutional mandate and may result in erosion of accountability of the State Government functionaries, besides increasing the risk of concealment of fraud, misappropriation, embezzlement etc.

Recommendation 2: The State Government, may take appropriate action, against officers individually responsible for non-production of records and non-submission of replies to Audit, in order to strengthen the accountability structure.

1.3.5 Follow-up of Audit Reports

In terms of the Manual of Instructions (1998) of the Finance Department, Government of Bihar, the Departments are required to initiate *suo moto* action on all Audit Paragraphs featured in the Comptroller and Auditor General's Audit Reports. They are also required to furnish detailed notes, duly vetted by Audit, indicating the remedial action taken or proposed to be taken by them, within two months of the presentation of the Audit Reports to the State Legislature. The status regarding receipt of these Action Taken Notes

(ATNs), on the paragraphs included in the Comptroller and Auditor General's Audit Reports, as on 31 March 2025, is given in **Table 1.3.**

Table 1.3: Status of receipt of ATNs on the Paragraphs included in the ARs

Audit Reports for the year	ATNs not furnished by the concerned Department as of 31 March 2025 (No. of Paragraphs)	Money Value (₹ in crore)	Date of presentation of the Report in State Legislature	Due date for receipt of ATNs
2018-19	1	47.58	29.07.2021	29.09.2021
2019-20	3	17.01	30.03.2022	30.05.2022
2020-21	3	163.42	16.12.2022	16.02.2023
2020-21 (Standalone PA Report on 'Outcomes of Surface Irrigation Projects in Bihar')	4	638.92	16.12.2022	16.02.2023
2016-22 (Standalone PA Report on 'Public Health Infrastructure and Management of Health Services')	40	150.24	28.11.2024	28.01.2025
Total	**51**	**1,017.17**		

The above reflects the slow response of the Departments on Audit Reports.

Recommendation 3: The State Government may take necessary action for submission of Action Taken Notes on audit paragraphs featuring in the Audit Reports within two months of the presentation of the Report to the State Legislature.

1.3.6 Recoveries at the instance of Audit

Audit findings involving recoveries that are noticed in the course of test-check of accounts of the Departments of the State Government, are referred to the authorities concerned, for confirmation and further necessary action, under intimation to Audit.

During 2023-24, recovery amounting to ₹45.22 lakh was pointed out in six cases[2] by Audit and the same was accepted by the Auditee units/Departments, out of which ₹33.97 lakh has since been recovered in four cases. Recovery of remaining ₹11.25 lakh related to two Auditee units[3], however was still pending as of June 2025.

[2] *Superintendent, Patna Medical College and Hospital (in two cases ₹30.80 lakh); Principal, Patna Medical College (₹0.004 lakh); DPRO East Champaran (₹4.25 lakh), PHED Jhanjharpur (₹7.00 lakh) and Civil Surgeon cum Chief Medical Officer Bhojpur (₹3.17 lakh).*

[3] *DPRO East Champaran (₹4.25 lakh) and PHED Jhanjharpur (₹7.00 lakh).*

1.4 Status of placement of Separate Audit Reports of Autonomous Bodies in the State Legislature

Audit of accounts of 11 Autonomous Bodies (ABs) in the State was entrusted to the Comptroller and Auditor General of India, out of which renewal of entrustment in respect of six bodies is not required since these bodies were formed under the Act of the Parliament. However, entrustment in respect of audit of accounts of five ABs[4] for the period ranging from financial year 2010-11 to 2023-24, was not sent by the State Government to the office of Pr. Accountant General (Audit), as indicated in ***Appendix-1.4***. The status of entrustment of audit, rendering of accounts to Audit, issuance of Separate Audit Reports and their placement in the Legislature is detailed in ***Appendix-1.4***.

[4] *Bihar Agriculture University, Sabour (Bhagalpur); Bihar Animal Sciences University, Patna; Bihar State Bio-diversity Board, Patna; Bihar State Housing Board, Patna; and Bihar State Khadi and Village Industries Board, Patna.*

CHAPTER-II

Implementation of Mahatma Gandhi National Rural Employment Guarantee Act in Bihar

CHAPTER-II
PERFORMANCE AUDIT

RURAL DEVELOPMENT DEPARTMENT

2. Implementation of Mahatma Gandhi National Rural Employment Guarantee Act in Bihar

Government of India (GoI) enacted (September 2005) the National Rural Employment Guarantee Act (NREGA), 2005 and renamed it as the "Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)" in October 2009. The mandate of the Act was to provide at least 100 days of guaranteed wage employment in a financial year on demand to any rural Household (HH). Initially (February 2006), 23 districts of Bihar were covered under the Act, and by April 2007 the Act was implemented in all the districts.

The Rural Development Department (Department) was the nodal department for the implementation of MGNREGA in the State. The Bihar Rural Development Society (BRDS), functioning under its administrative control, was the nodal agency for execution.

A Performance Audit (PA) on the **"Implementation of MGNREGA in Bihar"** was conducted to assess process of planning, financial management, generation of employment and achievements thereon, besides creation of durable & useful assets etc., under the Scheme.

The PA covering the period 2019-20 to 2023-24, was conducted during July 2024 to September 2024 through test-check of records of the Department and BRDS at the apex level. Additionally, records of six sampled District Rural Development Agencies (DRDAs), Programme Officers (POs) in 12 sampled blocks and of 48 sampled Gram Panchayats (GPs) were also examined.

Key audit findings in each of the focus areas of examination, are presented as under:

Process of Planning

The baseline survey, to assess the quantum and timing of demand for work was last conducted in 2015 and 2016, although required to be conducted once in every five years. In the absence of any baseline survey during 2019-24, there was no mechanism available with the Department to assess the quantum and timing of demand for work at the GP level, as well as any local level changes in pattern of livelihoods and opportunities for work. In the sampled districts, District Perspective Plans (DPP) 2020-25 were not prepared, which resulted in non-identification of the MGNREGA projects for convergence with other schemes of the Central, as well as Bihar Government. Further, to discuss and finalise the Annual Development Plan (ADP), against required 235 meetings of Gram Sabha (GS), only 168 were held in the sampled GPs. Furthermore, in the sampled districts, Resource Groups, to advise, formulate, appraise and identify common areas of convergence of work under different schemes with MGNREGS, were not formed. These discrepancies led to improper approval of ADPs and limited public participation in the planning process for the Scheme.

Besides, substantial vacancies of 44 *per cent* and 38 *per cent* in the sanctioned posts of MGNREGA functionaries were observed in the State and in the test-checked districts respectively, which affected the Scheme implementation such as non-updation of Job Cards (JC), non-maintenance of key records *etc*.

Financial Management

As of March 2024, ₹ 36.22 crore was lying as unadjusted advance against various implementing agencies for more than five years. Further, royalty and tax amounting to ₹ 6.95 crore, which was deducted from bills of material suppliers was yet to be deposited in the respective heads of Government Accounts. Payments of ₹ 1,903.58 crore were also outstanding for a period up to 10 years in respect of unskilled wages (₹ 979.74 crore) and cost of materials (₹ 923.84 crore).

Registration and Employment Generation

Capturing worker's details, issuing Job Cards (JCs) to all registered HHs and verification thereof, was mandated under the Act. However, as of November 2024, JCs were not issued to 1,42,746 (1.04 *per cent*) and 42,171 (1.63 *per cent*) registered HHs in the State and sampled districts, respectively. Further, 38,64,146 (44.49 *per cent*) and 8,06,158 (47.30 *per cent*) active JCs (JCs whose holder had worked during the last three years) were not verified in the State and test-checked districts, respectively, which resulted in non-verification of entries such as JC holder's name, *Aadhaar* number, bank account number, work demanded by the beneficiaries *etc*.

During 2019-24, up to 21.52 *per cent* (in the State) and 23.05 *per cent* (in the sampled districts) Fund Transfer Orders (FTOs) were generated with delays *i.e.,* beyond prescribed eight days from the last date of the Muster Roll (a record of the attendance of workers on a work site for a period). Out of total payments of ₹ 20,374.91 crore to MGNREGA workers in the State, ₹ 735.10 crore were paid with delays between 16 days and more than 90 days. In the State, against total claims of 10.03 crore person days for compensation against delayed payment of wages, claims of only 0.42 crore person days (4.19 *per cent*) were approved and paid. As of November 2024, regeneration of earlier rejected 18,315 transactions amounting to ₹ 9.48 crore was pending, which resulted in delays in the release of payments. Besides, even after lapse of more than 17 years of the enactment of the Act, the State Government did not frame (June 2024) rules to govern the procedure for payment of unemployment allowance to applicants who were not provided employment within 15 days of receipt of his/her application seeking employment. During 2019-24, employment under MGNREGA was generated for low person days (38-47 days employment per HH per year) in the State, which was substantially below the entitlement of 100 days of employment per HH per year.

Creation of Durable and Useful Assets

In the sampled units, out of a total of 35,261 works taken up during 2019-24, 5,800 (16 *per cent*) remained incomplete for period ranging up to five years. In the three sampled districts (East Champaran, Saharsa and Sheohar), expenditure of ₹ 5.65 crore was incurred on execution of 72 non-permissible works related to desilting of rivers. Besides, an excess expenditure of ₹ 217.60 crore (nine *per cent* of the total expenditure) was incurred against the permissible limit (40 *per cent* of the total expenditure) of expenditure on material component, which affected generation of unskilled employment.

Total 865 works involving expenditure of ₹ 9.78 crore were shown (in *NREGASoft*) as executed in 17 sampled GPs which were neither approved by the concerned Gram Sabha nor were they part of their Annual Development Plans. In 20 sampled GPs of three selected districts, against 18,399 approved works, only 9,254 works (50 *per cent*) were found entered in *NREGASoft*, implying that the remaining works were not taken up for execution.

Monitoring, Social Audit and Grievance Redressal

The State had not framed any rules regarding the frequency, place and procedure of the meetings of the State Employment Guarantee Council (SEGC), which was established for the purpose of monitoring, reviewing and evaluating the implementation of MGNREGS. Although the Council was to submit an Annual Report to the State Government showing the status of implementation of the Scheme, it neither prepared the Annual Report nor did it forward the same to the State for laying before the Legislature (as of January 2025). Further, the State Government, took more than 17 years (since the enforcement of the Act), to establish a dedicated grievance redressal mechanism at the district and block levels (established in March 2023).

In the sampled districts there were substantial shortfalls in the conduct of Social Audits ranging between 70 to 77 *per cent*. Further, overall 96 *per cent* of the total audit observations made during Social Audits were pending for settlement, indicating insufficient monitoring at the District Programme Coordinators (DPCs) level.

Audit Recommendations

The Department may:

1. ***conduct baseline survey to assess the quantum and timing of demand for employment in rural HHs;***
2. ***prepare District Perspective Plans including identification of projects for convergence with other Government schemes;***
3. ***ensure expeditious adjustment of pending advances and take steps for timely deposit of tax and royalty into the concerned Government accounts;***
4. ***ensure strengthening of the updation/verification of JCs;***
5. ***ensure creating durable and sustainable assets that benefit the rural population in the long term;***
6. ***ensure framing of rules for meetings of the State Employment Guarantee Council, to ensure proper monitoring of the Scheme, at the State level; and***
7. ***ensure conducting Social Audits as per the prescribed frequency, as well as taking timely corrective action on the audit findings.***

2.1 Introduction

2.1.1 Scheme Background

Government of India (GoI) enacted (September 2005) the National Rural Employment Guarantee Act (NREGA), 2005, with the aim of providing employment to rural population. The Act was renamed as "Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)" in October 2009. The mandate of the Act was to provide at least 100 days of guaranteed wage employment in a financial year on demand to any rural Household[1] (HH) whose adult members volunteer to do unskilled manual work. Besides, the Act also provided various other rights and entitlements[2] to rural HHs.

In Bihar, the Act came into force from February 2006, initially in 23 districts, and was extended to all the districts by April 2007. In light of the Section 4 of the Act, Government of Bihar (GoB), formulated (September 2006) the Bihar Rural Employment Guarantee Scheme under the MGNREGA. The Scheme provided social protection for the most vulnerable people living in rural areas by providing employment opportunities and livelihood security for the poor through creation of durable assets.

2.1.2 Overview of the implementation of MGNREGA in Bihar

As per Socio Economic Caste Census (SECC), 2011, there were total of 178.29 lakh rural HHs in Bihar and out of this, 97.74 lakh HHs (54.82 *per cent*) were landless, and derived a major part of their income from casual manual labour, underscoring the significance of MGNREGA in the State.

Details of the generation of employment during 2019-20 to 2023-24, through MGNREGA in Bihar, are depicted in **Table-2.1**.

Table-2.1: Employment generation through MGNREGA during 2019-20 to 2023-24

Sl. No.	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24	Average (per year)
1.	HHs registered (in lakh)	183.37	207.09	207.53	147.58	137.64	176.64
2.	Workers registered (in lakh)	260.27	289.00	278.50	183.78	165.78	235.47
3.	Total person-days availed (in lakh)	1,406.81	2,261.26	1,802.75	2,364.55	2,205.23	2,008.12
4.	HHs that availed the employment (in lakh)	33.48	50.65	47.76	50.14	48.19	46.04
5.	Workers that availed the employment (in lakh)	38.32	58.15	54.12	57.76	53.84	52.44
6.	Average person-days per HH {Sl. No.3/Sl. No. 4}	42.02	44.65	37.75	47.16	45.77	43.61
7.	HHs availed complete 100 days of employment (in lakh)	0.20	0.35	0.22	0.40	0.34	0.30

(Source: Report 5.1.1 of NREGA Soft, dated 25 November 2024)

[1] *Means the members of a family related to each other by blood, marriage or adoption which normally residing together and sharing meals or holding a common ration card.*

[2] *Right to: (i) a Job Card (ii) demand and receive work within 15 days (iii) unemployment allowance (iv) obtain work preferably within a radius of five Km of his/her residence (v) worksite facilities (vi) notified wage rate and receive wage within 15 days of closure of Muster Roll (vii) compensation for delay in payment of wages, etc.*

As can be seen from **Table-2.1**, in Bihar, out of an average of 176.64 lakh HHs registered in the State under MGNREGA, approximately 46.04 lakh HHs on an average availed unskilled wage employment, and an average of 20.08 crore person-days under the Scheme were generated during 2019-20 to 2023-24. During this period, the average person-days availed per HH per year was 43.61, against an entitlement of 100 days to every HH under MGNREGS. Further, on an average, less than one *per cent i.e.,* only 30,000 HHs of the State availed 100 days' employment, as provided for.

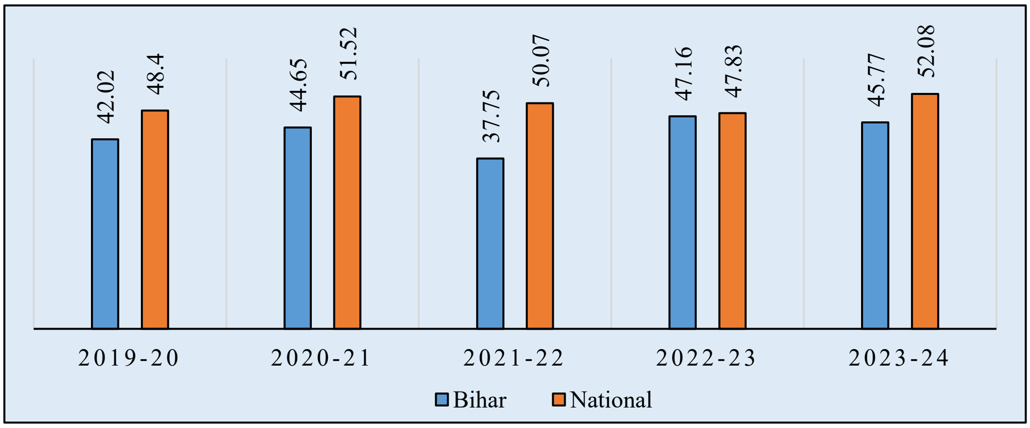
The range of person-days generated per HH in all the districts of the State, during 2019-20 to 2023-24 is depicted in **Chart-2.1**.

Chart-2.1: Average person-days generated per HH per year (district wise)

(Source: Report 5.1.1 of NREGASoft)

Further, during 2019-20 to 2023-24, the average days of employment generated per HH per year in the State was comparatively lower than what was generated at the national level as shown in **Chart-2.2**.

Chart-2.2: Comparison of average days of employment per HH per year

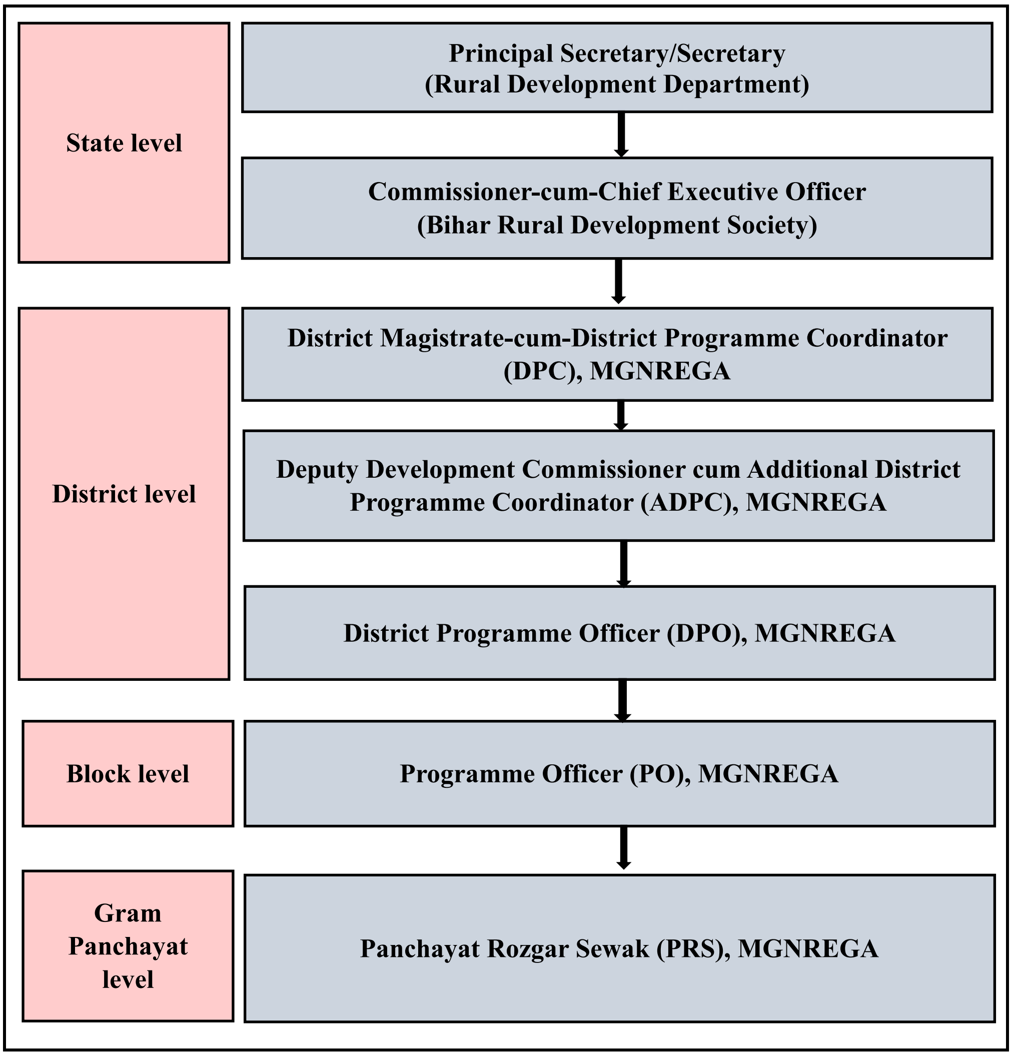


(Source: Report 5.1.1 of NREGASoft, dated 25 Novemebr 2024)

2.1.3 Organisational set-up

In Bihar, the Rural Development Department (Department), GoB, is the nodal department for the implementation of the MGNREG Act, as well as the Scheme notified under it. The Department was functioning under the overall supervision of its Principal Secretary/Secretary acting as the State Programme Coordinator (SPC), MGNREGA. Bihar Rural Development Society (BRDS), functioning under the administrative control of the Department, was the nodal agency for implementation of the Act in the State. The organogram for implementation of MGNREGA at different levels, is given in **Chart-2.3**.

Chart-2.3: Organogram for implementation of MGNREGA in Bihar



(Source: MGNREGA Operational Guidelines, 2013 and letter dated 23.01.2020 of RDD, GoB)

The roles and responsibilities of stakeholders at the State, District, block and Gram Panchayats (GPs) levels for planning, implementation and monitoring of the Scheme are given in **Table-2.2**.

Table-2.2: Roles and responsibility of stakeholders

Level	Department/ Designated officers/ institutions	Roles and responsibilities
State level	Rural Development Department, GoB	• Formulate Bihar Rural Employment Guarantee Scheme (BREGS)[3] and rules thereunder • Designate State Rural Employment Guarantee Commissioner (Bihar Rural Development Society) • Ensure timely release of State share • Ensure wide dissemination of information regarding the Scheme • Ensure administrative, financial and technical support to implementing agencies • Ensure accountability and transparency in the Scheme at all levels
	Secretary, Rural Development Department, GoB	• Acts as the State Programme Coordinator and responsible for overall co-ordination and implementation of the Act in the State
	State Employment Guarantee Council (SEGC)	• Advises State Government on MGNREGA related matters • Monitoring and Evaluation at the State level • Prepare Annual Reports on MGNREGA for placing before the Legislature
District level	Zila Parishad (ZP)	• Approval of a District Plan • Monitor and supervise implementation of the Scheme in the district
	District Programme Coordinator (DPC)	• Responsible for overall co-ordination and implementation of the Scheme in the district and assist the ZP in discharging its functions
Block Level	Programme Officer (PO)	• Acts as a coordinator for MGNREGS at Block Level • Consolidation of all project proposals received from GPs into Block Plan • Maintaining proper accounts of the resources received, released and utilized • Monitoring and supervision of works taken up by GPs and Intermediate Panchayats
	Panchayat Samiti	• Monitoring and supervision of projects taken up at the GP and Block levels
Panchayat Level	Gram Panchayat	• Maintaining Records, awareness generation and social mobilisation Monitoring and implementation of MGNREGA at the GP level
	Panchayat Rozgar Sevak (PRS)	• Responsible mainly for maintenance of all records related to MGNREGA and assist the GP in execution of works under the Act
	Gram Sabha	• Recommends works to be taken up • Monitor the execution of works within the GP • Forum for conducting social audit and sharing information related to the Scheme

(Source: MGNREGA Operational guidelines, 2013 and Bihar Panchayat Raj Act, 2006)

[3] *A Scheme formulated in September 2006 by the Government of Bihar for implementation of the MGNREG Act in the State.*

2.1.4 Audit objectives

The objectives of the Performance Audit (PA) were to assess whether:

- planning process and financial management practices were adequately geared towards achieving the goals of the Act, while adhering to relevant rules and regulations;
- fair access to employment opportunities was achieved, as well as employment adequately generated, leading to social protection and livelihood security as envisaged;
- durable and useful assets were created and maintained in compliance with rules and regulations, while ensuring convergence with other programmes/schemes; and
- appropriate and adequate monitoring, social audit and grievance redressal systems were in place and functioning as envisaged to achieve greater transparency and accountability.

2.1.5 Audit criteria

The audit criteria for the PA were mainly derived from the following sources:

- National Rural Employment Guarantee Act, 2005 (amended up to 2017);
- Operational Guidelines, issued (2008 and 2013) by the Ministry of Rural Development (MoRD), GoI, for implementation of MGNREGA;
- Bihar Compensation to workers for the delay in Wage Payment Rules, 2017, issued by the Government of Bihar;
- Annual Master Circulars for implementation of MGNREGA, issued (up to 2023-24) by MoRD, GoI;
- Bihar State Rural Employment Guarantee Scheme, 2006, formulated by RDD, GoB;
- Circulars/notification/guidelines issued by GoI and GoB, from time to time;
- The Mahatma Gandhi National Rural Employment Guarantee Audit of Scheme Rules, 2011, issued by Ministry of Rural Development, GoI; and
- Bihar Panchayat Raj Act (BPRA), 2006, issued by the Panchayati Raj Department, GoB.

2.1.6 Audit scope, sampling and methodology

This Performance Audit covering the audit period from April 2019 to March 2024 was conducted between 15 July 2024 and 30 September 2024 through test-check of records maintained in the offices of the Principal Secretary/ Secretary, Rural Development Department, GoB; Commissioner cum CEO, Bihar Rural Development Society (BRDS), at the apex level. Besides, records of the offices of the sampled six District Rural Development Agencies

(DRDAs)[4], Programme Officers (POs) of sampled 12 blocks and sampled 48 GPs ***(Appendix-2.1)*** were also examined. Further, Joint Physical Verification (JPV) of 958 worksites and a beneficiary survey of 520 beneficiaries was also conducted.

Audit methodology consisted of scrutiny of records, collection and analysis of data/information, JPV of worksites, obtaining response of questionnaires and analysis of *NREGA Soft*[5] data of the MGNREG Scheme. Audit also conducted a beneficiary survey to corroborate audit findings and to assess the effectiveness of the Scheme. Besides, in order to strengthen the audit observations, pictorial evidences and geo-tagged photographs of worksites were taken.

In order to discuss audit objectives, audit criteria, scope and methodology of this PA, an Entry Conference was held with the Chief Controlling Officer (BRDS), and the Financial Controller, RDD, GoB, on 11 July 2024. Similarly, to obtain response/ view of the Department on audit findings, an Exit Conference was held with the Secretary, RDD, GoB, on 20 June 2025. The responses from the Department (June and July 2025), wherever received, have been incorporated in the Report.

2.1.7 Previous Audits on MGNREGA

Prior to this Performance Audit, PA on implementation of the MGNREGA in Bihar was conducted twice as follows:

(i) First time the PA was conducted during February-July 2012 for the period 2007-08 to 2011-12 and was included in CAG's Audit Report *(Report No. 4 of 2013)* on the Government of Bihar.

(ii) Thereafter, a PA on implementation of the MGNREGS was conducted during November 2019 to May 2020 for the period 2014-15 to 2018-19 and was included in CAG's Audit Report *(Report No. 3 of 2021)* on the Government of Bihar.

As of July 2025, both the Reports are under discussion in the Public Accounts Committee of Bihar.

A comparative analysis of average person-days generated, average person-days per HH and average HHs availed 100 days job during FYs 2019-20 to 2023-24 with respect to period covered in previous PAs is depicted in **Table-2.3**.

Table-2.3: Comparison of generation of person-days under MGNREGA

Report No.	Year	Period covered in audit	Average person-days generated (*in crore*)	Average person-days per HH (*in days*)	Average HHs availed 100 days (In *per cent* of total HHs availed job)
4	2013	2007-12	10.59	27.51	4.37
3	2021	2014-19	7.86	38.80	1.67
-	2025	2019-24	20.08	43.61	0.65

[4] *Begusarai, East Champaran, Gaya, Nawada, Saharsa and Sheohar. Districts and blocks were selected through Stratified Random Sampling method on the basis of expenditure. Whereas, Gram Panchayats (GPs) were selected by adopting systematic Probability Proportion to Size Without Replacement (PPSWOR) method on the basis of expenditure on the Scheme in those GPs.*

[5] *NREGASoft is a workflow based e-Governance system to capture all the activities under MGNREGA at Centre/State/district/block/Panchayat level.*

During current Performance Audit, it was observed that the issues highlighted in previous audits had persisted during 2019-20 to 2023-24 also.

2.1.8 Limitations to this Performance Audit

Limitations to this PA, included non/partial production of vital records/data related to meetings of Gram Sabha and Panchayat Samiti pertaining to approval of Annual Development Plans (APDs) for MGNREGA, Complaint Registers *etc*. ***(Appendix-2.2)***. Non/ partial availability of these records/information affected comprehensive coverage of non-compliance related issues in MGNREGA during audit.

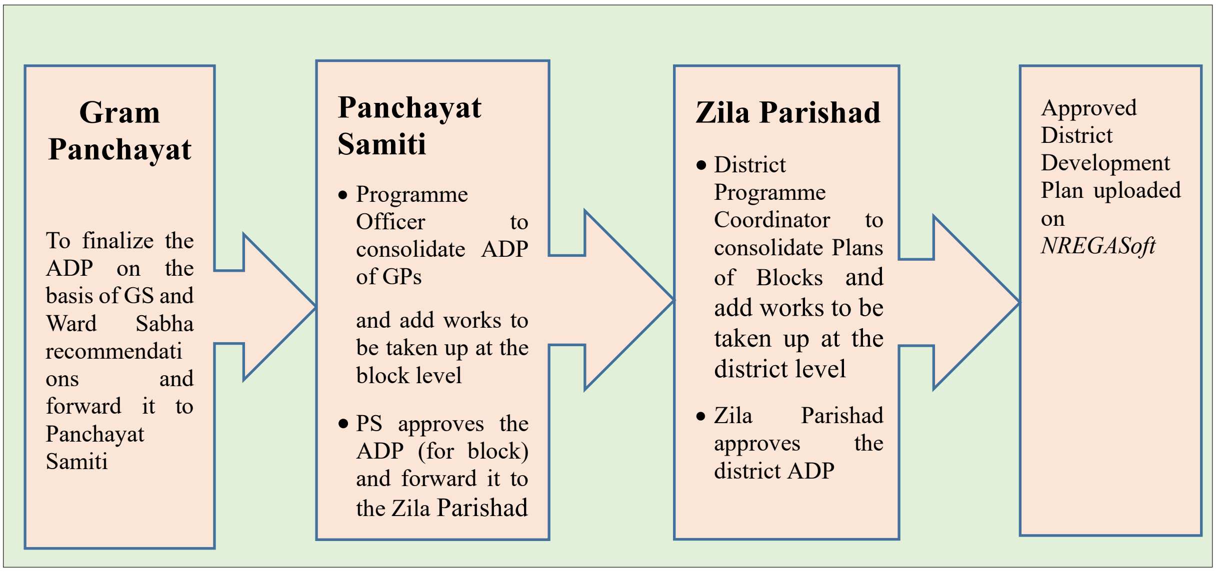
2.2 Process of Planning

2.2.1 Introduction

Paragraph 6 of the MGNREGA Operational Guidelines, 2013, for implementation of MGNREGA provided that matching of demand and supply of work would be achieved through preparation of a Labour Budget by the GP annually. Before preparation of the Labour Budget, reassessment of the demand for work on the basis of household survey is to be done once in every five years to account for changes in the local pattern of livelihoods and opportunities for work in production activities, after which a Development Plan and a shelf of projects[6] would be prepared by the GP. Based on the Development Plan and shelf of projects, the Labour Budget is to be prepared and approved by the Gram Sabha (GS).

The preparation of the development plan involves different stages from GP level to the Department level, as shown in **Chart-2.4**.

Chart-2.4: Process for preparation of Annual Development Plan (ADP)



(Source: MGNREGA Operational Guidelines, 2013; Annual Master Circulars, 2019-24; and directives issued by RDD, GoB)

[6] *A list of works to be taken up during a financial year.*

Shortcomings noticed in the process of planning for implementation of the MGNREG Scheme *vis-a-vis* envisaged in the Act and guidelines made thereunder, are discussed in succeeding paragraphs.

2.2.2 Non-conduct of Baseline Survey

Para 6.2 (i) of the MGNREGA Operational Guidelines, 2013, stipulated that a survey of job card (JC) holders (Households) was to be mandatorily conducted in every GP, in order to prepare a base line to assess the quantum and timing of demand for employment. During this survey, information on seasonal demand for work from each JC holder household in the GP was to be obtained. For conducting this survey, the State was to empanel expert institutions, and Leading Civil Society Organisations (CSOs) to assist/train GPs and finalise the framework and methodology for the survey. Besides, on the basis of the Baseline Survey, the base year for demand for work, was to be reassessed once every five years to account for changes in local pattern of livelihoods and opportunities for work in production activities. The Baseline assessment was a mandatory component for preparation of the ADP.

During test-check of records, Audit observed that in Bihar, the last baseline survey was conducted during 2015 and 2016, for preparation of a base line data to assess the quantum and timing of demand for employment in the GPs and preparation of the Annual Development Plans during 2015-20. However, no baseline survey was conducted to reassess the baseline data after five years, although envisaged in the MGNREGA Operational Guidelines. In the absence of any baseline survey, there was no mechanism available with the Department to assess the quantum and timing of demand for work at the GP level, as well as any local level changes. Besides, in the sampled districts, the ADPs were prepared without conducting the baseline surveys.

In response to audit observation, the Department issued (July 2025) instructions to all the DPCs to conduct baseline survey for assessment of demand for work and preparation of ADPs.

Recommendation 1: The Department may conduct baseline survey to assess the quantum and timing of demand for employment in rural HHs.

2.2.3 Non-preparation of District Perspective Plan

Paragraphs 15.2 and 15.3.1 of the MGNREGA Operational Guidelines, 2013, provided that for the convergence of various Government sponsored projects with schemes like National Rural Livelihood Mission, Total Sanitation Programme, Pradhan Mantri Gram Sadak Yojana, Rashtriya Krishi Vikas Yojana, *etc*., a District Perspective Plan (DPP) should be prepared by the ZP which would identify the needs and gaps in the district for all sectors. This would be a multi-year plan for different departmental projects.

During test-check of records, Audit observed that, District Perspective Plan 2020-25, was not prepared by the sampled DPC during 2019-20 to 2023-24.

Non-preparation of District Perspective Plan resulted in non-identification of the projects for taking up in convergence with MGNREGA, which in turn resulted in absence of convergence with other schemes of GoI, as well as GoB, as discussed in ***Paragraph-2.2.5.***

The Department did not furnish any response to Audit about non-preparation of the District Perspective Plan.

Recommendation 2: The Department may prepare District Perspective Plans including identification of projects for convergence with other Government schemes.

2.2.4 Preparation of Annual Development Plan

As per Section 16 (3) of the Act, read with Section 6.6 of the MGNREGA Operational Guidelines, 2013, every Gram Panchayat shall, after considering the recommendations of the Gram Sabha and the Ward Sabhas[7], prepare an Annual Development Plan (ADP) and maintain a shelf of possible works to be taken up under the Scheme as and when demand for work arises.

Irregularities in preparation of ADP as observed during audit of the sampled GPs are discussed in the succeeding paragraphs.

2.2.4.1 Irregularities in conduct of Gram Sabha meetings

As per Para 6.4 of the MGNREGA Operational Guidelines, 2013, the Gram Sabha was to hold its annual meeting for approval of the ADP for the ensuing year. Further, Section 5 of the Bihar Panchayat Raj Act (BPRA), 2006, stipulated that at least one-twentieth of the total members of the GS were to be present during a meeting to complete the quorum. In the event of non-fulfilment of this quorum, the business of the GS meeting was to be brought before the subsequent meeting (Section 21 of the BPRA, 2006).

Audit observed that during 2019-24, total 235 meetings of GS were to be held in 47 sampled GPs[8] of the test-checked districts, for identification and selection of works, and to discuss and finalise their ADPs including the Labour Budget. However, during test-check of records of the sampled GPs and as per records made available, Audit observed that only 168 meetings were held.

Further, scrutiny of proceedings registers of the sampled GPs disclosed that the quorum of GS meetings was not met in any of the 94 meetings held in the sampled 22 GPs[9] but despite this, no subsequent meeting was convened to complete the quorum before making a final decision. In addition to this, instead of properly recording the shelf of works with all attendant details like date of commencement, estimated person days involved and estimated date of completion *etc*., only a list of works to be executed was found recorded in the proceedings register.

Absence of holding of the envisaged number of GS meetings, and lack of quorum in the meetings held not only resulted in non-compliance with the extant provisions and improper approval by GPs, but also limited public participation in the MGNREGS planning exercise. It also resulted in execution of works beyond the approved ADPs, as highlighted in ***Paragraph-2.5.7***.

In response to the audit observation, the Department instructed (July 2025) the DPCs to ensure compliances with the discrepancies in holding of GS meetings.

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7 Due to non-production of records in all the sampled GPs, inputs of WS meetings in preparation of ADPs could not be commented upon ***(Appendix-2.2)****.*

8 Excluding GP, Salauna (Bakhri, Begusarai) wherein records were not provided.

9 Six sampled GPs of Begusarai and eight GPs each of Saharsa and East Champaran.

2.2.4.2 Non-preparation of Graphical Information System plan

As per provisions contained in Chapter 22 (Para 22.1) of the Annual Master Circular (2021-22), from the year 2021-22, the planning of works under MGNREGA was to be done in all GPs by analysing spatial and non-spatial information[10] using advance technologies *viz*., Geographical Information System (GIS)[11] and Remote Sensing. Accordingly, the GIS based plan was to be discussed in GS meetings. After approval of GIS plan and prioritisation of works, a shelf of works to be taken under MGNREGA, was to be prepared. The GIS plan was expected to be sufficient to saturate the GPs in a phased manner with the permissible MGNREGA works in three to four years.

The DPC at the district and PO at the block level were responsible to facilitate and ensure preparation of GIS based plan for the GPs. Further, they had to ensure that shelf of works for ADPs was drawn from the GIS plan.

During test-check of records related to preparation of GIS plan in sampled 40 GPs[12] of test-checked five districts, Audit observed that GIS plan was not prepared by any of the GPs of the sampled districts, during 2021-24. Therefore, preparation of ADPs including shelf of works was not based on GIS plan, rendering planning for the MGNREGS deficient. Besides, risk of works being repeated also could not be ruled out.

In response to the audit observation, the Department instructed (July 2025) DPCs to ensure preparation of GIS plan.

Thus, the purpose of framing GIS plans to saturate the GP with the permissible works of the Scheme in a phased manner, remained unachieved.

2.2.4.3 Delayed/non-approval of Annual Development Plan

Paragraphs 6.3 to 6.10 of the MGNREGA Operational Guidelines and Paragraph 6.8 of the Master Circular (2019-20), issued by MoRD, GoI, prescribed timelines for preparation and approval of Annual Development Plan (ADP) and its communication to the concerned GPs. As per guidelines and circular, the GPs were to approve the ADP for the ensuing year by 30 November of that year. Thereafter, the concerned PO was to consolidate the GP plans, and present it to the Panchayat Samiti for approval (by 20 December). The Panchayat Samiti was to approve the plan within 15 days of its submission. After that, the concerned DPC was to consolidate the Development Plan received from blocks and present the ADP for the district by 31 January of the ensuing year to the Zila Parishad.

The ZP was to approve the plan within 15 days so that the same could be finalised and communicated to the concerned GP prior to commencement of the next financial year *i.e.,* before 31 March. Further, as per Paragraph 6.6 of the MGNREGA Operational Guidelines, in case, the ADP is not approved by

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[10] *Spatial data: Remote sensing datasets/ images, land use/land cover, topographic datasets, watershed and drainage information etc. (available in Bhuwan Portal of National Remote Sensing Centre) and non-spatial data: socio-economic profile, natural resource profile, natural resource livelihood profile, MGNREGS profile etc.*

[11] *It is a computer-based system used to capture, store, analyze, manage, and visualize geographic or spatial data. It essentially integrates location information with descriptive data about that location, allowing users to understand spatial patterns, relationships, and trends.*

[12] *Except eight GPs of Gaya district wherein records related to the GIS planning were not provided to Audit.*

the concerned Panchayat Samiti/Zila Parishad within the stipulated 15 days of its presentation, it would be deemed to be approved.

During test-check of records relating to ADPs of the sampled GPs for 2019-24, Audit observed that in these test-checked districts, prescribed timelines for preparation and finalisation of ADPs were not followed. In 23 GPs of five sampled districts (except Gaya), ADP was approved at the GP level with delays up to 391 days ***(Appendix-2.3 A)***. Delay was also observed in the approval of ADPs at the district level as in three of the six sampled districts, the ADPs were approved with delays between 23 (Saharsa) to 345 days (Begusarai), as detailed in ***Appendix 2.3 (B)***.

Adherence to the timeline for approval of ADPs at the block level could not be verified as none of the sampled blocks (except two sampled blocks of Saharsa) produced the proceedings registers of Panchayat Samiti meetings and the date of submission of plans finalised at their level to the concerned DPC. Further, in the remaining three sampled districts[13], the ADP for 2019-24 was not found approved by the concerned ZPs.

Delays in approval of the ADP at the GP level violated the provisions of the Scheme Guidelines. Further, delays of more than 15 days/ non-approval of ADP at the ZP level indicated their deemed approval and thereby lack of participatory planning exercise.

In response to the audit observation, the Department instructed (July 2025) the DPCs/ADPCs to ensure that action is taken to get the Annual Plans approved timely at all levels.

2.2.5 Planning for convergence of MGNREGS with other programmes/schemes

As per Chapter 15 of the MGNREGA Operational Guidelines, 2013, creation of durable assets and securing livelihood of rural HHs under MGNREGA can be facilitated through convergence of the Scheme with resources of other GoI and State Government programmes/ schemes[14] available with GPs and those of other line departments[15]. These resources could be in the nature of availability of funds, technical expertise and knowhow of officials of the line departments implementing other State/GoI schemes.

To execute the convergence model at the district level, a District Resource Group (DRG) headed by the District Programme Coordinator (DPC) was to be formed consisting of expert and technical personnel from all line departments. The role of the DRG was to advise, formulate, appraise and identify common areas of convergence of work under different schemes with MGNREGS. The DPC, as overall head for the convergence project, was to oversee the planning and implementation of these projects. Similarly, Block Resource Group (BRG) and Village Resource Group (VRG) headed by the PO and PRS, respectively, along with field level technical staff engaged were to be constituted.

[13] *Gaya, East Champaran and Sheohar.*

[14] *Like National Rural Livelihood Mission (NRLM), Pradhan Mantri Awas Yojana (Gramin), Fourteenth Finance Commission/ State Finance Commission, Members of Parliament Local Area Development Scheme (MPLAD Scheme) etc.*

[15] *Agriculture, Environment, Forest and Climate Change; Horticulture, Fisheries, Sericulture, Animal husbandry, Irrigation, Minerals, Social Welfare, Water Resources and Education etc.*

During test-check of records related to convergence of MGNREGS with other schemes for the period 2019-24, Audit observed the following:

- In the sampled five districts (except East Champaran), Resource Groups were not formed at any level to identify possible areas for convergence and explore the possibilities of convergence of MGNREGS with the other Government schemes.
- Although the Department held meetings (October 2022 and October 2023) with line departments for convergence of MGNREGS with other schemes, only four schemes of three line departments[16] could be converged. Further, execution and progress of works under convergence could not achieve the desired targets ***(Paragraph 2.5.6)***.

Audit noted that Natural Resource Management (NRM)[17] related works *viz*., desilting of river/canals/village channel, construction of ponds, *etc*., were executed under MGRNREGS in the sampled districts. These works should have been executed in convergence with the Water Resource Department, GoB, for better outcomes of water conservation and water harvesting measures. However, no such convergence with the line Department (WRD) was ensured while taking up these works under MNREGS. Further, works related to watershed management, soil and moisture control, plantation (Agriculture Department), construction of godown for storage of food grain (Co-operative Department) *etc*., although identified for convergence by the nodal Department (RDD), were not executed in convergence with MGNREGS works.

Thus, convergence of MGNREGS with other Government programmes/ schemes was not sufficient as required institutional arrangements were not in place at the district, block and panchayat levels, as envisaged in the Scheme guidelines. As a result, the objective of creating durable assets and securing livelihoods through convergence, was not achieved, as intended.

The Department replied (June 2025) that convergence of MGNREGS with other Government schemes was not up to the mark due to lack of response from the line departments.

The reply of the Department was not acceptable as schemes had been identified by line Departments for convergence with MGNREGA works but due to lack of required institutional arrangements at the district, block and panchayat level, the same could not be implemented.

2.2.6 Human Resource Management

As per Section 18 of the Act and Chapter 4 of the MGNREGA Operational Guidelines, 2013, the State Governments were to make available necessary staff and technical support to the DPC and PO, for the effective implementation of the Scheme. Supporting staff could also be hired, on a contractual basis, to provide professional services at the State level.

During test-check of records related to human resources, Audit observed substantial vacancies at the State, as well as at the district, block and panchayat

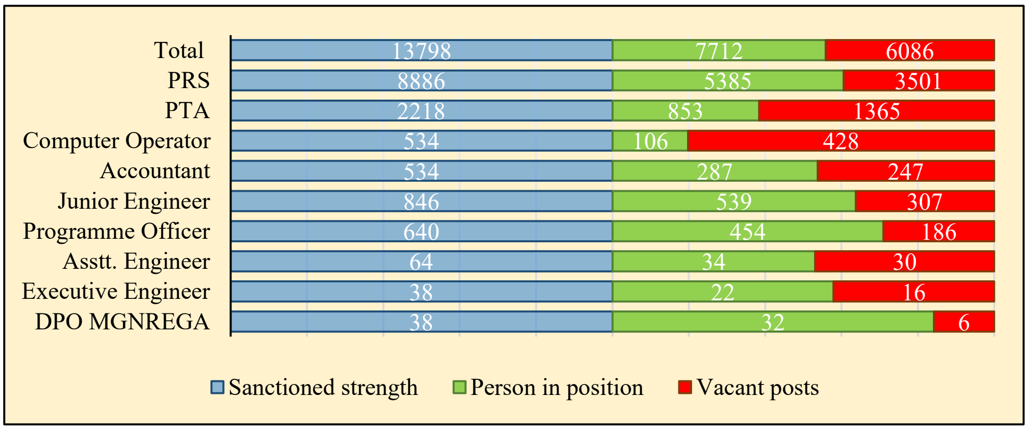
[16] *Integrated Child Development Services (Social Welfare Department), construction of boundary wall of Government schools (Education Department), Pradhan Mantri Awas Yojana-Gramin and Mukhyamantri Koshi Mulberry Yojana (Rural Development Department).*

[17] *NRM works under MGNREGA refers to the sustainable utilisation of natural resources, such as, land development, water conservation, renovation of traditional water bodies, afforestation etc.*

levels. Audit noticed that a total of 13,798 posts were sanctioned in the State for implementation of MGNREGA. However overall, 6,086 posts (44 *per cent* of the sanctioned posts) were vacant (as on 20 November 2024). These vacancies ranged from 16 *per cent* (in case of DPO) to 80 *per cent* (with respect to computer operators).

The sanctioned strength, person-in-position and vacancies, at the State level (as of November 2024) are depicted in **Chart-2.5**.

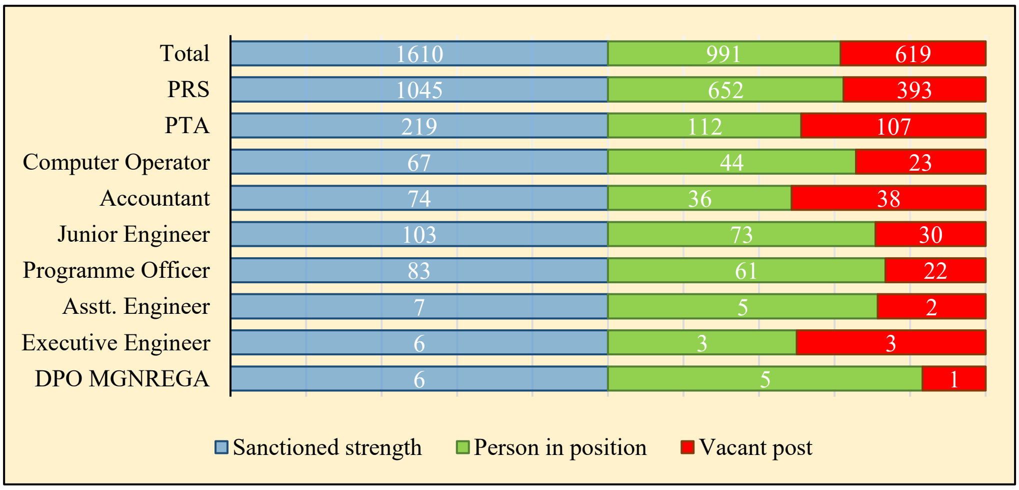
Chart-2.5: Sanctioned strength and person in position in the State



(Source: Information furnished by RDD, GoB)

Similarly, in the sampled districts, against a total of 1,610 posts sanctioned for MGNREGA, 619 posts (38 *per cent)* were lying vacant as of July to September 2024. Further, vacancies ranging from 17 *per cent* (DPO) to 50 *per cent* (Executive Engineer) were noticed against posts sanctioned in the sampled districts, as shown in **Chart-2.6**.

Chart-2.6: Sanctioned strength and person in position in the sampled districts



(Source: Information furnished by the sampled districts)

Audit also observed that the Department twice invited (February 2020 and September 2023) tenders for hiring of a Recruitment Support Agency, for filling various posts of Panchayat Rozgar Sevak (PRS), Panchayat Technical Assistant (PTA), Computer Operator, Accountant, Junior Engineer, Assistant Engineer and Executive Engineer, for MGNREGA. However, the first tender was cancelled (August 2021) and second tender could not materialize as the selected agency showed unwillingness. Thus, the required appointments were not made through these tenders, and posts remained vacant.

Non-deployment of adequate staff, especially Panchayat Rozgar Sevaks adversely affected the implementation of the Scheme. This was observed from instances of non-updation of JCs ***(Paragraph-2.4.2.2)***, non-maintenance of key records at sampled GPs level ***(Paragraph-2.6.6)*** *etc*.

The Department replied (February and June 2025) that efforts were made to hire a recruitment support agency in order to fill up the vacant posts.

The reply of the Department was not acceptable as there had been substantial shortages at all levels, and it had not recruited key staff for implementation of the Scheme. Besides, this issue of shortage of manpower had also been highlighted in CAG's Audit Report (Paragraph 2.2.9.1, Report No. 3 of 2021-GoB) also, but no concrete steps were found to be taken.

2.2.7 Capacity Building

As per Para 16 of the Annual Master Circular (2019-20), capacity building of functionaries and skilling of MGNREGS workers was important for effective implementation of the programme and to provide an opportunity for the MGNREGS workers to break out of the cycle of unskilled employment. This capacity building included trainings for Barefoot Technicians (BFTs)[18], Project UNNATI[19], Skilling of Masons, training of technical persons on SAKSHAM[20], capacity building of resource persons of Social Audit Units and of the Village Resource Persons from women SHGs, amongst others.

Audit observed deficiencies in skilling of MGNREGS workers and deployment of trained personnel in the Scheme, as discussed in succeeding paragraphs.

2.2.7.1 Deployment of Mates

Annual Master Circular (2020-21), issued by MoRD, GoI, and directives issued (October 2022) by the Department, mandated ensuring quality of works executed under MGNREGA, through appointment of Mates. The role of a Mate was to perform tasks such as taking measurements, maintaining the MB and updating the JCs with details for each worker for the quantum of work done and wages received at the worksite, to record attendance of workers *etc*. One Mate was to be deployed at the worksite to supervise the work of 40 workers and was to be paid at par with semi-skilled workers.

Audit observed that at the State level, 26,278 trained Mates (17,078 female: 65 *per cent* and 9,200 male: 35 *per cent*) were deployed against a total of 1,05,253 Mates (74,466 female and 30,787 male), as of August to December 2024. Thus, out of total trained Mates, only 23 *per cent* female Mates and 30 *per cent* male Mates were deployed. Similarly, in the sampled districts,

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[18] *An educated person from the local MGNREGA worker households/ mates/supervisors, and specially trained in civil engineering concepts using a customized training module such that she/he, acquires required skills for identification and estimation of works, giving mark-out for works in the field and record measurement of the work done in the Measurement-Book.*

[19] *A convergence initiative for prioritising willing rural youth largely dependent on Mahatma Gandhi NREGA for livelihood, supported through skilling programmes by Deen Dayal Upadhaya Grameen Kaushalya Yojana (DDU-GKY), Entrepreneur Development Programmes of Rural Self Employment Training Institutes (RSETI) and Krishi Vikas Kendra (KVK) etc.*

[20] *A digital learning platform, containing videos and content for NREGASoft end user.*

against a total of 11,613 trained female Mates, only 2,909 (25 *per cent*) were deployed and against total 6,127 trained male Mates only 1,908 (31 *per cent*) were deployed. The details are given in **Table-2.4.**

Table-2.4: Status of trained Mates and their deployment in state

District	Trained Mates			Deployment of Mates		
	Total	Male	Female	Total	Male	Female (percentage of total deployed)
	1	2	3	4	5	6 (4-5)
Saharsa	4,604	1,988	2,616	1,254	730	524 (42)
Begusarai	1,975	250	1,725	425	74	351 (83)
Nawada	2,088	376	1,712	929	163	766 (82)
Gaya	3,491	979	2,512	574	193	381 (66)
Sheohar	839	344	495	222	75	147 (66)
East Champaran	4,743	2,190	2,553	1,413	673	740 (52)
Total	**17,740**	**6,127**	**11,613**	**4,817**	**1,908**	**2,909 (60)**
State level	**1,05,253**	**30,787**	**74,466**	**26,278**	**9,200**	**17,078 (65)**

(Source: Report 12.12 of NREGASoft, dated 15 December 2024)

Thus, it is evident from **Table-2.4** that only 25 *per cent*[21] of trained Mates were deployed in works under the Scheme. Deficient appointments of Mates impacted the Scheme as Audit noticed instances of non-updating of JCs, discrepancies in recording attendance of workers, shortcomings in recording demand of workers *etc*., which were to be performed by Mates.

The Department replied (June 2025) that all the DPCs had been directed to undertake the deployment of Mates and continuous monitoring was being done to achieve the desired progress.

2.2.7.2 Implementation of Project UNNATI

Ministry of Rural Development, GoI, launched (December 2019) project UNNATI by renaming Project LIFE. The objective of project UNNATI was to upgrade the skill base of MGNREGA workers through specified training institutes and thereby improve their livelihoods, increase their income and reduce their dependency on MGNREGA. This project was to be implemented for three years from 2019-20 to 2022-23.

Accordingly, as per guidelines issued by the Department (July 2021) the HHs which completed 100 MGNREGA days in 2018-19, were eligible for training under *Deen Dayal Upadhyay- Gramin Kaushalaya Yojana* (DDU-GKY) or skilling for self-employment through Rural Self Employment Training Institute (RSETI) or *Krishi Vikas Kendra* (KVK). For imparting trainings for this project, *JEEViKA*[22] of the Department was the nodal agency. Expenditure on the implementation of the Project and payment of remuneration to the trainees was to be made from MGNREGA funds. The State was to utilize unspent balance of ₹ 7.42 crore released by the Ministry of MoRD, GoI, for the previous Project LIFE, for this new scheme.

Audit analysed data related to number of MGNREGA HHs eligible for training and workers trained during 2019-24 in the test-checked districts and State (available in Report 29 of *NREGASoft*, August to November 2024). Details of

[21] *{(26,278/1,05,253) x100}.*
[22] *It is Bihar Rural Livelihood Promotion Society, registered under the Societies Registration Act, 1860, under the Rural Development Department, GoB.*

eligible households and number of workers trained during this period, as per *NGREGASoft* data, are given in **Table-2.5.**

Table-2.5: Details of number of eligible MGNREGA households and workers trained under the project UNNATI

District	Eligible MGNREGA households	Workers aged between 18-45 years from eligible HHs	HHs/workers selected for training under project			Total Workers trained
			DDU-GKY	RSETI	KVK	
Saharsa (August 2024)	6,331	4,174	1	134	0	111
Begusarai (November 2024)	2,147	1,423	1	132	0	94
Nawada (September 2024)	5,503	4,260	1	320	0	261
Sheohar (November 2024)	1,430	875	0	29	0	20
Gaya (August 2024)	6,570	4,505	1	175	0	110
East Champaran (September 2024)	5,037	2,815	0	43	0	0
Total	**27,018**	**18,052**	**04**	**833**	**0**	**596**
State	**2,96,968**	**86,057**	**13**	**4,283**	**01**	**4,026**

(Source: Report 29 of NREGASoft)

As can be seen from **Table-2.5**, out of 18,052 eligible MGNREGA workers in the sampled districts, training was imparted to only 596 (three *per cent*), under the project. Similarly, at the State level, out of 86,057 eligible workers, training was imparted to only 4,026 workers (five *per cent*).

The Department replied (June 2025) that trainings could not be conducted due to unwillingness of the participants for the offered trades.

However, the Department did not furnish information to Audit regarding reviewing the progress of the project/ low participation of the MGNREGA workers nor apprised this to the MoRD, GoI, for further improvement therein. Further, it did not utilise ₹ 7.42 crore, received for the project, and returned (October 2023) the amount to the MoRD, GoI, after more than seven years of its receipt.

Thus, the objective of the Project to train the MGNREGA workers for improving their livelihoods and increasing their income was not served, despite availability of funds.

2.2.8 Inadequate Information, Education and Communication (IEC) activities

As per provision contained in Para 5.4 of the MGNREGA Operational Guidelines, 2013, an important precondition for ensuring effective implementation of MGNREGA was the creation of awareness among rural people and other stake holders, including MGNREGA workers about the Scheme provisions, as well as regarding their rights and entitlements under the Act. Further, as per Para 4.5 and 5.5 of the Operational Guidelines read with Para 11.7 of the Annual Master Circular 2019-20, to create awareness among rural people various IEC tools including organizing monthly *Rozgar Diwas*, wall paintings/writings, door to door campaign, interacting people during Social Audit, providing study materials in village libraries, installation of Citizen Information Board (CIB) at each worksite *etc*., were to be conducted.

During test-check of records related to IEC activities in the Department and sampled districts, Joint Physical Verification (JPV) and Beneficiary Survey, Audit observed that:

- During 2019-24, no intensive door to door campaigns were conducted in the State specially during migration months[23], for awareness generation amongst labourers/ MGNREGA workers, although Para 5.4.2 (iii) of the MGNREGA Operational Guidelines, 2013, provided for conducting intensive campaigns in migration prone areas during migration months, to stop the migration of workforce.
- During JPV (July-November 2024), Citizen Information Board (CIB) was not found installed at 681, out of 978 worksites.
- Wall painting/writing activities were not conducted in any of the sampled Gram Panchayats, during 2019-24.
- Although, Social audit at the GP level was to be conducted every six months, it was conducted only on a yearly basis, as highlighted in ***Paragraph-2.6.5.2***. Further, during Beneficiary Survey, 291 (56 *per cent*) of 520 surveyed beneficiaries were not aware about Social Audit.
- Twenty, out of 48 sampled GPs did not conduct any monthly *Rozgar Diwas* during 2019-24. While the remaining 28 GPs conducted *Rozgar Diwas* but they did not do so on a monthly basis.
- 411 (79 *per cent*), of the surveyed 520 beneficiaries responded that they were not aware of any grievance redressal mechanism. Further, 382 (73 *per cent)* of the 520 surveyed beneficiaries were not even aware about the existence of any Ombudsman in the districts for expeditious redressal of grievances regarding implementation of the Scheme.
- 345 (66 *per cent*) of the surveyed 520 beneficiaries responded that they were not aware about unemployment allowance to be paid in the event of non-offering of employment within 15 days of demand.

The Department did not furnish response on audit observations except non-organising the *Rozgar Diwas* wherein it was replied that it had directed (July 2025) the DPCs to ensure organizing *Rozgar Diwas* regularly to use it as a forum for dissemination of information regarding demand, allocation of work *etc*.

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[23] *Migration months (Monsoon season) means when workers generally migrated to other places in search of job.*

2.3 Financial Management

2.3.1 Introduction

MGNREGS is a centrally sponsored demand driven employment Scheme implemented on a cost sharing basis between the GoI and State Governments. The ratio of fund sharing between GoI and States, under various components of the Scheme is given in **Table-2.6**.

Table-2.6: Funding pattern of MGNREGS between GoI and States

Component	Central share	State share
Wages for unskilled manual workers	100 *per cent*	Wages more than 100 person-days to a HH and excess of wages over wages notified by GoI
Wages for skilled and semi-skilled workers	75 *per cent*	25 *per cent*
Cost of material	75 *per cent*	25 *per cent*
Unemployment allowance	Nil	100 *per cent*
Administrative Expenditure	100 *per cent*[24]	Administrative expenditure of State Employment Guarantee Council

(Source: MGNREGA Operational Guidelines, 2013, MoRD, GoI)

MoRD, GoI, releases central share of the Scheme on the basis of Labour Budget (LB) of the State, approved by the Ministry. The LB is compiled by the State at its level and forwarded to the MoRD, for approval. The Central fund share is then released in two tranches (in April and September). The first tranche is released for the requirements of the first six months of the current FY, subject to a maximum of 50 *per cent* of the total LB required during the complete year. Further, the second tranche is released on the basis of unspent balances and actual performance against the approved LB for that year, subject to fulfillment of certain conditions[25].

To manage the receipts, transfer and utilisation of funds under the Scheme, GoB, established (May 2011) the State Employment Guarantee Fund (SEGF)[26]. The Fund is maintained in two savings bank accounts including one for material component and the other for unskilled wage component. For administrative expenditures, a separate bank account had been opened (April 2023)[27] by the Department.

The implementing units (Gram Panchayats, Blocks and Zila Parishads), after verifying the executed works and preparation of Muster Rolls (MR), generate Fund Transfer Orders (FTO) to transfer the amounts directly into the suppliers'/beneficiaries'/workers' bank accounts. For material components, the funds are transferred through the Electronic Fund Management System (e-FMS)[28]. The unskilled workers are paid by crediting the amount to their accounts through the National Electronic Fund Management System

24 *Administrative expenditure may be up to six per cent of the total expenditure.*
25 *After utilizing 75 per cent of the total available funds for the current year, certificate regarding non-diversion of programme funds, certificate for no cases of embezzlement/misappropriation; audit report from a Chartered Accountant and Utilisation Certificates for the previous year, etc.*
26 *A fund created by the State to pool MGNREGA resources from Centre (Central Share) and State (State Share) and cause its deployment within the districts as per fund requirement.*
27 *Earlier, Administrative Expenditure was incurred from the bank account maintained for material component.*
28 *Uses PFMS for transferring amounts of material components by the State Government.*

(Ne-FMS)[29] by the MoRD, GoI. Shortcomings noticed in the financial management of the Scheme are discussed in the succeeding paragraphs.

2.3.2 Receipts and expenditure under MGNREGA

During FYs 2019-20 to 2023-24, total ₹ 31,730.69[30] crore were available for implementation of the Scheme in the State. Out of this, ₹ 30,615.93 crore (96 *per cent*) was utilised on the implementation of the Scheme. Year wise availability and utilisation of funds under the Scheme during 2019-20 to 2023-24 is detailed in **Table-2.7**.

Table-2.7: Receipts and expenditure under MGNREGA during 2019-20 to 2023-24

(Amount: ₹ in crore)

Financial Year	Opening Balance	Receipts				Total available funds	Expenditure incurred	Closing Balance
		Central share	State share	Others receipts[31]	Total receipts			
	1	2	3	4	5 (2+3+4)	6 (1+5)	7	8 (6-7)
2019-20	221.20	3,341.68	0	6.20	3,347.88	3,569.08	3,362.66	206.42
2020-21	206.42	6,261.96	451.29	16.85	6,730.10	6,936.52	6,819.65	116.87
2021-22	116.87	6,174.14	833.49	44.23	7,051.86	7,168.73	6,528.24	640.49
2022-23	640.49	6,413.39	191.85	14.12	6,619.36	7,259.85	6,735.52	524.33
2023-24	524.33	6,919.35	830.00	10.94	7,760.29	8,284.62	7,967.83	316.79
Total		**29,110.52**	**2,306.63**	**92.34**	**31,509.49**		**31,413.90**[32]	

(Source: Information furnished by Bihar Rural Development Society, RDD, GoB)

As can be seen from **Table-2.7**, ₹ 316.79 crore was lying as closing balance as of March 2024. Out of this, ₹ 36.22 crore was lying as unadjusted advance against various implementing agencies for more than five years, while ₹ 6.95 crore was the amount received from royalty and tax deducted from bills of material suppliers, which was yet to be deposited in the respective heads of Government Accounts. The balance amount of ₹ 280.57 crore (including ₹ 216.81 crore towards Administrative Fund and remaining as bank interest) was lying in the bank accounts of SEGF, at the State level.

The Department replied (June 2025) that instructions had been issued to districts for reduction of outstanding advances. Audit, however noticed that advances of ₹ 36.22 crore were still lying as unadjusted, as of March 2024.

Recommendation 3: The Department may ensure expeditious adjustment of pending advances and take steps for timely deposit of tax and royalty into the concerned Government accounts.

2.3.3 Outstanding liabilities on account of wages and cost of materials

As per Section 3(3) of the Act, disbursement of wages to MGNREGA workers was to be made on a weekly basis and not later than a fortnight after the date on which work was completed.

Audit test-checked records related to payments made on account of wages and cost of materials, during the period 2014-15 to 2023-24. During test-check of

[29] *Uses PFMS for transferring amount of wage component directly into the accounts of MGNREGA workers by MoRD, GoI.*

[30] *Central and State receipts: ₹31,509.49 crore and Opening Balance: ₹221.20 crore (FY 2019-20).*

[31] *Interest accrued on the funds kept in accounts maintained at Bihar Rural Development Society and districts, and other receipts at the district level.*

[32] ***Wages**: ₹ 20,704.61 crore; **Material:** ₹ 9,292.94 crore and **Other Component:** ₹ 1,416.35 crore.*

records, Audit observed that, ₹ 1,903.58 crore was outstanding for a period up to 10 years, for payment in respect of unskilled wages and cost of materials for FYs 2014-15 to 2023-24 (as of December 2024). Details of outstanding liabilities are given in **Table-2.8**.

Table-2.8: Outstanding MGNREGA liabilities

(Amount: ₹ in crore)

Financial Year	Outstanding liabilities (Unskilled workers)		Outstanding liabilities (Material component)[33]		Total outstanding liabilities	
	State	Sampled districts	State	Sampled districts	State	Sampled districts
	1	2	3	4	5 (1+3)	6 (2+4)
2014-15 to 2018-19	149.99	-	152.25	-	302.24	-
2019-20	2.71	0.33	2.37	0.61	5.08	0.94
2020-21	1.34	0.17	31.22	10.79	32.56	10.96
2021-22	0.95	0.14	32.59	11.18	33.54	11.32
2022-23	3.89	1.19	19.52	37.20	23.41	38.39
2023-24	820.86	0.55	685.89	463.36	1,506.75	463.91
Total	**979.74**	**2.38**	**923.84**	**523.14**	**1,903.58**	**525.52**

(Source: Records of BRDS, RDD, GoB)

Out of total outstanding liabilities amounting to ₹ 1,903.58 crore at the State level, ₹ 1,506.75 crore pertained to the FY 2023-24 and ₹ 302.24 crore were pending for payments prior to FY 2019-20. Audit further observed that out of total outstanding liabilities of ₹ 1,506.75 crore of FY 2023-24, ₹ 817.06 crore (wages) and ₹ 75.64 crore (material) were pending for payments even after a lapse of more than six months of generation of FTOs. This was because the FTOs generated remained unprocessed, leading to outstanding payments. Further, claims for the remaining ₹ 614.05 crore (wages: ₹ 3.80 crore and material: ₹ 610.25 crore) were pending for payments, at the bank or PFMS level, even after processing of FTOs. This pendency was mainly attributable to technical issues within *NREGASoft*, non-matching/invalid bank account details.

In test-checked cases, Gaya (₹ 1.13 crore) and East Champaran (₹158.78 crore) districts had the maximum liability under wages and material components, respectively, during 2019-24.

The above findings indicate that out of ₹1,903.58 crore, the payments to workers amounting to ₹979.74 crore and payments of ₹923.84 crore towards material component, remained outstanding for a period up to 10 years, violating the provisions of the Act. This led to non-extension of financial support to the workers, defeating their legal entitlement to receive wages on time.

The Department replied (February 2025) that the main reasons for the pending liabilities in the material component were non-receipt of adequate and timely Central share while pending wages were attributed to incorrect bank account and *Aadhaar* details of workers. The reply of the Department was not acceptable as entries of correct bank accounts and *Aadhaar* details into *NREGASoft* are the responsibilities of the Programme Officer at the Block level. Further, the DPC was also responsible for monitoring the work of *Aadhaar* updation.

[33] *Includes cost of materials, wages of skilled and semi skilled workers, outstanding tax etc.*

2.3.4 Direct Benefit Transfer (DBT)

From 1 January 2013, the GoI started Direct Benefit Transfer (DBT) of benefits to the beneficiaries. The aim here was to reform the Government delivery system by re-engineering the existing process for simpler and faster flow of information/ funds and ensure accurate targeting of beneficiaries, de-duplication and reduction of fraud.

The primary objective of DBT in MGNREGA was to directly transfer wage and material payments into the beneficiary's bank account. From FY 2016-17 onwards, payment of wages and material were being made directly into the account of workers and vendor/suppliers through Ne-FMS and e-FMS, respectively. For payment of wages to workers under MGNREGA, GoI, started (2017) *Aadhaar* Payment Bridge System (APBS) developed by the National Payments Corporation of India (NPCI)[34] that uses *Aadhaar* numbers to channel benefits directly into beneficiaries' bank accounts.

Para 14.5 of the Annual Master Circular (2019-20), issued by MoRD, GoI, for implementation of the Scheme provides for the implementation of DBT in payment of wages under MGNREGA. For this purpose, the Department was to ensure:

- Seeding of *Aadhaar* number of all active MGNREGA workers in NREGA MIS (*NREGASoft*).
- Manual verification of all *Aadhaar* numbers, by the Programme Officer, in cases wherein demographic authentication failed.
- Verification and confirmation of accounts of all active workers by referring them to the Bank/Post Office concerned.
- Seeding of verified *Aadhaar* numbers in the Bank/Post Office accounts, & sending them to NPCI for mapping the accounts to enable *Aadhaar* based payments.

In light of MoRD, GoI, instructions, GoB directed (30 November 2016) DPCs to ensure *Aadhaar* seeding of all active job card (JC) holders. However, during test-check of records, Audit observed that even after more than eight years of implementation of DBT for payments of wages to MGNREGA workers and instructions issued by the GoB, accounts of all the active workers were yet to be linked with *Aadhaar* to avail benefits of DBT. As of 12 December 2024, accounts of approximately seven *per cent* (5,98,234) of active MGNREGA workers (91,43,809) were yet to be mapped with *Aadhaar* in the State. In case of the sampled districts, accounts of 1,30,237, out of total active 18,11,219 MGNREGA workers were yet to be mapped with *Aadhaar*, as detailed in **Table-2.9**.

[34] *It is an umbrella organization, established (2008) by the Reserve Bank of India (RBI), for operating retail payments and settlement systems in India with focusing on digital payments and financial inclusion.*

Table-2.9: Details of number of active MGNREGA workers with *Aadhaar* linked bank accounts

District	Total active workers (during 2023-24)	*Aadhaar* seeded for active workers	Successful mapping (Bank A/c linked with *Aadhaar*)	Percentage of workers eligible for payment through *Aadhaar* linked bank accounts	No. of active workers whose accounts were not mapped (*per cent*)
1	2	3	4	5 (4/2*100)	6
Begusarai	1,91,455	1,91,101	1,74,579	91	16,876 (09)
East Champaran	4,94,555	4,94,502	4,49,103	91	45,452 (09)
Gaya	4,49,651	4,49,240	4,18,933	93	30,718 (07)
Nawada	2,76,128	2,76,042	2,64,131	96	11,997 (04)
Saharsa	3,15,275	3,15,258	2,96,771	94	18,504 (06)
Sheohar	84,155	84,087	77,465	92	6,690 (08)
Total	**18,11,219**	**18,10,230**	**16,80,982**	**93**	**1,30,237 (07)**
State	**91,43,809**	**91,38,785**	**85,45,575**	**93**	**5,98,234 (07)**

(*Source: Report 1.6 of NREGASoft, 12 December 2024*)

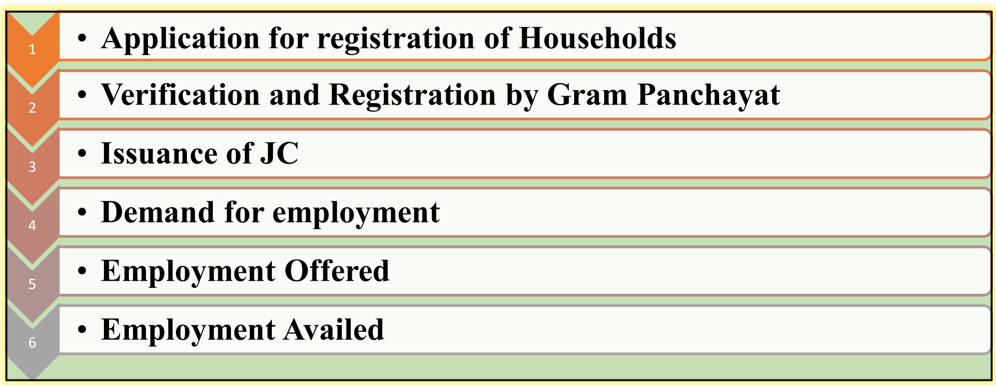
As per **Table-2.9**, *Aadhaar* seeding of all active MGNREGA workers was not completed in the State and seven *per cent* active workers were receiving wage payments, without validation of their *Aadhaar*. As per *NREGASoft* (Report 1.6) one of the main reasons for non-mapping of bank accounts of active workers was inactive bank accounts indicating that the Department through its field functionaries, had not verified and confirmed the bank/ post office accounts of all the active workers. This poses risks of delayed/ non-payment of wages, as well as payment of wages into the accounts of other than the intended beneficiaries.

2.4 Registration and employment generation

2.4.1 Introduction

MGNREGA is a demand driven public wage employment programme. This requires setting up systems that facilitate and record registration of rural households for work, issuance of Job Cards (JC) and demand for work. The process for registration and providing employment to HHs is presented in **Chart-2.7**.

Chart-2.7: Process of registration and providing employment to HHs



(*Source: MGRNREGA Operational Guidelines, 2013*)

Shortcomings noticed in the procedure for registration of HHs, issue of JCs and employment generation under the Scheme are discussed in the succeeding paragraphs.

2.4.2 Registration of households

Para 3.1.2 of the MGNREGA Operational Guidelines, 2013, stipulates that a HH having adult members desirous of seeking unskilled employment may apply for registration under MGNREGA. Application for registration was to be submitted to the Gram Panchayat by any adult member of a household. The application for registration may be given on plain paper. An individual could also make an oral request for registration and in this case, the particulars required were to be noted by the PRS in the application register. The Gram Panchayat was responsible for verifying applications received for registration, registering the households and issuing JCs to the registered households. The process of verification for registration of a household was to be completed within a fortnight of receiving the application.

2.4.2.1 Non-issuance of job cards to all registered HHs

Under MGNREGA, every rural household is entitled to have a JC. As per Para 3.1 of the MGNREGA Operational Guidelines, 2013, JC is a key document that records the worker's details including his/her entitlements such as employment availed, wages paid, details of work where employment has been provided *etc.,* under the Act. It also serves as a proof of registration.

Audit analysed data related to the number of registered households in the State and number of JCs generated and issued during 2019-20 to 2023-24 (as of 25 November 2024), as available on *NREGASoft*. Analysis of the data revealed that after registration of HHs, JCs numbers were generated on *NREGASoft*, but JCs were not issued to all the HHs registered under MGNREGA, in the State as well as in the test-checked districts, as detailed in **Table-2.10**.

Table-2.10: Non-issuance of JCs to all registered households

Financial Years	No. of registered HHs		No. of JCs issued		No. of households without JCs	
	State	Sampled districts	State	Sampled districts	State	Sampled districts
	1	2	3	4	5 (1-3)	6 (2-4)
2019-20	1,83,37,137	31,41,443	1,70,27,866	29,02,483	13,09,271	2,38,960
2020-21	2,07,09,191	35.80,255	1,92,33,939	32,75,802	14,75,252	3,04,453
2021-22	2,07,53,363	37,37,137	2,02,68,959	35,68,294	4,84,404	1,68,843
2022-23	1,47,57,890	27,27,032	1,45,21,864	26,40,921	2,36,026	86,111
2023-24	1,37,64,334	25,93,937	1,36,21,588	25,51,766	1,42,746	42,171

(Source: Report 5.1.1 of NREGASoft, dated 25 November 2024)

As can be seen from **Table-2.10**, during 2019-20 to 2023-24, JCs have not been issued to 1,42,746 to 14,75,252 registered HHs in the State and 42,171 to 3,04,453 registered HHs in sampled districts.

Further, during test-check of records of 48 sampled GPs, Audit observed that in 41 GPs[35], the Register for JC which would incorporate details such as date

[35] *Except Saharsa: 6 and Nawada: 1.*

of receipt of application, date of issue of JC, its number *etc*., was not being maintained ***(Paragraph-2.6.6)***. Therefore, actual number of JCs issued could not be cross checked. During the beneficiary survey conducted (July to September 2024), it was found that 120 (23 *per cent*) of the surveyed 520 beneficiaries did not have JCs.

Therefore, non-issuance of JCs to all registered households undermined their right to avail of employment opportunities, under MGNREGA. Further, the lack of JCs also impacted the transparency of the process as JCs were to record details of willing HHs such as employment availed, wages paid, details of work etc.

The Department replied (July 2025) that in view of pendency in issuing JCs to the registered HHs, concerned DPCs had been directed to issue these cards to all the registered households.

2.4.2.2 Non-verification/updating of Job Cards

Para 3.1.5 (xiv) of the MGNREGA Operational Guidelines, 2013, stipulated that the GP will undertake an annual exercise for updating any modification in the particulars of HHs in the same manner as registration of HHs. Further, as per instructions contained in the Annual Master Circular (2019-20), time bound campaigns to verify/ update JCs were to be organised. The concerned DPC and State Government was to ensure that these verification campaigns were conducted in a time bound manner.

During this verification process, that was to be carried out by the Panchayat Rozgar Sevak (PRS), Bank /Post Office account number of the beneficiary was to be verified and entered into the JC; either family photo or photos of workers or individual photos of the family; demand, allocation, work done and payment details; needed to be updated in the JC.

Audit analysed data related to number of JCs verified/updated in the State during 2019-20 to 2023-24 (up to 25 November 2024), available on *NREGASoft*. During analysis Audit observed that only 30.12 *per cent* to 53.84 *per cent* of all JCs and 43.52 *per cent* to 63.84 *per cent* of active[36] JCs were verified in the State. In the sampled districts, JC verification of all workers ranged between 32 to 51.91 *per cent* during 2019-24. Details of verification/updation of JCs in the State and sampled districts are given in **Table-2.11** and **2.12**, respectively.

Table-2.11: Verification of JCs in State

Financial Years	No. of JC issued*		JC Verified		Percentage of Verification	
	All	Active	All	Active	All	Active
	1	2	3	4	5(3/1*100)	6 (4/2*100)
2019-20	1,63,04,036	56,69,864	54,69,014	36,19,870	33.54	63.84
2020-21	1,83,21,070	75,00,961	56,59,377	35,46,868	30.89	47.29

[36] *As per Annual Master Circular for 2019-20, any worker holding JC and had worked during the last three years.*

Financial Years	No. of JC issued*		JC Verified		Percentage of Verification	
	All	Active	All	Active	All	Active
	1	2	3	4	5(3/1*100)	6 (4/2*100)
2021-22	2,07,65,583	84,42,718	62,54,552	36,74,652	30.12	43.52
2022-23	1,65,86,596	83,36,646	65,07,699	41,21,840	39.23	49.44
2023-24	1,36,31,473	86,84,465	73,39,098	48,20,319	53.84	55.51

(Source: Report 26.4 of NREGASoft, dated 25 November 2024)

Table-2.12 Verification of JCs in sampled districts

Financial Years	No. of JC issued*		JC Verified		Percentage of Verification	
	All	Active	All	Active	All	Active
	1	2	3	4	5 (3/1*100)	6 (4/2*100)
2019-20	27,47,011	9,86,743	10,46,296	6,72,256	38.09	68.13
2020-21	31,14,757	13,21,338	10,63,148	6,50,708	34.13	49.25
2021-22	35,66,892	15,04,166	11,41,329	6,65,740	32.00	44.26
2022-23	30,88,163	15,98,468	12,11,273	7,78,656	39.22	48.71
2023-24	25,25,750	17,04,496	13,11,092	8,98,338	51.91	52.70

(Source: Report 26.4 of NREGASoft, dated 25 November 2024)

* *Figures shown in Tables 2.10, 2.11 and 2.12 related to No. of JC issued in the State and Sampled districts taken from the different Reports of NREGASoft did not match*

Further, during the beneficiary survey of 520 beneficiaries conducted during July to September 2024, details in JCs like days and details of employment, bank details, work demanded by the beneficiaries, photographs of holder *etc*., were not found updated/verified, as detailed in **Table-2.13**.

Table-2.13: Non-updating of details in the JCs checked during the beneficiaries' survey

No. of sampled GPs	No. of beneficiaries of the sampled GPs surveyed	HHs having JC	Photo affixed on JC	*Aadhaar* no. added on JC	Bank details on JC	Employment details		
						Blank	Partly entered	Fully entered
48	520	400	205	118	137	158	128	109

Thus, as seen from the details in the **Table-2.13**, the required entries in the JCs were not made as envisaged in the Scheme guidelines. Entries such as JC holder's name, *Aadhaar* number, bank account number *etc*., which are required fields in JC could not be verified for all workers. Further, to ensure transparency and accountability, entries pertaining to employment and wages paid should be updated from time to time and in any case no later than seven days of the corresponding event date. Missing entries or delay in entries in the JC are to be considered a violation and are punishable under Section 25 of the Act. Due to low verification/updation of JCs, rejections of payments to the beneficiaries were observed ***(Paragraph-2.4.4.5)***.

In response to audit observation, the Department instructed (July 2025) the DPCs to ensure to update and verify the JCs periodically in a campaign mode

Recommendation 4: The Department may ensure strengthening of the updation/verification of JCs.

2.4.3 Employment generation

Section 3 (1) of the Act mandated to provide at least 100 days of guaranteed wage employment in a financial year to every rural HH whose adult members volunteer to do unskilled manual work. Details of registered HH and workers, active JCs and employment availed, *etc*., under the Scheme in the State (as of 25 November 2024) during 2019-24 are given in **Table-2.14** and **Table-2.15**, respectively.

Table-2.14: Household wise employment generation in the State during 2019-24

Sl. No.	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
	1	2	3	4	5	6
1	**HHs registered (in lakh)**	183.37	207.09	207.53	147.58	137.64
2	**HHs issued JCs (in lakh)**	170.28	192.34	202.69	145.22	136.22
3	**Active JC (in lakh)**	56.62	74.65	71.38	79.24	86.53
4	**Approved person days (in lakh)**	1,600.00	2,250.00	2,000.00	2,500.00	2,250.00
5	**Person days availed (in lakh)**	1,406.81	2,261.26	1,802.75	2,364.55	2,205.23
6	**HHs demanded job (in lakh)**	41.61	61.68	58.26	58.15	54.67
7	**HHs demanded job (*percentage* of registered HHs) {(Sl. No. 6/Sl. No. 1)*100}**	*22.69*	*29.78*	*28.07*	*39.40*	*39.72*
8	**HHs availed job (in lakh)**	33.48	50.65	47.76	50.14	48.19
9	**Average person days per HH (availed job) {Sl. No.5 /Sl. No. 8}**	42.02	44.65	37.75	47.16	45.77
10	**HHs availed 100 days job (in lakh)**	0.20	0.35	0.22	0.40	0.34
11	***Percentage* of HHs availed 100 days job {(Sl. No. 10/Sl. No. 8)*100}**	*0.60*	*0.69*	*0.46*	*0.79*	*0.70*
12	**SC/ST HH registered (in lakh)**	34.52	34.52	34.52	34.51	34.51
13	**SC/ST HH availed employment (in lakh)**	5.51	6.82	6.49	8.97	10.67
14	**SC/ST person days generated (in lakh)**	240.47	284.51	241.75	454.46	460.90
15	**Average person days per SC/ST HH {Sl. No. 14/Sl. No. 13}**	43.64	41.72	37.25	50.66	43.19

(Source: Report 1.1.1 and 5.1.1 of NREGA Soft, dated 25 November 2024)

Table 2.15: Worker wise employment generation in the State during 2019-24

Sl. No.	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
1	**Workers registered (in lakh)**	260.27	289.00	278.50	183.78	165.78
2	**Active workers[37] (in lakh)**	90.94	90.94	90.94	90.94	90.94
3	**Workers demanded Job (in lakh)**	48.89	72.78	68.00	68.17	61.67
4	**Workers availed job (in lakh)**	38.32	58.15	54.12	57.76	53.84
5	**Percentage of demanded Job {(Sl. No. 4/Sl. No. 3)*100}**	78.38	79.90	79.59	84.73	87.30

(Source: Report 1.1.1 and 5.1.1 of NREGASoft, dated 25 November 2024)

As can be seen from **Table-2.14** and **2.15**, there was low demand for work, and the average person-days generated (38-47 per HH) were far below the entitlement of 100 days of employment as envisaged in the Scheme. Further the percentage of jobs availed by SC/ST, remained low, between 37-51 days per HH during the period 2019-24.

[37] *In NREGASoft, no. of active workers was being shown same for the period 2019-20 to 2023-24.*

Audit observed that generation of low person days employment under MGNREGA was mainly due to low wage rates ***(Paragraph-2.4.4.3)***, non-payment of wages ***(Paragraph-2.3.3, 2.4.4.5 and 2.4.4.6)***, delays in payment of wages ***(Paragraph-2.4.4.2)***, non-payment of compensation for delayed payment of wages (***Paragraph-2.4.4.4)***, non-payment of unemployment allowance ***(Paragraph-2.4.4.7)*** *etc*. These issues noticed during audit in generation of employment under MGNREGA are highlighted in the succeeding paragraphs.

2.4.3.1 Shortfall in achieving the employment generation targets

Audit analysed data related to the number of approved (by RDD, GoB) person days employment to be generated and number of person-days employment generated (as available on *NREGASoft*, as on 25 November 2024) at the State level. Audit observed that there were shortfalls in achieving the targeted number of person days employment generation (except in the FY 2020-21), as detailed in **Table-2.16**.

Table-2.16: Shortfalls in achieving targeted person-days employment during 2019-24

Financial Year	Approved target for generation of employment (in no. of lakh person-days)	Generation of employment (in no. of lakh person days)	Shortfall in generation of employment in lakh of person days (in *per cent*)
2019-20	1,600	1,403	197 (12)
2020-21	2,250	2,259	(+) 09 (0.4)
2021-22	2,000	1,803	197 (10)
2022-23	2,500	2,364	136 (5)
2023-24	2,250	2,205	45 (2)

(Source: Report 2.2.2 of NREGASoft, dated 25 November 2024)

Thus, required person-days could not be generated in four out of five financial years 2019-20 to 2023-24.

The Department replied (February 2025) that there was a significant disparity between the unskilled wage rate notified under MGNREGA and the prevailing market wage rates. As a result, workers tend to participate in MGNREGA only when alternative employment opportunities are not available.

2.4.3.2 Low demand for work and less creation of person-days

In the State, only 22.69 *per cent* to 39.72 *per cent* of the total registered HHs demanded work and out of total registered HHs, 18.26 *per cent* to 35.01 *per cent* of the HHs availed employment during the FYs 2019-20 to 2023-24. The average person-days provided to a HH in a financial year ranged between 38 and 47 days only against the entitlement of 100 days.

This percentage of employment further decreased substantially during the rainy season (July to September) and only nine *per cent* to 20 *per cent* person days were generated in the State during FYs 2019-20 to 2023-24. Thus, the primary objective of the Scheme of providing 100 days of guaranteed wage employment in a financial year to every rural HH was only partially achieved.

The Department replied (February 2025) that reason for low generation of person days was the significant disparity between the unskilled wage rates notified under MGNREGA and market rates.

2.4.4 Payment of wages to workers

Section 3 (3) of MGNREGA provides that disbursement of daily wage shall be made on a weekly basis, or in any case not later than a fortnight after the date on which such work was done. Further Para 29(1) of the Schedule II of the Act prescribed that all payments of wages beyond 15 days after closure of Muster Roll shall attract a penalty of 0.05 *per cent* of the wage per day delay. In order to streamline fund flow and reduce delays in wage payments to workers, MoRD, GoI, introduced the National Electronic Fund Management System (Ne-FMS) in April 2016. In the Ne-FMS, all wage FTOs were to be routed through Public Finance Management System (PFMS)[38].

Audit findings related to the payments of wages to the MGNREGA workers are highlighted in the succeeding paragraphs.

2.4.4.1 Delay in generation of Fund Transfer Orders

MoRD, GoI, directed (September 2016) the States to ensure that all sub-activities and activities related to date of entry of attendance in e-MR (T)[39], measurement of work in e-MB (T+5), generation of wage list (T+6) and generation (T+7) and signing of Fund Transfer Orders (FTOs) (T+8) were carried out as per given schedule to ensure timely payment of wages were to be carried out in a timely manner. Therefore, the POs at the block level had to generate FTO and send it to *NREGA Soft* for making payments through PFMS, after verification of works and MRs within T+8 days.

During analysis of data related to payment of wages to workers on *NREGA soft*, Audit observed that FTOs were generated with delays in the State, as detailed in **Table-2.17**.

Table-2.17: Delays in generation of FTOs in the State during 2019-24

Units	FY	No. of Muster Rolls	Percentage of FTOs generated within T+8 days	Percentage of FTOs generated after T+8 days
State level	2019-20	48,75,838	78.48	21.52
	2020-21	85,54,834	82.42	17.58
	2021-22	61,97,974	95.45	4.55
	2022-23	82,08,914	89.61	10.39
	2023-24	42,92,901	93.79	6.21
Sampled districts	2019-20	9,55,656	76.95	23.05
	2020-21	16,50,661	82.67	17.33
	2021-22	10,83,122	95.09	4.91
	2022-23	18,95,200	88.31	11.69
	2023-24	10,34,488	92.59	7.41

(Source: Report 14.4 of NREGA Soft, 27 November 2024)

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[38] *It's a web-based application developed by Ministry of Finance, GoI. It is designed to track and manage funds released under Government schemes, providing a platform for real-time financial management, facilitating direct payments to beneficiaries and reporting.*

[39] *Last working day of Muster Roll.*

As can be seen from **Table-2.17**, during 2019-24, at the State level up to 21.52 *per cent* FTOs were generated with delays of more than the prescribed eight days from the last date of Muster Roll. In case of sampled districts, delays for this period ranged up to 23.05 *per cent*.

Delays in generation of FTOs at the PO level further resulted in delays in payment of wages to the workers under MGNREGA, as highlighted in the succeeding paragraph.

The Department replied (February 2025) that due to occasional technical issues in *NREGA Soft*, there have been some delays in processing of wage payments which is being monitored continuously for regeneration of rejected transactions. Further, implementation of punitive measures for pending transactions has resulted in notable improvements.

The reply of the Department was not acceptable as it was not supported by any documentary evidence regarding punitive measures taken and improvements, if any, in reducing the delays in generation of FTOs.

2.4.4.2 Delays in payment of wages to MGNREGA workers

As per Section 3(3) of the MGNREG Act 2005, the disbursement of wages shall be made not later than a fortnight after the date on which the work was done.

However, during analysis of data related to payment of wages to workers on *NREGA Soft* for the period 2019-24, Audit observed delays in payment of wages to MGNREGA workers. At the State level, out of total payments of ₹ 20,374.91 crore to the workers, ₹ 735.10 crore (3.61 *per cent*) were paid with delays ranging between 16 and more than 90 days, beyond the stipulated period.

Details of payment of wages, & delays that occurred in the State are depicted in **Table-2.18**.

Table-2.18: Delays in payment of wages to the MGNREGA workers in the State during 2019-24

Sl. No.	Delay (in days)	Payment of wages *(₹ in crore)* during FYs 2019-20 to 2023-24				
		2019-20	2020-21	2021-22	2022-23	2023-24
1	**Between 16 to 30**	103.91	163.83	25.04	104.39	51.70
2	**Between 31 to 60**	39.21	57.20	8.11	40.58	18.14
3	**Between 61 to 90**	7.02	17.83	3.38	11.22	5.51
4	**More than 90**	8.63	31.60	7.68	24.31	5.81
5	**Total delayed payment (*per cent*[40]) (1+2+3+4)**	**158.77 (*6.43*)**	**270.46 (*6.18*)**	**44.21 (*1.24*)**	**180.50 (*3.64*)**	**81.16 (*1.62*)**
6	**Total payment of wages**	**2,470.16**	**4,373.71**	**3,566.49**	**4,958.52**	**5,006.03**

(Source: Report 14.5 of NREGA Soft, dated 05 December 2024)

Similarly, delays were also observed in payment of wages to MGNREGA workers, in the sampled districts. Out of total payments of ₹ 4,044.28 crore to MGNREGA workers, ₹ 148.05 crore were paid with delays ranging between 16 and more than 90 days, during 2019-24.

[40] *Total delayed payment/ Total payment of wages x 100.*

Audit further observed that delays in payment of wages to the workers occurred mainly due to delays in generating and processing of FTOs at the Programme Officer level in blocks.

The Department replied that delays in wage payments were due to technical issues with *NREGA Soft* and instructed (July 2025) the DPCs to monitor the payment process to ensure generation of FTOs within the stipulated period of eight days. Further, recoveries for payment of compensation on account of delayed payments to workers may also be made from the responsible employees.

The reply of the Department was not acceptable as despite the fact that the Department was responsible for monitoring and taking corrective action to resolve technical issues, the same had not been done to ensure timely payments. Further, the provision for making recovery from the responsible employees on account of delayed payment to workers already existed in MGNREGA guidelines, but no recovery was actually effected by the Department, during the audit period.

2.4.4.3 Payment of wages at low rates

As per Section 6(1) of the Act read with Para 7.7.9 of the MGNREGA Operational Guidelines, the Central Government notifies[41] the wage rates for unskilled workers under the Scheme. Besides, as per Para 9.1 of the Annual Master Circular (2019-20), the States can notify higher wage rates by paying the difference amount from their own funds.

Audit observed that during 2019-20 to 2023-24 wage rates notified by the Labour Resources Department (LRD), GoB, for agricultural labourers in the State (from ₹ 257: 2019-20, to ₹ 376: 2023-24), were higher than the wage rates notified by the GoI {between ₹171 (2019-20) to ₹ 227 (2023-24)} for unskilled MGNREGA workers of Bihar during this period. Up to 2019-20, the State paid higher wage rates to unskilled MGNREGA workers by bearing additional financial burden of the difference in wage rates, in order to bridge the gap in labour rates. However, thereafter the State did not keep MGNREGA wage rates for unskilled workers at par with State's wage rates for agriculture labourers. Therefore, the MGNREGA workers were being paid at wage rates which were lower than those admissible to unskilled agricultural labourers in the State and were the sixth lowest (₹ 227) in the country during 2023-24.

It was also noticed during the beneficiary survey (July to September 2024) as 285 (55 *per cent*) out of 520 beneficiaries stated that wage rates were very low in comparison to other schemes and therefore, they were not willing to do work under MGNREGA.

The Department replied (February 2025) that due to significant disparity of rates between MGNREGA and prevailing market rates, workers tend to participate in MGNREGA only when alternative employment opportunities are unavailable.

[41] *These rates are indexed to the Consumer Price Index- Agricultural Labour (CPI-AL)- a measure of the change in retail prices of goods and services that are typically consumed by agricultural labourers in India. It is released by the Labour Bureau, Ministry of Labour and Employment, GoI, with a base year of 2019.*

2.4.4.4 Non-payment of compensation for delayed payment of wages

In light of criteria mentioned in Para 2.4.4 *ibid,* and as per Para 9.8.2, 9.8.3 and 9.8.4 of the Annual Master Circular 2019-20, the compensation for delayed payment of wages to MGNREGA workers was to be paid after due verification of the claims (automatically generated on *NREGA Soft* in case of non-payment of wages to the worker) within 15 days, by the concerned PO, at the block level. The compensation was to be paid from the State Employment Guarantee Fund (SEGF), and could later be recovered from the functionaries/agencies responsible for the delays in payment of wages.

Audit analysed data pertaining to payment of compensation for delayed payment of MGNREGA wages for the period 2019-24 (as of 17 July 2024) on *NREGA Soft*. During analysis, Audit observed that as per data available on *NREGA Soft*, at the State level, against total claims of ₹ 12.36 crore preferred for 10.03 crore person days related to compensation against delayed payment of wages, claims of only 0.42 crore days were approved for ₹ 47.82 lakh by the concerned POs. Out of these approved claims, payment of ₹ 42.93 lakh was made and claims for 1.08 crore person days (for 2019-24) were pending for verification, at the PO level ***(Appendix-2.4)***. Audit further observed that although the amount of compensation paid was to be recovered from the concerned functionaries/agencies responsible for accumulation of compensation, this amount was yet to be recovered from them.

Non-payment of compensation for the delayed payment of wages may discourage the workers in demanding work under the Scheme and deprive them of their entitlements, under the Act.

The Department replied (February 2025) that directives had been issued for ensuring timely disposal and payment of compensation for delayed wage payments.

2.4.4.5 Non-payment of wages due to rejected transactions

As per directions (December 2020) of MoRD, GoI, all payment related rejected transactions under MGNREGS were to be re-generated within 48 hours after their rejection, at the PO level.

Audit analysed *NREGA Soft* data (Report 8.1.5) related to rejected FTOs for the period 2019-24 (as of 29 November 2024). During analysis, Audit observed that in this period, total 13,20,829 transactions amounting to ₹ 1,186.30 crore were rejected. Out of this, 11,77,343 transactions amounting to ₹ 290.57 crore were for paying wages to unskilled workers, while 1,43,486 transactions amounting to ₹ 895.73 crore pertained to semi-skilled and skilled labourers (including material component).

Of these rejected transaction, as of 29 November 2024, regeneration of 18,315 transactions of ₹ 9.48 crore, was pending, which resulted in delays in release of payments to workers. These transactions included payment of ₹ 0.67 crore (2,469 transactions) for wages and ₹ 8.81 crore (15,846 transactions) for material component. This indicated that the Department did not have in place an efficient mechanism to re-generate failed transactions and ensure timely release of payments in such cases.

Non-generation of rejected transactions caused non-payment/delayed payment of wages to the MGNREGA workers, which in turn, may lead to the State exchequer incurring an extra burden, in the form of compensation for delayed release. As per *NREGA Soft,* the main reasons for rejected transactions were wrong bank account number, account closed, inactive *Aadhaar*, pending KYC *etc*.

The Department replied (February 2025) that the State guarantees regeneration of rejected transactions through continuous monitoring and implementing punitive measures for pending transactions, resulting in notable improvements.

The reply of the Department was not acceptable as 18,315 rejected transactions were not regenerated for prolonged periods after their rejection.

2.4.4.6 Non-payment of wages due to non-generation of wage list

In light of criteria mentioned in Para 2.4.4.1 *ibid*, wage list was to be generated within seven days (from the last day of the Muster Roll), for timely processing of Fund Transfer Orders (FTOs).

Audit analysed data available on *NREGASoft* (Report 4.2 of *NREGASoft*) related to generation of Wage Lists during 2019-24 (as of 29 January 2025). During analysis of available data, Audit observed that in the sampled districts, wage lists had not been generated for 1,96,752 Muster Rolls during 2019-20 to 2023-24, as detailed in **Table-2.19**.

Table-2.19: Non-generation of wage list for Muster Rolls

Year	No. of Muster Rolls (for unskilled labourers)	No. of Muster Rolls (for skilled/semi-skilled)	Total no. of Muster Rolls	No. of Muster Rolls for which wage lists were generated	No. of Muster Rolls for which wage lists were not generated
2019-20	9,55,656	7,129	9,62,785	9,28,303	34,482
2020-21	16,50,661	35,105	16,85,766	16,14,506	71,260
2021-22	10,83,122	11,919	10,95,041	10,64,268	30,773
2022-23	18,95,200	7,932	19,03,132	18,79,750	23,382
2023-24	10,33,584	32,900	10,66,484	10,29,629	36,855
Total	**66,18,223**	**94,985**	**67,13,208**	**65,16,456**	**1,96,752**

(Source: Report of NREGASoft, dated 29 January 2025)

In the absence of non-generation of wage lists, FTOs could not be generated, and therefore, payment of wages was not made to MGNREGA workers related to these 1,96,752 MRs.

The Department accepted discrepancies in non-generation of wage lists and issued (July 2025) instructions to DPCs to act in accordance with rules.

2.4.4.7 Non-payment of unemployment allowance

Section 7 (1) of the Act and Para 3.5 of the MGNREGA Operational Guidelines, 2013, provide for payment of unemployment allowance if employment is not provided to the applicant within 15 days of receipt of his/her application seeking employment. As per provisions, unemployment allowance was not to be less than one-fourth of the wage rate for the first thirty days and not less than one-half of the wage rate for the remaining period of a financial year. Further, as per Section 32 (2) (b) of the Act, the State Government had to frame rules for governing the procedure for payment of unemployment allowance.

During test-check of records Audit noticed that the State Government did not frame (June 2024) any rules to govern the procedure for payment of unemployment allowance even after a lapse of more than 17 years of enactment of the Act. Therefore, to check amount of payable unemployment allowance and unemployment allowance actually paid, Audit analysed data related to employment generated (Report 5.1.1 of *NREGA Soft*, as of 25 November 2024) and payable unemployment allowance (Report 19.1 of *NREGA Soft,* as of 17 July 2024), as available on *NREGA Soft*, for the period 2019-24.

During analysis of *NREGA Soft* data, Audit observed that in Bihar, total 3,19,50,547 persons demanded/applied for the employment and the employment was offered to 3,19,01,683 persons/applicants, leaving 48,864 persons without any employment despite applying. Regarding unemployment allowance, Audit observed that as per data available on *NREGA Soft*, unemployment allowance amounting to ₹ 47.26 lakh was shown as payable for 2019-20 to 2023-24.

Further, in sampled districts, total 57,98,143 persons demanded/applied for the employment and employment was offered to 57,89,737 persons/applicants, leaving 8,406 persons without any employment despite applying and as per data available on *NREGA Soft*, unemployment allowance amounting to ₹ 0.37 lakh was shown as payable to them, for 2019-20 to 2023-24.

Thus, non-provision of employment to the persons who had demanded it, led to the requirement of paying unemployment allowance. Non-payment of unemployment allowance led to non-protection of the rights of the workers, under the Act.

The Department replied (July 2025) that the State had notified (July 2024) the rules for payment of unemployment allowance and it had been ensured that unemployment allowance is generated, verified and paid timely.

The reply of the Department did not address the issue as to why it did not frame rules for payment of unemployment allowance for more than 17 years of enactment of the Act.

2.5 Creation of durable and useful assets

2.5.1 Introduction

As per Para 14 of the MGNREGA Operational Guidelines (2013), one of the objectives of the MGNREGA was the creation of durable and sustainable assets and strengthening the livelihood resource base of the rural poor to enhance livelihood security and substantial infrastructure development in rural areas. Under MGNREG Scheme, priority was to be given to works related to water conservation, watershed management, irrigation, renovation of traditional water bodies, afforestation, land development, flood control, rural connectivity, *etc*.

2.5.2 Execution of works

As per Schedule I of the Act, the permissible works under the Scheme were classified into four broad categories *viz.,* public works related to Natural Resource Management (NRM) (Category-A), community or individual assets for vulnerable groups (Category-B), common infrastructure for National Rural Livelihood Mission (NRLM) compliant self-help group (Category-C) and rural infrastructure with various sub-categories (Category-D).

As per *NREGASoft* data (as of 28 November 2024), during 2019-24, total 1.21 crore works related to the *ibid* four categories were taken up in the State and expenditure of ₹ 29,546 crore was incurred on execution of these works. Details of works taken up at the State level and in the sampled districts, with their completion status are given in **Table-2.20**.

Table-2.20: Status of works taken up during FYs 2019-20 to 2023-24

(Works: in numbers and Expenditure: ₹ in crore)

Category of works	Total works taken up in the		No. of works completed (*percentage* of total works) in		No. of ongoing works (*percentage* of total works) in		Expenditure incurred on works in	
	State	Sampled districts	State	Sampled districts	State	Sampled districts	State	Sampled districts (percentage against total expenditure)
A Public works related to NRM	14,25,673	3,43,321	3,21,657 (*23*)	74,839 (*22*)	11,04,016 (*77*)	2,68,482 (*78*)	9,493.98	1,897.18 (*20*)
B Community or individual assets for vulnerable groups	97,70,339[42]	18,17,343[43]	38,96,102 (*40*)	7,32,899 (*40*)	58,74,237 (*60*)	10,84,444 (*60*)	10,734.26	2,973.78 (*28*)
C Common infrastructure for NRLM compliant self-help group	1,283	371	182 (*14*)	103 (*28*)	1,101 (*86*)	268 (*72*)	19.43	6.79 (*35*)
D Rural infrastructure with various sub-categories	9,03,469	1,96,591	2,55,544 (*28*)	54,059 (*27*)	6,47,925 (*72*)	1,42,532 (*72*)	9,298.59	1,511.79 (*16*)
Total	**1,21,00,764**	**23,57,626**	**44,73,485 (*37*)**	**8,61,900 (*37*)**	**76,27,279 (*63*)**	**14,95,726 (*63*)**	**29,546.26**	**6,389.54 (22)**

(Source: Report 6.3 of NREGASoft, date 28 November 2024)

As can be seen from **Table-2.20**, out of 1.21 crore works which were taken up during 2019-24, 44.73 lakh (37 *per cent*) works were completed, and the remaining 76.27 lakh works (63 *per cent)* were ongoing (as of November 2024)[44]. In the sampled districts, out of 23.58 lakh works taken up, 8.62 lakh (37 *per cent*) works were completed, and 14.96 lakh (63 *per cent*) works were ongoing (as of November 2024).

Audit noticed several shortcomings in the execution of works for creation of durable and useful assets under the Scheme, which are discussed in the succeeding paragraphs.

42 *Includes 87,64,136 works (78 per cent) related to PMAY (G).*

43 *Includes 12,85,140 works (69 per cent) related to PMAY (G).*

44 *As per NREGASoft 19.92 lakh works were although approved for 2019-24, but were yet to be started. These included such works also which were though cancelled but were still appearing in NREGA Soft.*

2.5.3 Incomplete Works in the sampled units

As per Para 7.11 of the Annual Master Circular (2019-20), availability of continuous work for wage seekers was to be ensured and emphasis was to be laid on completion of on-going and incomplete work. As per work orders issued by the concerned implementing agencies (GPs, Blocks and ZPs) for execution of works, stipulated period for completion of works (other than plantation), was three to six months. Further, to ensure adequate emphasis on work completion, no implementing agency was allowed to leave a work incomplete for more than one financial year, after the year in which the work was proposed.

Audit analysed *NREGA Soft* data related to the works pertaining to rural connectivity, construction of cattle shelter, *Anganwadi* centre, desilting of ponds, culvert *etc*., taken up in the sampled GP, PSs and ZPs of the test-checked districts, during 2019-24. During analysis, it was observed that a total of 35,261 works were taken up by the sampled units. Of this, 5,800 works (other than plantation works), which comprised 16 *per cent* of total works taken up, remained incomplete and an expenditure of ₹ 90.14 crore was incurred on these incomplete works as shown in **Table-2.21**.

Table-2.21: Details of works taken up and expenditure incurred

(Amount: ₹ in crore)

Level of units	Year	Total Works taken up	Expenditure incurred on total work taken up	Works completed	Expenditure on completed works	Incomplete works excluding plantation (*per cent*)	Expenditure on incomplete excluding plantation works (*per cent*)
GPs	2019-24	32,046	202.64	25,543	138.59	4,263 (13)	48.03 (24)
PSs	2019-24	3,173	100.37	1,671	59.54	1,502 (47)	40.83 (41)
ZPs[45]	2020-24	42	1.91	7	0.63	35 (83)	1.28 (67)
Total		**35,261**	**304.92**	**27,221 (77)**	**198.76**	**5,800 (16)**	**90.14 (30)**

(Source: Report 6.12 of NREGASoft, as of August 2024)

As can be seen from **Table-2.21**, despite expenditure of ₹90.14 crore, 5,800 other than plantation works, remained incomplete for period ranging up to five years. The maximum percentage of incomplete works were noted at the ZP level. Audit noticed that ZPs, Sheohar and East Champaran, took up a total of 42 works relating to rural connectivity, desilting of canals, *etc*., during 2020-24. Despite the fact that these works were stipulated for completion within three months of their commencement, 35 works (East Champaran: 22 and Sheohar: 13) remained incomplete for a period up to more than four years (as of September 2024).

This indicated that sampled GPs, PSs and ZPs, without ensuring completion of works taken up in preceding years within the prescribed period, had taken up new works in the succeeding years, in violation of provisions of MGNREGS. Works remaining incomplete up to five years since their commencement deprived rural beneficiaries of the Scheme benefits and defeated the objectives of the Scheme.

[45] *Total 42 works (excluding plantation work) were taken up by the East Champaran (29) and Sheohar (13) ZPs.*

The Department replied (July 2025) that there had been an emphasis on completion of on-going and incomplete works. Besides, directions had been issued to Districts/blocks/Gram Panchayats, in this regard.

2.5.4 Execution of non-permissible works

Schedule I of the MGNREGA Act read with Paragraph 7 of the Annual Master Circular (2019-20) categorically mentioned that works to be taken up under the Scheme should be from the list of permissible works only. In this regard, cases of execution of non-permissible works in the sampled units are discussed below.

(A) De-silting of rivers and canals: As per Para 7.1.5 of the Annual Master Circular (2019-20), the estimates and requirement of works that involve a high cost (*i.e.,* more than ₹20 lakh) and are highly technical in nature, such as strengthening of river embankment, desilting of river/canal, lining of canals *etc.,* should be vetted by the department concerned before being approved under MGNREGA. In addition, any work, whose outcome/ benefits depends on the completion of the work in its entirety, should not be split into smaller works.

The Water Resources Department (WRD), GoB, informed (June 2020) the RDD that works related to desilting of 17 small and medium rivers and 948 canals (in 25 districts) could be taken up under MGNREGA.

During test-check of records pertaining to works related to desilting of rivers/ canals in the sampled districts, Audit checked 89 and 73 works pertaining to desilting of rivers and canals, respectively, with an estimated cost of ₹ 14.82 crore, taken up in three sampled districts, during 2020-24 as detailed in **Table-2.22**.

Table-2.22: Details of the works undertaken for de-silting of rivers and canals

(Amount: ₹ in crore)

District	Block (River)	Status of works			Year during which work was taken up	Estimated cost	Expenditure incurred
		No. of desilting works taken up	Completed	Ongoing			
East Champaran	Sugauli (Dhanauti River) **(A)**	4	4	0	2023-24	0.34	0.29
	Turkaulia (Dhanauti River) **(B)**	23	14	9	2022-24	1.62	1.37
Saharsa	Saur Bazar (Tilawe River) **(C)**	55	48	7	2020-21	4.85	3.47
	Canal **(D)**	63	54	9	2019-24	3.40	2.91
Sheohar	Piprahi (Bagmati River) **(E)**	7	6	1	2020-22	0.67	0.52
	Dumri Katsari, Sheohar and Tariyani (Canal) **(F)**	10	1	9	2021-24	3.94	1.58
Total River (A+B+C+E)		**89**	**72**	**17**		**7.48**	**5.65**
Total Canal (D+F)		**73**	**55**	**18**		**7.34**	**4 .49**
Grand Total		**162**	**127**	**35**		**14.82**	**10.14**

(Source: Records of the sampled districts and NREGASoft)

In this regard, Audit observed that although:

- The desilting works indicated in **Table-2.22**, were not included in the list of works required to be undertaken as per WRD, GoB but despite this, 89 desilting works in three rivers in four blocks mentioned at sl. nos. A, B, C and E were sanctioned/taken up for execution by the implementing agencies. After incurring an expenditure of ₹ 5.65 crore, 72 of these works were completed (September 2024).

- Desilting work of rivers/canals were to be taken up in their entirety *i.e.*, for the complete stretch. However, each work was split into four to 55 (river) parts and 10 to 63 (canal) works by the concerned PS/GPs. Further, these were not completed in their entirety (except desilting work of river Dhanauti) within the stipulated timeline of three to six months.
- As per Resolution (June 2010) of the Department, PO and Assistant Engineer were competent to accord administrative and technical sanction for MGNREGA works costing up to ₹ 10 lakh, respectively. Administrative and Technical sanctions for works costing above ₹ 10 lakh and up to ₹ 20 crore were to be approved by DPC of the concerned district and Superintendent Engineer, MGNREGA. However, the concerned PO/AE accorded administrative and technical sanction of desilting work of river/canals (as mentioned in **Table-2.22**) by splitting up the entire work for each river/canal into different works, each costing below ₹ 10 lakh, to avoid obtaining requisite sanctions from the higher authorities.
- In case of Tilawe river (Saharsa district), wherein desilting works were executed between January 2021 and June 2021, the DM, Saharsa, inspected (February 2022) the river stretch and found it dead in the very stretches where desilting works had been executed, highlighting that the entire expenditure of ₹ 3.47 crore incurred on the work, had been wasteful.
- As per the notification for operation and maintenance of canals issued (April 2004) by the WRD, GoB, general maintenance work of *Kosi* canal in Saharsa was to be executed between 26 March and 24 April (for Kharif season) and 26 October and 9 December (for Rabi season) when the canal is not in operation, however, as per available records, the concerned block (Saur bazaar) did not adhere to the issued notification and executed 28 desilting works for ₹ 1.44 crore in the canal during January, February, May and June months of 2019-24, which was the operational period of the *Kosi* Canal. Further, no provision in the estimates was made for dewatering of canal, which was essential for carrying out desilting work during operational season of canal. The fact that the work was taken up during the operational season of the canal, raised the possibility of actual non-execution of these works and the risk of possible fraudulent payment.

Thus, sampled three districts executed non-permissible desilting work of rivers and two districts undertook impermissible desilting of canals (except Saharsa) without recommendations of WRD, GoB. Furthermore, irregular river/ canal desilting works were taken up without getting them vetted from the WRD, GoB, and were split up to avoid sanction from higher authorities. This indicated that not only were Departmental instructions violated but that desired results of executing works in the entire stretch could also not be achieved.

The Department did not furnish any specific response to audit observation.

(B) **Construction of playfields and earth filling in homesteads:** Para 7.7 (g) of the Annual Master Circular (2019-20) stipulated that only one playfield in a GP can be constructed under MGNREGA. Further, as per directions of RDD, GoB (March 2019), earth filling and levelling work on private homestead were not permissible.

Despite the above, in two sampled GPs of Nawada district, eight playgrounds (Bagibardiha: five and Chakway: three) were constructed during 2023-24 incurring an expenditure of ₹ 49 lakh, against the stipulated provision of only one playground per GP.

Further, on scrutiny of records and JPV of works carried out in Barahi Jagdish GP (Sheohar district) it was observed that earth filling works were carried out in the residential premises of five beneficiaries during 2023-24, after an expenditure of ₹ 25.76 lakh, in contravention of the MGNREGS guidelines.

2.5.5 Non-maintenance of Wage Material Ratio

Para 6.1.10 of the Annual Master Circular (2019-20) stipulated that the concerned DPC had to maintain a wage and material ratio of 60:40 for all works taken up under the Scheme by the GPs and other implementing agencies. The cost of material components included the wages of the skilled and semi-skilled workers, for this purpose.

For the sampled districts, Audit analysed data related to wage material ratio for the period 2019-24, available on *NREGASoft*. During analysis, Audit observed that five of the sampled six districts (except Saharsa) did not maintain the desired ratio of expenditure on labour and material, as detailed in **Table-2.23**.

Table-2.23: Details of expenditure incurred on material component in the sampled districts during 2019-24 (as of July 2024)

(Amount: ₹ in crore)

District	Period (FY)	Total Expenditure	Permissible limit of expenditure on material component (40 *per cent* of total expenditure)	Actual expenditure on material component {including semi-skilled/skilled wages (*Per cent*)}	Expenditure on material component in excess of permissible limit (5-4)
1	2	3	4	5	6
Begusarai	2021-22	128.33	51.33	57.05 *(44)*	5.72
	2023-24	154.53	61.81	72.37 *(47)*	10.56
East Champaran	2020-21	469.97	187.99	235.63 *(50)*	47.64
	2023-24	453.39	181.36	192.34 *(42)*	10.98
Gaya	2020-21	419.53	167.81	226.78 *(54)*	58.97
Nawada	2020-21	205.55	82.22	115.63 *(56)*	33.41
	2023-24	326.54	130.62	135.54 *(42)*	4.92
Sheohar	2020-21	122.64	49.06	75.08 *(61)*	26.02
	2022-23	91.82	36.73	50.31 *(55)*	13.58
	2023-24	85.81	34.32	40.12 *(47)*	5.80
Total		**2,458.11**	**983.25**	**1,200.85 (49)**	**217.60**

(Source: Report 7.2.2 of NREGASoft, as of July 2024)

As can be seen from **Table-2.23**, against the permissible limit of ₹ 983.25 crore (40 *per cent* of the total expenditure), an excess expenditure of ₹ 217.60 crore (nine *per cent* of the total expenditure) was made on material component.

Therefore, the sampled districts had not maintained the prescribed ratio of expenditure between payments to be made to unskilled MGNREGA workers and on the material component. This constituted a violation of the Scheme guidelines and adversely affected the generation of unskilled employment.

The Department accepted (July 2025) the audit observation.

2.5.6 Execution of MGNREGA works in convergence with other programmes/ schemes

The objectives of MGNREGA were creation of durable assets and securing livelihood of rural households through convergence with resources of other programmes/ schemes of GoI/ GoB, available with GPs, PSs and ZPs and other line departments.

In the sampled districts, the status of works executed via convergence between MGNREGA and resources of line departments is given in **Table-2.24**.

Table-2.24: Convergence of works under MGNREGA with other programmes/ schemes in the sampled districts during 2019-24 (as of September 2024)

Sl. No.	Department (Scheme)	Modalities of convergence	Target	Progress of works
1.	Rural Development Department (Pradhan Mantri Awas Yojana-Gramin)	90/95 person days employment was to be provided to PMAY (G) beneficiaries from MGNREGA	4.92 crore person days were to be provided to 5.34 lakh PMAY(G) beneficiaries during FYs 2019-24 in the sampled districts.	4.47 crore person-days were provided to 5.34 lakh PMAY(G) beneficiaries.
2.	RDD (Bihar Rural Livelihoods Promotion Society, known as *JEEViKA* under RDD, GoB)	Mulberry (also known as '*Shahtoot*') plantation was to be done in convergence with *JEEViKA*. Wages and cost of material components were to be paid from MGNREGA funds.	Six blocks of Saharsa district were selected for plantation of 25,65,000 mulberry plants	Plantation of 10,55,700 plants involving expenditure of ₹ 0.45 crore was completed.

(Source: Records of the sampled units and NREGASoft of MoRD, GoI)

Discrepancies observed in the execution of MNGREGA works in convergence with other programme/schemes are highlighted in the succeeding paragraphs.

2.5.6.1 Wasteful expenditure on plantation of Mulberry plants

In order to implement the *Mukhyamantri Koshi Mulberry Yojana* in convergence between MGNREGA and *JEEViKA,* the Department decided (September 2014) to plant Mulberry (also known as '*Shahtoot*') plants in seven districts[46] of the State, including sampled Saharsa district.

The scheme was to be taken up on private land of an individual beneficiary, cost of plant and wages were to be borne from MGNREGA funds and *JEEViKA*

[46] *Araria, Katihar, Kishanganj, Madhepura, Purnea, Saharsa and Supaul.*

was to select beneficiaries, monitor the plantations and conduct awareness programme, and training, *etc.*

During test-check of records in the sampled districts, Audit observed that six blocks[47] of Saharsa districts were identified for plantation of 25,65,000 mulberry plants. As per the approved estimates, ₹ 8.36 crore was to be incurred on the plantation work. Against the target of plantation of 25,65,000 mulberry plants, 10,55,700 (41 *per cent*) were planted by incurring expenditure of ₹ 0.45 crore.

Audit further observed that POs of the six blocks requested (January 2023) the DDC-cum-ADPC, MGNREGA, Saharsa, to close the work as none of the plants had survived and the farmers had planted other plants on the land where Mulberry plants were planted. Non-survival of the plants was attributable to wrong selection of species of plant and non-providing silkworm to farmers by the Department. Therefore, the Department incurred wasteful expenditure of ₹ 0.45 crore on plantation of 10,55,700 Mulberry plants.

The Department accepted (July 2025) the audit finding.

2.5.6.2 Convergence with Pradhan Mantri Awas Yojana-Gramin

As per Para 7.5.5 of the Annual Master Circular (2019-20), 95 MGNREGA person-days for Integrated Action Plan (IAP) districts[48] and 90 person-days for other areas were to be provided to PMAY-G beneficiaries. Payment for these person days was to be made from MGNREGA funds and was over and above the unit cost fixed under PMAY-G.

Audit analysed *NREGASoft* data of MoRD, GoI, for the period 2019-24, in respect of six sampled district. During analysis, Audit observed:

- **Provision of less person-days than prescribed to PMAY-G beneficiaries**: Analysis of data on *NREGASoft* (Report 6.9) revealed that during 2019-20 to 2023-24, total 5.34 lakh houses were completed in the sampled districts. For constructing these houses, PMAY (G) beneficiaries were to be provided 4.92 crore person-days of unskilled wages. Audit, however, observed that 4.47 crore person-days employment were provided resulting in shortfall of 0.45 crore person-days to PMAY (G) beneficiaries, as detailed in **Table-2.25**.

Table-2.25: Employment provided in PMAY (G) in convergence with MGNREGA during 2019-24 (as of December 2024)

District	No. of houses completed (for convergence)	Targeted person days @90/95	Person days provided	Shortfall in providing person days
Saharsa	54,928	49,43,520	46,92,042	2,51,478
Begusarai	90,266	81,23,940	79,03,848	2,20,092
Nawada (IAP)	86,231	81,91,945	72,84,264	9,07,681

[47] *Kahara, Patarghat, Simri Bakhtiyarpur, Sonbarsha, Sattar Kataiya and Sour Bazar.*

[48] *A GoI initiative focusing on the development of selected tribal and backward districts, particularly those affected by Left Wing Extremism (LWE). In Bihar, there are 11 IAP districts (Arwal, Aurangabad, Jehanabad, Gaya, Rohtas, Jamui, Nawada, Munger, Kaimur, Sitamarhi and West Champaran).*

District	No. of houses completed (for convergence)	Targeted person days @90/95	Person days provided	Shortfall in providing person days
East Champaran	1,35,516	1,21,96,440	1,07,28,791	14,67,649
Gaya (IAP)	1,48,024	1,40,62,280	1,24,67,634	15,94,646
Sheohar	19,145	17,23,050	16,32,631	90,419
Total	**5,34,110**	**4,92,41,175**	**4,47,09,210**	**45,31,965**

(Source: Report 6.9 of NREGASoft, dated 4 December 2024)

Shortfall in provision of person days to MGNREGA workers deprived them from pecuniary benefits of at least ₹ 77.50 crore[49].

The Department did not furnish reply to the audit observation.

2.5.7 Execution of works beyond Annual Development Plan and without entering into *NREGASoft*

(A) Execution of works beyond Annual Development Plan: As per Para 6.6 (vi) of the MGNREGA Operational Guidelines (2013), after approval of the District Development Plan and LB by the Zila Parishad, the list of works was to be sent to the respective GPs for data entry in the *NREGASoft*. Further, approved works included in the shelf of projects of the Scheme were to be executed.

Audit observed that a total 865 works involving expenditure of ₹ 9.78 crore were executed in 17 sampled GPs (as reflected on *NREGASoft*), but these works were not approved by the GS and therefore, these were not the part of the Annual Plan, as detailed in **Table-2.26**.

Table: 2.26 Execution of works beyond approved Annual Plan

(Amount: ₹ in crore)

Name of GPs (District)	Financial Year	Number of works taken up	Expenditure incurred	Type of works
Sughari and Chakwai (Nawada)	2021-22 (1 work) and 2020-21 (1 work)	02	0.13	Construction of Pond, *Ghat*, Earth work *etc*.
Mohanpur, Salouna, Ghaghara and Ratan (Begusarai)	2019-24	484	5.49	Construction of Ponds, Roads, Plantation *etc*.
Jaisinghpur East (East Champaran)	2019-20	01	0.11	PCC Road
All 8 sampled GPs (Gaya)	2019-24	279	3.56	Construction of Ponds, Roads, Plantation *etc*.
Kanp (Saharsa) (Saharsa)	2021-22	78	0.20	Construction of Ponds, plantation *etc*.
Basantpatti (Sheohar)	2020-21 to 2023-24	21	0.29	Plantation, construction of Road, Goat Shed *etc*.
Total		**865**	**9.78**	

(Source: Gram Sabha register of the concerned GP and Report 6.12 of NREGASoft)

[49] *₹ 171 X 45,31,965 = ₹ 77.50 crore (Lowest MGNREGA wage rates in Bihar during 2019-24).*

Execution of works without approval was against the intent of the Act.

The Department did not furnish any reply to the audit observation.

(B) Non-making of entries of approved works in *NREGASoft*: Test-check of records of 20 sampled GPs of three selected districts (Begusarai, Saharsa and Sheohar) showed that against 18,399 approved works (as per GS register/Annual Development Plan), entries were made for only 9,254 works (50 *per cent* of the total works) in the *NREGASoft* ***(Appendix-2.5)*** raising the possibility that the remaining 50 *per cent* of the approved works were not considered for execution and only remained in the shelf of projects.

The Department did not furnish reply to the audit observation.

2.5.8 Non-creation of durable assets through rural connectivity works

As per Para 14.1 of the MGNREGA Operational Guidelines (2013), creation of good quality durable assets and strengthening of rural livelihood base was an important objective under the Scheme. The Guidelines also provided for ensuring durability to enhance livelihoods security of rural poor and sustainable rural infrastructure. Further, as per Para 4 of the Schedule I of the Act, rural connectivity to provide all weather access was permitted by constructing *pucca* roads, streets and culverts. Also, the Department directed (March 2019) that under any circumstances, construction of *kuchha* road (including *Murram*[50] road) was not to be taken up under MGNREGA.

- During test-check of records and analysis of data available on *NREGASoft,* Audit observed that in the sampled 32 GPs (all sampled eight GPs of the four selected districts, except Gaya and Begusarai), total 864 *pucca* road works related to rural connectivity, costing ₹ 39.76 crore, were sanctioned during 2019-24. Of this, 509 works were ongoing and 355 were completed as on date of audit (September 2024), as shown in **Table-2.27**.

Table-2.27: Works undertaken for rural connectivity in the sampled GPs during 2019-24

Sl. No.	District	No. of GPs	Total works	No. of works completed	Ongoing works
1.	Saharsa	8	127	50	77
2.	East Champaran	8	190	99	91
3.	Sheohar	8	259	77	182
4.	Nawada	8	288	129	159
Total		**32**	**864**	**355**	**509**

(Source: Records of the sampled GPs and Report 6.12 and Asset Register of NREGASoft)

Further, scrutiny of records and analysis of *NREGASoft* data disclosed that 59 of 355 completed works were shown as completed without execution of *pucca* components of roads *viz*., PCC, brick soling, *etc*. despite being provisioned in the estimates. Only earth work was executed in these cases and an expenditure of ₹ one crore was incurred on these earthen roads, impacting the quality of assets created.

Furthermore, in East Champaran and Saharsa, in contravention of the provisions of the Act, 11 rural connectivity related works were approved for

[50] *A natural soil composed of clay, sand and gravel.*

₹ 0.77 crore even without making any provisions of *pucca* road component *viz*., PCC, Brick soling *etc.,* during 2019-24. Audit observed that all these works were completed with an expenditure of ₹ 59.68 lakh ***(Appendix-2.6***).

Therefore, despite incurring an expenditure of ₹ 1.60 crore on 70 works, durable assets for all weather rural connectivity was not be ensured, as earthwork alone was insufficient to provide all-weather connectivity.

Department accepted (July 2025) audit findings and stated that now the roads are being constructed with soling to provide all weather connectivity.

Recommendation 5: The Department may ensure creating durable and sustainable assets that benefit the rural population in the long term.

2.5.9 Creation of assets without ensuring usage

In light of criteria mentioned in ***Paragraph-2.5.8*** *ante*, all-weather rural road connectivity was to be provided to the villages through MGNREGA.

Audit conducted JPVs (July 2024 to September 2024) and test-checked records of ten rural road connectivity works of seven sampled GPs/PSs[51] of Begusarai and Nawada. During JPV and test-check of records, it was observed that eight road and two culvert works were approved for ₹80.87 lakh (Roads: ₹ 70.60 lakh and Culverts: ₹ 10.27 lakh) and executed with an expenditure of ₹61.15 lakh (Roads: ₹ 51.10 lakh and Culverts: ₹ 10.05 lakh), during 2019-24. However, these works were executed between agriculture fields without connecting any habitations (road works) and without ensuring road connectivity (culverts), as shown in ***Image-2.1***.

Thus, approving and constructing roads and culverts without ensuring connectivity to the rural population of these GPs/PSs through all-weather roads, led to Scheme objective being unfulfilled and unfruitful expenditure of ₹ 61.15 lakh.

The Department did not furnish any specific reply to the audit observation.

[51] *Begusarai- PSs: Bakhri (4 works) and Sahebpur Kamal (1 works) and GPs: Ghaghara (2 works) and Mohanpur (1 works); and Nawada- GPs: Sahpur(1 works) and Sughari (1 works).*

2.5.10 Irregular execution of works

As per Para 6.2 of the Annual Master Circular (2022-23), special focus was to be given to vulnerable households and communities while preparing estimates for anticipated demand, list of works on individual land, and list of other works that provide direct individual benefits. Further, as per Annexure III of the Master Circular (2022-23), wells, farm ponds and other water harvesting structures could be undertaken on private land to improve productivity of lands of households. However, the owner of individual land should be a MGNREGA worker, and would be entitled to work under the Scheme.

In Nawada, 11[52] ponds were constructed on individual land after incurring an expenditure of ₹22.41 lakh but audit scrutiny revealed that five[53] of 11 ponds were not dug on the lands of MGNREGA workers. Hence, an irregular expenditure of ₹ 8.96 lakh was incurred on digging of ponds on individual land without adhering to the provision of Scheme guidelines.

2.5.11 Low survival of plants

As per Para 7.3 of the Annual Master Circular (2019-20), afforestation, tree plantation and horticulture activities could be taken up under MGNREGA on common and individual lands. Further, as per SoP issued (June 2019) by the Department for implementation of social afforestation schemes under MGNREGA, concerned EE/AE were the nodal officers for preparation and implementation of district level plantation work plan with the assistance of Block and GP level officials. In plantation work, MGNREGA workers were to be engaged and plants including related material were to be procured from MGNREGA funds. The plants were to be taken care of by *Vanposhak*[54], for survival of 80 *per cent* of the saplings up to five years, after their plantation.

During analysis of *NREGASoft* data (as of September 2024) related to plantation in 47 sampled GPs of six sampled district during 2019-24, Audit observed that plantation works of total 3,807 units[55] of plants were undertaken in these sampled GPs. Of these, 105 schemes were physically verified during joint physical verification by Audit along with MGNREGA officials during August and September 2024. Details of district wise units planted, verified and found surviving during JPV are given in **Table-2.28**.

52 *Sughari (06 works: ₹13.76 lakh), Sahpur (02 works: ₹3.29 lakh), Baniya Bigha (01 works: ₹1.72 lakh), Saur (01 works: ₹1.81 lakh) and Chakwai (01 works: ₹1.29 lakh).*

53 *Sughari (03 works: ₹5.80 lakh), Baniya Bigha (01 works: ₹1.59 lakh), Saur (01 works: ₹1.57 lakh).*

54 *Refers to community-based groups assigned the responsibility of planting, maintaining, and safeguarding trees as part of Government initiatives, which aims to increase forest cover and combat climate changes.*

55 *One unit is equal to 200 plants.*

Table-2.28: District wise units planted, verified and found survived during JPV

Sl. No.	District (GPs)	Plantation units taken up	Units verified during JPV (No. of plants)	Expenditure incurred (₹ in lakh)	Plants found survived during JPV (*per cent*)
1	**Begusarai (08)**	1,947	36 (7,200)	47	2,775 (*39*)
2	**East Champaran (08)**	314	29 (5,800)	51	5,308 (*92*)
3	**Gaya (08)**	523	8 (1,600)	11	1,400 (*88*)
4	**Nawada (08)**	318	4 (800)	0.36	275 (*34*)
5	**Saharsa (07)**	360	19 (3,800)	12	2,410 (*63*)
6	**Sheohar (08)**	345	9 (1,800)	07	850 (*47*)
Total		**3,807**	**105 (21,000)**	**128.36**	**13,018 (*62*)**

(Source: Report 6.12 of NREGASoft and JPV)

As can be seen from **Table-2.28** survival rate of the plants was below the desired survival (except East Champaran and Gaya) and ranged from *34 per cent* (Nawada) to 63 *per cent* (Saharsa) with overall survival rate of 62 *per cent.* This indicated that the sapling planted were not taken care of and dead plants were not replaced during the initial period of two years.

For Sheohar, Saharsa and Nawada the Department accepted the audit observation but there was no response in case of Begusarai.

2.5.12 Other miscellaneous observations

- **Use of machines in work**: Para 12 of the Schedule-I of the Act stipulates that the works as far as practicable by the Programme Implementation Authority shall be executed by labourers only and machines shall not be used. The Department also directed (March 2019) to use machinery in a limited way and subject to fulfilment of the specific conditions including cost of carriage should not exceed 10 *per cent* of the total estimate of works, certificate regarding requirement of machinery and approval of its use by DPC/ADPC.

During test-check of records related to 11 MGNREGA works, it was observed that these earth filling works were approved with estimated costs of ₹ 1.11 crore[56] for execution (during 2019-21) in five test-checked GPs (Saharsa: 04 and East Champaran: 01) and one PS (Saharsa) of two sampled districts.

Audit noticed that tractors were deployed in earth work without approval of the concerned DPC/ ADPC. Further, cost of carriage paid to the tractors ranged between 13 *per cent* to 46 *per cent* which was more than the permissible limit of 10 *per cent* of the estimated cost of the works. Total ₹ 32.07 lakh[57] were paid for carriage cost to tractors.

[56] *Saharsa: 08 works with estimated cost of ₹ 70.34 lakh in four GPs (Chandour East, Kanp West, Rauta Khem and Sattar) and 02 works with estimated cost of ₹ 13.52 lakh in one PS (Sattar Kataiya) and East Champaran: 01 work with estimated cost of ₹ 27.11 lakh in one GP(Sukul Pakar).*

[57] *(Saharsa: ₹ 16.06 lakh in four GPs and ₹ 3.67 lakh in one PS) and East Champaran: ₹ 12.34 lakh in one GP).*

This was not only in violation of the Scheme guidelines but also resulted in non-generation of at least 16,531 MGNREGA person days[58], which would have been generated had the works been done by engaging manual labourers.

The Department did not reply to the audit observation related to Saharsa, whereas for East Champaran, it was stated (July 2025) that the permission for using machines was accorded as per the Scheme guidelines.

- **Payment for more than executed work:** Para 7.12.4 of the Annual Master Circular (2019-20) stipulates that all measurements of work done shall be recorded in the measurement book (MB) duly authorised and issued by the competent authority. All payments shall be made only after measuring the value of work done.The relevant entries were to be entered in *NREGASoft* to determine the valuation of work done.

Audit observed in respect of 47 works in seven GPs and one PS of three sampled districts[59] that, as per *NREGASoft,* payment of ₹ 83.30 lakh was made against the amount of ₹ 64.72 lakh booked in MBs. Of 47, nine works were completed and 38 works were ongoing. This indicated that payment was made in excess of the value of work done as per MB, which led to an irregular payment of ₹ 18.58 lakh.

The Department replied (July 2025) that payments had been made as per the works executed and measured in the MB.

The reply of the Department was not supported by any evidence of measurements taken in the MBs.

- **Irregular approval of technical sanctions for works:** As per directions issued (March 2019) by the Department, technical sanction of a work with estimated cost of ₹10 lakh was to be accorded by the concerned Assistant Engineer (AE), MGNREGA. For works with estimated cost of more than ₹ 10 lakh and up to ₹ one crore the Executive Engineer (EE), MGNREGA was to accord the technical sanction.

During test-check of records, Audit observed that AE, MGNREGA (East Champaran) approved technical sanction of 20 works of ₹ 4.95 crore, during 2020-21. In these 20 works, estimated cost of each work was more than ₹10 lakh, and therefore was to be forwarded to EE, MGNREGA (East Champaran) for approval of technical sanction. Further, it was also observed that the AE who accorded the technical sanction of these 20 works was also the executing agency for these works. Therefore, the concerned AE violated the Departmental instructions and evaded the approval of higher authorities. As of September 2024, against these 20 works expenditure of ₹ 2.70 crore was booked, payment of ₹ one crore was made and six were completed.

The Department accepted (July 2025) the audit observation.

[58] *₹ 32,07,000/₹ 194 (Notified wage rate of GoI was ₹ 171 in 2019-20 and ₹ 194 in 2020-21).*

[59] *East Champaran (One GP: 1 work), Saharsa (Four GP: 32 works) and Sheohar (One PS: 04 works and two GPS: 10 works).*

- **Award of work to unsuccessful vendors:**

Audit observed that in two blocks[60] of Begusarai, supply of materials of ₹ 4.73 crore was made by 20 such unsuccessful vendors, who did not qualify in the technical bid finalised by DPC, Begusarai.

Department replied (July 2025) that vendors had been selected in light of departmental instructions and works were awarded accordingly and payment was made to the registered vendors.

The reply of the Department was not acceptable as all the vendors were unsuccessful in technical bid and were registered only after awarding the work.

2.6 Monitoring, Social Audit and grievance redressal

2.6.1 Introduction

MGNREGA Act and its Operational Guidelines, 2013, prescribed monitoring of implementation of the Scheme by establishing a State Employment Guarantee Council (SEGC), by conducting social audits through Social Audit Society (SAS), ensuring grievance redressal by a Grievance Redressal Cell (GRC)/ Ombudsman, and quality assurance by State Quality Monitors and Vigilance and Monitoring Committees (VMCs).

Shortcomings noticed in monitoring, social audit and grievance redressal of the Scheme *vis-a-vis* what was envisaged in the Act and Scheme guidelines, are highlighted in the succeeding paragraphs.

2.6.2 Non-framing of rules for meetings of the State Employment Guarantee Council

Section 12(1) of the Act along with Para 2.4 of the MGNREGA Operational Guidelines, 2013, mandated the State Government to establish a State Employment Guarantee Council (SEGC)[61] for the purpose of monitoring, reviewing and evaluating the implementation of the MGNREGS, at the State level. Section 12 (2) of the Act, stated that the time, place and procedure of the meetings of the SEGC shall be such as may be prescribed by the State. Further, Para 13.4 of the Guidelines provided that the SEGC shall monitor actions taken by the State Government and incorporate the Action Taken Report in the annual report of the Council, to be laid before the State Legislature. Further, as per directions issued (June 2017) by MoRD, GoI, it was mandated to have biannual SEGC meetings.

The State Government constituted the SEGC in May 2012 *i.e.,* after six years of the notification (February 2006) of the MGNREGS by the State. The SEGC was subsequently reconstituted in July 2016 and January 2021. During test-check of records related to constitution and meetings of SEGC, Audit observed that the State had not framed any rules regarding the frequency, place and procedure of the meetings. In the absence of any prescribed rules, the

[60] *Bakhri Block: ₹ 2.45 crore and Sahebpur Kamal: ₹ 2.28 crore.*

[61] *A permanent body, headed by the Rural Development Department, GoB, and included Principal Secretaries/ Secretaries from various departments as members and public representatives of the Panchayati Raj Institutions as ex-officio members.*

SEGC held only three meetings, one each year (during 2021-23), indicating insufficient monitoring, at the State level.

Further, it was also noticed that although Annual Report showing the status of implementation of the Scheme in Bihar was to be submitted to the State Government by the Council, it neither prepared the Annual Report nor did it forward the same to the State for laying before the Legislature (as of January 2025). Thus, the State Legislature was not made aware about the status of implementation of MGNREGS in the State, through SEGC. Thus, the envisaged monitoring and steering of the Scheme by the SEGC at the highest level was not ensured.

The Department replied that the SEGC had held its meetings from time to time, however, no specific rules had been framed by the State.

Recommendation 6: The Department may ensure framing of rules for meetings of the State Employment Guarantee Council, to ensure proper monitoring of the Scheme, at the State level.

2.6.3 Non-constitution of Vigilance Cells/ Monitoring and Vigilance Committees at the district and Gram Panchayat levels

Para 13.6.1 to 13.6.4 of the MGNREGA Operational Guidelines, 2013, provided that States shall arrange for a three-tier vigilance mechanism *viz.,* at the State, District and GP levels. For this, the State was to set up a Vigilance Cell, at each level. The Cell was to proactively detect irregularities in the implementation of the Act and to follow up detected irregularities and malfeasance, including those identified during social audits, and ensure that recoveries of misspent funds were duly made. These functions included receiving complaints, conducting regular field visits, recommending disciplinary action and filing criminal cases against the officials at fault *etc.*

During test-check of records pertaining to constitution of Vigilance Cell at different levels, Audit observed that:

- Although the State Vigilance Cell was set up (September 2014) at the State level under Chief Vigilance Officer (CVO), details of supervision made, cases detected and action taken by the CVO during 2019-24, were not furnished to Audit. In the absence of these records, Audit could not ascertain whether the State Vigilance Cell was functioning as per its envisaged purpose.

- In four of the six sampled districts (except Gaya and Begusarai), the District Vigilance Cell was not constituted. Further, the remaining two sampled districts did not provide information/records regarding constitution of the Vigilance Cells, during 2019-24.

- In five sampled districts (except Gaya) the Vigilance and Monitoring Committees (VMCs)[62] had not been constituted, at the GP level during 2019-24.

[62] *Functions at GP level including visiting the work sites, interacting with workers, verifying records, verifying onsite facilities etc.*

Thus, the objective of exercising vigilance over the Scheme's implementation, as envisaged in the MGNREGA Act & Guidelines could not be fully met. Non-constitution of the District Vigilance Cell, and Vigilance and Monitoring Committees in all the districts and GPs posed a risk that irregularities, malfeasance, misspent of funds *etc*., in the implementation of the MGNREGA might remain undetected. Non-adherence may also lead to lack of inspection over implementation of the Scheme and irregularities as discussed in ***Paragraph-2.5.3*** (Incomplete works in sampled units), ***Paragraph-2.5.4*** (Execution of non-permissible works), ***Paragraph-2.5.7*** (Execution of works beyond Annual Development Plans) *etc*.

The Department did not furnish response to the audit observation.

2.6.4 Grievance Redressal Mechanism under MGNREGA

Section 19 of the MGNREG Act read with Para 13.13.1 of the MGNREGA Operational Guidelines, 2013, stated that the State Government was required to create appropriate grievance redressal mechanisms at the district and block levels. For this purpose, among other things, the State had to:

- frame rules for dealing with any complaint in respect of implementation of MGNREGA and lay down the procedure for disposal of such complaints.
- establish the office of Ombudsman in all districts for expeditious redressal of grievances.
- ensure that a complaint register was being maintained at the District, Block GP levels, wherein every complaint could be recorded with date of receipt from complainants.

Audit findings in this regard are discussed in the succeeding paragraphs.

2.6.4.1 Non-establishment of a dedicated Grievance Redressal Mechanism for MGNREGA complaints

The State Government was required to establish a dedicated grievance redressal mechanism by framing rules for dealing with any complaint regarding implementation of the Scheme and lay down the procedure for disposal of such complaints.

During test-check of records, Audit observed that the State Government took more than 17 years (since the enforcement of the Act), to establish a dedicated grievance redressal mechanism at the district and block levels (in March 2023) and designate nodal officers at the district and block levels along with stipulated timelines for disposal of online and offline complaints. For this, a module 'MGNREGA Grievance Redressal' was prepared and integrated on the website of BRDS (Nodal Agency for MGNREGA in Bihar).

Prior to this, in order to dispose complaints, the concerned DPC, PO and PRS was to maintain a complaint register, at the district, block and GP levels, for receiving and disposing complaints. Besides, any complaints received through the Chief Minister's Office, CM Samadhan Yatra, CPGRAMS[63] *etc.,* were also to be disposed of after assigning them to the appropriate levels.

Deficiencies noticed in receipt and redressal of complaints during 2019-24 are discussed in the succeeding paragraphs.

2.6.4.2 Non-disposal of complaints

Audit test-checked records related to receipt and disposal of MGNREGA related complaints, for the period 2019-24 at BRDS (RDD, GoB). As per information received, Audit observed that at the State level, total 2,084 complaints were received through different sources such as CM Secretariat, CM Samadhan Yatra *etc.,* during 2019-20 to 2023-24 (up to 4 July 2024). Of this, 1,579 complaints were disposed of and 505 (24 *per cent*) were pending for disposal, as detailed in **Table-2.29**.

Table-2.29: Details of disposal of complaints during 2019-24 (as of 4 July 2024)

Source of Grievance/ complaint	No. of complaints received	No. of complaints disposed of	No. of complaints pending for disposal (*per cent*)
	1	2	3 (1-2)
CM Secretariat	230	115	115 (50)
CM Samadhan Yatra	44	27	17 (39)
Newspaper Clippings and Link	55	44	11 (20)
Vigilance Department, GoB	52	3	49 (94)
Office of the Minister, RDD	210	46	164 (78)
CPGRAMS	1,447	1,305	142 (10)
Janta Darbar	28	21	7 (28)
Others	18	18	0
Total	**2,084**	**1,579**	**505 (24)**

(Source: Information received from BRDS)

Even after a lapse of at least three months, pendency of 50 *per cent* or more with regard to complaints received from the CM Secretariat (50 *per cent*), office of the Minister, RDD (78 *per cent*) and Vigilance Department, GoB (94 *per cent*) indicated insufficient existence of an effective grievance redressal mechanism.

The Department did not furnish reply on the audit observation.

2.6.4.3 Non-maintenance of complaint registers

A complaint register was to be maintained by the concerned PRS, PO and DPC at GP, block and district levels, respectively. Audit test-checked records related to maintenance of complaint registers at these levels, for the period 2019-24 and observed the following:

[63] *A Department of Administrative Reforms and Public Grievances (DARPG), Ministry of Personnel, Public Grievances & Pensions, GoI, portal aimed at providing the citizens with a platform for redress of their grievances against any Government organization in the country.*

- Out of six sampled districts, five (except Sheohar)[64] responded that they had maintained the complaint register but did not produce the said registers before Audit.
- Three[65] of the 12 sampled blocks were not maintaining any complaint register.
- Out of 48 test-checked GPs, complaint register was not being maintained in 39[66] GPs ***(Paragraph-2.6.6)***.

Therefore, in the absence of maintenance of compliant registers/ non-production of records, Audit could not ascertain whether complaints received were being properly recorded and timely disposed.

The Department did not reply to the audit observation.

2.6.4.4 Appointment of Ombudsman

As per Para 13 of the MGNREGA Operational Guidelines, 2013, the State Government had to establish the office of Ombudsman in all districts for expeditious redressal of grievances. The main duties of the Ombudsman included receiving complaints from MGNREGA workers and others, examining such complaints and facilitating their disposal in accordance with applicable laws. Besides, the Ombudsman could also issue directions for conducting spot investigation, lodge FIRs against erring parties and initiate proceedings *suo moto*. The Ombudsman had to report their findings to the Chief Secretary and Secretary, RDD, GoB.

Audit test-checked records pertaining to appointment of, and complaints received and disposed by the Ombudsman during 2019-24, in the sampled districts. During test-check of records, Audit observed that in the sampled districts (except Gaya and Nawada), the post of the Ombudsman remained vacant for periods ranging between 21 months to 38 months.

Regarding receipt and disposal of complaints by the Ombudsman, Audit observed that in the four sampled districts (except Nawada and Begusarai[67]), Ombudsmen of the district concerned received a total of 205 complaints during 2019-20 to 2023-24. Of this, 56 complaints (27 *per cent)* remained pending for disposal (as of 05 December 2024).

Audit noted that one of the reasons for unsatisfactory disposal of complaints was the vacancy position with respect to the Ombudsman across test-checked districts. Details of vacancies in the post of Ombudsman in the sampled districts and disposal of complaints are given in **Table-2.30**.

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64 DRDA, Gaya, neither provided records related to maintenance of complaint register nor did responded to the Audit questionnaire, in this regard.

65 (East Champaran: Sugauli and Turkaulia; and Sheohar: Purnahiya).

66 Complaint register maintained in nine GPs (Saharsa: Sattar, Rakiya, Purikh, Bihra; Nawada: Sughari, Baksauti, Bhawanipur, Baniya Bigha; Sheohar: Basiya Sekh).

67 No information was furnished regarding complaints registered.

Table-2.30: Details of posting of Ombudsman and disposal of complaints in sampled districts during 2019-24 (as of 05 December 2024)

District	Period during which post of Ombudsman remained vacant (in days)	No. of complaints received	No. of complaints disposed of	No. of complaints pending
Begusarai	1,138	NA*	NA	NA
East Champaran	620	51	45	6
Gaya	0	47	25	22
Nawada	0	75	75	0
Saharsa	1,074	32	4	28
Sheohar	731	0	0	0
Total	**3,563**	**205**	**149**	**56**

(Source: Information provided by the test-checked DRDAs) *NA=Records not made available*

As can be seen from **Table-2.30**, 27 *per cent* complaints were yet to be disposed of even after lapse of at least eight months, since their receipt. Thus, vacancies in the posts of Ombudsmen for long periods especially in East Champaran and Saharsa affected the functioning of Ombudsman.

Thus, vacancies in the posts of Ombudsmen for long periods and pendency in the disposal of complaints in the sampled districts during 2019-24, indicated inadequate compliance with MGNREGA provisions.

The Department did not furnish reply to the audit observation.

Recommendation 7: The Department may ensure filling up the vacant posts of Ombudsmen, to streamline the disposal of complaints.

2.6.5 Social Audit

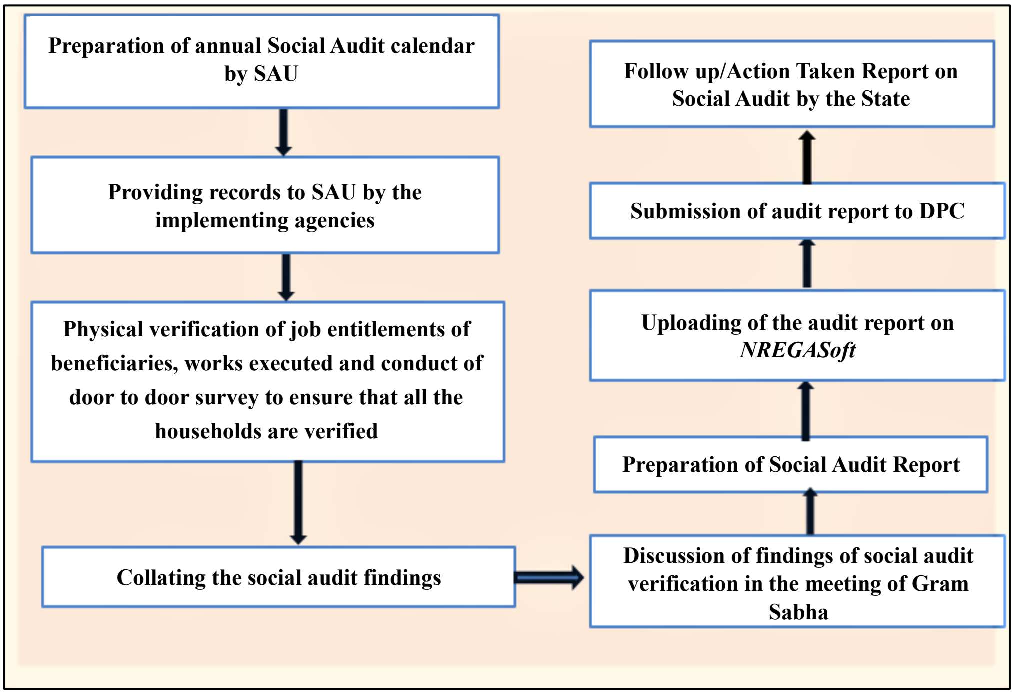
Section 17 of the Act and Chapter 13 of the MGNREGA Operational Guidelines, 2013, mandates conduct of Social Audits at the level of Gram Sabha. The basic objective of Social Audit was to ensure public accountability under MGNREGA, in the implementation of projects, laws and policies. It aimed to combine people's participation and monitoring with the requirements of audit discipline.

2.6.5.1 Conduct of Social Audit

Social Audit is a continuous and ongoing process, involving public vigilance and verification of quantity and quality of works at different stages of implementation. It was to be conducted in every GP, at least once in six months, and would involve a mandatory review of all aspects of the implementation of MGNREGS. Further, as per provisions contained in Para 10.1.1 of the Annual Master Circular (2019-20), the State Governments were mandated to set up an independent Society *i.e.,* Social Audit Unit (SAU) tasked with the exclusive responsibility of conducting social audits. The SAU facilitates Gram Sabha in conduct of Social Audit of works taken up under MGNREGA, within the GP.

A brief of process for conducting Social Audits is depicted in **Chart-2.8**.

Chart-2.8: Process for conduct of Social Audit



(Source: MGNREGA Operational Guidelines, 2013; Annual Master Circular, 2019-20, MoRD, GoI)

In compliance with the MGNREG Audit of Schemes Rules, 2011, issued by MoRD, GoI, the State Government constituted (June 2015) an independent "Social Audit Society", for conducting social audits of MGNREGS including various public welfare schemes/ programmes of GoB, being operated in rural areas. The affairs of the Society were managed by a Management Committee constituted by the Department. The Management Committee was headed by the Development Commissioner, Bihar, with Secretary RDD, GoB, being one of its members.

Audit findings pertaining to coverage, outcomes of social audit, settlement of audit observations, *etc.*, are discussed in the succeeding paragraphs.

2.6.5.2 Shortfall in conduct of Social Audits

As per Para 13.3.1 of the MGNREGA Operational Guidelines, 2013, the Social Audit Unit shall, at the beginning of the year, frame an Annual Calendar to conduct at least one social audit, in each GP, every six months. A copy of the calendar shall be sent to all DPCs for making necessary arrangements.

During test-check of records related to conduct of Social Audit, it was observed that the Social Audit Society prepared an annual calendar considering audit of GPs on a yearly basis, instead of once in six months. Therefore, in the sampled districts, in place of conducting 13,340 social audits[68], only 3,454 audits were conducted during 2019-24, as detailed in **Table-2.31**.

[68] *No. of GPs x 10 (Begusarai: 217 x 10 = 2,170; East Champaran: 411x10 = 4,110; Gaya: 331 x 10 = 3,310; Nawada: 187 x 10 = 1,870, Saharsa: 135 x 10 = 1,350, Sheohar: 53 x 10 = 530).*

Table-2.31: Details of social audits conducted in sampled districts during 2019-24

District	Social Audits to be conducted	No. of Social Audits conducted	Shortfall in conducting Social Audits	Percentage of shortfall
	1	2	3 (1-2)	4 (3*100/1)
Begusarai	2,170	648	1,522	70
East Champaran	4,110	932	3,178	77
Gaya	3,310	849	2,461	74
Nawada	1,870	520	1,350	72
Saharsa	1,350	344	1,006	75
Sheohar	530	161	369	70
Total	**13,340**	**3,454**	**9,886**	**74**

(Source: Report 9.1.3 of NREGA Soft, MoRD, GoI)

As can be seen from **Table-2.31**, in the sampled districts there were substantial shortfalls in the conduct of Social Audits ranging between 70 to 77 *per cent* indicating that the State did not monitor the functioning of SAS adequately in conducting social audits.

The Department did not furnish reply on the audit observation.

2.6.5.3 Substantial pendency in settlement of social audit observations

Para 13.4.2 of the MGNREGA Operational guidelines, 2013, provided that the concerned DPC shall ensure time bound corrective action on the findings of the social audit report. Further, as per provisions contained in Para 10.1.10 of the Annual Master Circular (2019-20), the concerned PO had to submit an Action Taken Report to the Social Audit Unit within a month of the meeting of the concerned Gram Sabha/ Ward Sabha, convened after conduct of social audit.

During test-check of records of the sampled GPs, Audit observed that a substantial number of audit observations, (ranging between 85 *per cent* to 100 *per cent*) that were raised in the course of social audits conducted during 2019-24, were pending for settlement, as detailed in **Table-2.32**.

Table-2.32: Details of pending social audit observations conducted in the sampled GPs during 2019-24

District	Audit observation made during Social Audits	No. of audit observations settled	No. of outstanding observations	Percentage of outstanding observations
	1	2	3 (1-2)	4 (3/1*100)
Begusarai	158	02	156	99
East Champaran	92	00	92	100
Saharsa	60	03	57	95
Sheohar	247	03	244	99
Nawada	137	20	117	85
Total	**694**	**28**	**666**	**96**

(Source: Records of the sampled GPs)

As can be seen from **Table-2.32**, overall 96 *per cent* of the total audit observations made during social audits were pending for settlement, indicating that the DPCs of the sampled district did not take adequate action/ensure proper monitoring to guarantee timely corrective action.

The Department did not furnish reply on the audit observation.

Recommendation 8: The Department may ensure conducting social audits as per the prescribed frequency, as well as taking timely corrective action on the audit findings.

2.6.6 Non-maintenance of mandatory records

(A) Non-maintenance of prescribed registers at the Gram Panchayat level: For the purpose of efficient book keeping, as well as for Social Audit, Chapter 10 of the MGNREGA Operational Guidelines, 2013, read with Annual Master Circular (2019-20), mandated maintenance of seven registers at the Panchayat level. These registers were to be maintained by the PRS of the concerned Gram Panchayat. The Registers were also to be made available for scrutiny, inspections, Social Audit *etc.,* to officials as well as the public, at all times.

During test-check of records of the 48 sampled Gram Panchayats, Audit observed that the prescribed seven registers were not being maintained or, were maintained for partial periods, during 2019-24. Details of non/partial maintenance of these seven registers are given in **Table-2.33**.

Table-2.33: Details of non-maintenance of prescribed registers

Sl. No.	Register no. and name of Register	Units wherein register was not maintained (GPs)	Units wherein register was maintained partially (GPs)
1.	Register–I Register for JC (Application, Registration, JC Issue) and Household employment Reports	Saharsa (02); Nawada (07); Begusarai (08); Gaya (08); East Champaran (08) and Sheohar (08) **(41)**	0
2.	Register–II (Gram Sabha Register)	Begusarai (08); Gaya (08) and East Champaran (08) **(24)**	Saharsa (02) and Nawada (02) **(4)**
3.	Register–III (Demand for work, allocation of work and payment of wages register)	Saharsa (08); Nawada (08); Begusarai (08); Gaya (08); East Champaran (08) and Sheohar (08) **(48)**	0
4.	Register–IV (Work register)	Nawada (07); Begusarai (08); Gaya (08); East Champaran (08) and Sheohar (07) **(38)**	Saharsa (01)
5.	Register–V (Fixed asset register)	Saharsa (04); Nawada (08); Begusarai (08); Gaya (08); East Champaran (08) and Sheohar (08) **(44)**	0
6.	Register–VI (Complaint register)	Saharsa (04); Nawada (04); Begusarai (08); Gaya (08); East Champaran (08) and Sheohar (07) **(39)**	Nawada (02)
7.	Register–VII (Material register)	Saharsa (08); Nawada (08); Begusarai (08); Gaya (08); East Champaran (08) and Sheohar (08) **(48)**	0

(Source: Records of the sampled GPs)

As can be seen from **Table-2.33**, mandatory registers were not being maintained in the sampled GPs, with the non-maintenance percentage ranging between 50 *per cent* to 100 *per cent* (Register no. III and VII).

(B) Non-maintenance of prescribed registers at the block level: Para 2.2.1 and 13.13.1 of the MGNREGA Operational Guidelines, 2013, prescribed that the Programme Officer (PO) of the concerned block shall ensure maintenance of certain key records *viz.,* Muster Roll issue and receipt register, work register, asset register and complaint register *etc.,* at the block level.

During test-check of records, Audit observed that in six[69] sampled blocks prescribed four registers were not being maintained, during 2019-24. Details of registers prescribed and their non-maintenance are given in **Table-2.34**.

Table-2.34: Non-maintenance of mandatory registers in the sampled blocks

Sl. No.	Name of Register	Blocks wherein register was not being maintained
1	Muster Roll issue and receipt register	4 (East Champaran: Sugauli and Turkaulia and Sheohar: Purnahiya and Piprahi)
2	Work register	3 (East Champaran: Sugauli and Sheohar: Purnahiya and Piprahi)
3	Asset register	6 (Saharsa: Sattar Kattaiya and Sour Bazar; East Champaran: Sugauli, Turkaulia and Sheohar: Purnahiya and Piprahi)
4	Complaint register	3 (East Champaran: Sugauli and Turkaulia and Sheohar: Purnahiya)

(Source: Records of test-checked blocks)

Due to non-maintenance of these registers, data *viz.* application for work, allotment of work, execution of work, details of complaints, *etc.* could not be verified. Further, non/partial maintenance of key records indicated inadequate internal control mechanism.

The Department did not furnish reply to the audit observation.

[69] *Sattar Kattaiya and Saur Bazar (Saharsa); Sugauli and Turkolia (East Champaran) and Purnahiya and Piprahi (Sheohar).*

CHAPTER-III

Construction, raising and strengthening of embankments under Water Resources Department

CHAPTER-III
SUBJECT SPECIFIC COMPLIANCE AUDIT

WATER RESOURCES DEPARTMENT

3. Construction, raising and strengthening of embankments under Water Resources Department

Bihar is one of the most flood-affected States in the country with 28 out of 38 districts being flood prone and 73 per cent of its geographical area being flood affected. Therefore, in order to reduce the negative consequences and adverse effects of floods, the Water Resources Department was to plan and implement flood management measures including construction, raising and strengthening of embankments along rivers in the flood prone areas.

The Department started the schemes/works for construction of embankments without ensuring availability of land and addressing issues related to rehabilitation leading to schemes either not starting or remaining incomplete after lapse of a period of one to 16 years since the stipulated period of their completion. Further, the decision of the Department to not award work to the lowest bidder resulted in avoidable expenditure of ₹ 7.15 crore. Besides, avoidable expenditure of ₹ 6.55 crore was made against items that were not executed. In addition to this, irregular approval of rates for scheduled as well as non-schedule items, resulted in irregular payment of ₹ 10.57 crore in Flood Control Division, Darbhanga.

Instances of wasteful, avoidable, excess expenditure and double payment of ₹ 15.59 crore were also observed against earthworks, Granular Sub Base, Wet Mix Macadum and Bituminous Macadam components in respect of construction of road on embankments.

Further, the intended objective of achieving the required height of an embankment against High Flood Level by raising & strengthening of 89.42 km embankments under the Bagmati Flood Management Scheme Phase II and III(b), was not fulfilled despite expenditure of ₹320.85 crore. Mobilisation advance (₹ 34.88 crore) and Plant & Machinery advance (₹ 7.98 crore) were sanctioned in violation of the provisions of the contracts, which were not recovered along with interest accrued thereon.

Necessary quality tests prescribed under the Indian Road Congress/Indian Standards for construction of embankments as well as for roads on the top of embankments, were not conducted. Besides, inadequate waterways created by bridges adversely affected the safety of embankments leading to breach of embankments of the Bagmati river during floods of 2024.

Further, non-uploading/updating of data related to Schemes on the Water Resources Department Scheme Implementation and Monitoring System (WSIMS)/ MIS web application led to deficient online monitoring system by the Department.

3.1 Introduction

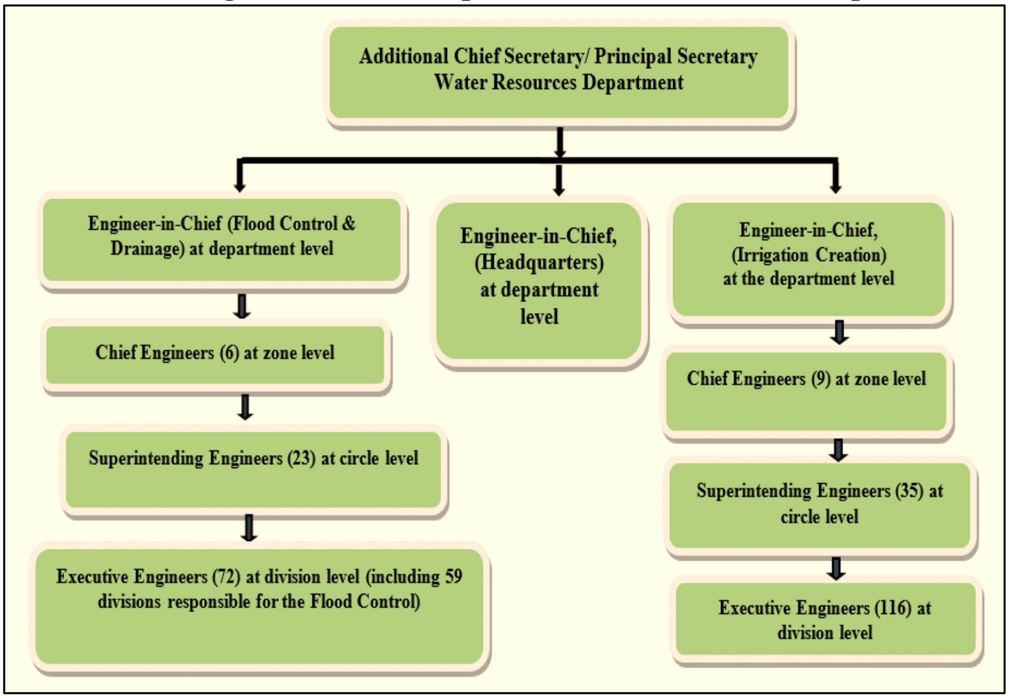
Bihar is situated in the Indo-Gangetic plain with the river Ganga flowing from west to east and dividing the State into two parts *viz*., North Bihar and South Bihar. The State is one of the most flood-affected in the country with 28 out of 38 districts being flood prone. The total flood-affected area of the State is 68.80 lakh hectares (Ha), which is 73 *per cent* of the total geographical area of the State (94.16 lakh Ha). During the period 2000 to 2024, around 5.27 crore hectares of land and total 1,837 lakh people were affected by floods. Besides, the State suffered a loss of 6,829 human lives and damage to property, especially infrastructure, worth ₹23,737 crores due to destruction caused by floods.

In order to reduce the negative consequences and adverse effects of floods, the Water Resources Department (Department), Government of Bihar (GoB), which is the nodal Department for planning and implementation of flood control measures, carried out flood management related activities including construction, raising and strengthening of embankments[1] along rivers in flood prone areas.

3.1.1 Organisational Set-up

The Water Resources Department (Department) is headed by Additional Chief Secretary/ Principal Secretary and three Engineers-in-Chief (EiCs) at the apex level. The offices of the 188 Executive Engineers (EEs) are the implementing units of the Department at the division level. Fifty nine of these divisions of the Department, are responsible for carrying out flood control measures related to 14 river basins of the State. The organisational set-up of the Department is shown in **Chart 3.1**.

Chart 3.1: Organisational set-up of the Water Resources Department



(Source: Official website of the Water Resources Department, GoB, as of December 2024)

[1] *Embankments are the oldest known forms of flood protection works which generally remain parallel to the river channel and designed to protect the area behind it from overflow of flood waters.*

3.1.2 Audit Objectives

The audit objectives of the Subject Specific Compliance Audit (SSCA) were to assess whether:

- planning of schemes for construction, raising and strengthening of embankments was carried out properly;
- execution was done correctly and contract management norms were followed properly; and
- quality norms were adhered to during the execution of schemes.

3.1.3 Audit Criteria

The audit criteria were, *inter alia*, sourced from the following:

- Bihar Irrigation, Flood Management and Drainage Rules, 2003;
- Standard Operation Procedure for flood management (July 2013), issued by the Water Resources Department, GoB;
- Guidelines for preparation of DPR for flood management work issued by the Central Water Commission, GoI;
- Indian Standards for construction and maintenance of river embankments, issued by the Bureau of Indian Standards, Ministry of Consumer affairs, Food and Public Distribution, GoI;
- Bihar Public Works Department Code, Bihar Public Works Accounts Code, Standard Bidding Documents (SBD), published by the Road Construction Department (RCD), GoB;
- Specifications for construction of earthen embankments as well as flexible pavements for road works issued by the Indian Roads Congress (IRC)[2] and Ministry of Road Transport & Highways (MoRTH), GoI,; and
- Directives, guidelines and instructions regarding construction of embankments issued by the Central Vigilance Commission (CVC), GoI, and the Departments of Water Resources, Road Construction and Finance, GoB.

3.1.4 Audit Scope and Methodology

The SSCA, covering the five-year period from Financial Year 2019-20 to 2023-24 was conducted between August and December 2024. During 2019-24, works related to construction, raising and strengthening of embankments were carried out in 23 Divisions of the Department related to seven[3] river basins. Out of which, works undertaken in eight[4] Divisions with respect to three[5] river

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[2] *An organisation that works closely with the Ministry of Road Transport and Highways, GoI, to develop technical standards and guidelines for roads, bridges and other infrastructures.*

[3] *Bagmati-Adhwara, Burhi Gandak, Gandak, Ghaghara, Kamala Balan, Kosi and Mahananda.*

[4] *Darbhanga, Jhanjharpur-I, Jhanjharpur-II, Katihar, Kishanganj, Runnisaidpur, Salmari and Sitamarhi.*

[5] *Bagmati-Adhwara, Mahananda and Kamala Balan.*

basins were covered during audit at the field level. The Divisions and river basins were selected by using Probability Proportional to Size Without Replacement (PPSWoR) method[6] with the size measure being the total capital expenditure incurred during the last five years. At the Apex level, records of the office of the Additional Chief Secretary, WRD, were also examined during audit.

The methodology adopted for the SSCA involved scrutiny of records, issuance of questionnaire as well as proforma to get requisite information and issuance of audit observations to obtain replies of the auditee units. Besides, information regarding occurrence of damages due to floods during 2019-24 in the respective areas was obtained by issuance of requisition at the Department level. In addition, data available on the web application[7] of the Department, developed for monitoring of the schemes/ works, was also analysed. Joint Physical Inspections (JPIs) were also conducted (September to December 2024) along with officials of the concerned divisions executing the schemes under the sampled river basins.

An Entry Conference was held (August 2024) with the Additional Secretary, WRD, wherein audit objectives, scope, criteria and methodology were explained. In order to elicit view of the Department on audit observations and obtaining replies thereon, an Exit Conference was held on 02 May 2025 with the Principal Secretary, WRD, GoB. Despite being reminded (June 2025), Department's reply to audit observations was awaited (June 2025).

Audit findings

3.2 Commencement of scheme works without ensuring availability of land

The Central Water Commission (CWC), Ministry of Jal Shakti, Government of India (GoI), issued guidelines (April 2018) for the preparation of Detailed Project Report (DPR) for flood management works. As per these guidelines, planning for execution of works related to flood management is a vital component and crucial for avoiding time and cost overrun. Time is of high essence in flood management works as these are to be completed in the non-monsoon season. Therefore, flood management works were to be planned considering all these aspects like land acquisition, site survey and clearance *etc*.

As per Para 4.5 of Resolution No. 948 (July 1986) of the Cabinet Secretariat, GoB, mentioned in the Bihar Public Works Account Code, special emphasis was to be given to schemes requiring land acquisition. Further, the estimates related to works were to be approved only after land acquisition was done, and work was to commence subsequently.

6 *A sampling method where each unit has a probability of selection proportional to its size.*
7 *Water Resources Department Scheme Implementation & Monitoring System (WSIMS).*

Audit noticed that under three sampled river basins, total seven schemes[8] were taken up (December 2005 to April 2022) in four sampled Division[9] for the construction of embankments along the rivers. Test-check of records revealed that in all the three sampled river basins, estimates of works along with estimates for provisions of land acquisition were approved. However, the tendering process was initiated without ensuring the actual availability of land. Due to this, two of these schemes did not start (as of December 2024), despite lapse of two and half to more than six years since the award of work, while the remaining five remained incomplete (as of December 2024) with delays of one to 16 years from the scheduled date of completion. Hence, none of the schemes was complete as of December 2024, although overall an expenditure of ₹ 247.80 crore had been incurred by the Department ***(Appendix-3.1)***.

Audit observed that the reasons for the non-completion of embankment works were mainly attributable to improper planning including land acquisition and rehabilitation[10] issues, on the part of the Department, as discussed in the succeeding paragraphs.

3.2.1 Construction of embankments under Bagmati-Adhwara Basin

The Bagmati river originates in Nepal and nearly 394 kms length of the river, runs through Bihar. The Adhwara Basin is interlaced with a network of rivers, including the Adhwara, Jhim, Jamura Sikao, Burhand, Khiroi, Rato, Thomane *etc*., also originating in Nepal. The joint courses of Bagmati and Adhwara finally merge with the Koshi river at Badlaghat (Khagaria), in Bihar. The Bagmati-Adhwara Basin encompasses parts of Sitamarhi, Sheohar, Muzaffarpur, Madhubani, Darbhanga, Samastipur and Khagaria districts of the State.

In the test-checked Divisions, five schemes[11] related to construction of embankments (in the Bagmati-Adhwara river basin) were executed and were selected for audit. Audit findings related to these have been discussed in the following paragraphs.

3.2.1.1 Phase II of the Bagmati Flood Management Scheme (BFMS)

A Memorandum of Understanding (MoU) was executed (December 2005) between the Hindustan Steelworks Construction Limited (HSCL) (a Central Public Sector Enterprise) and the State Government, for execution of all the

[8] *Bagmati Flood Management Scheme (BFMS)-II, BFMS-II (extn), BFMS-V(a), Jhim Jamura and Banke, Rato (Bagmati-Adhwara Basin); Nepal Tagging (Kamala Balan Basin) and; Mahananda Flood Management System (MFMS) (Mahananda Basin).*

[9] *Bagmati Division, Runnisaidpur, Sitamarhi and FCD, Jhanjharpur-II and Katihar.*

[10] *Refers to the process of providing support and assistance to individuals and families whose land is acquired for public purposes, ensuring they can restore or improve their social and economic well-being after displacement.*

[11] *BFMS (i) Phase II (ii) Phase II (extension) and (iii) Phase V(a); Construction of embankment along the rivers (iv) Jhim, Jhamura, Banke and (v) Rato.*

works proposed under the Bagmati Flood Management Scheme (BFMS), in a phased manner.

The Advisory Committee of the then Ministry of Water Resources (MoWR), GoI, accepted (November 2007) in principle, the Bagmati Flood Management project, in order to protect 4.54 lakh ha area and 123.85 lakh population. Keeping in view the working time available and requirements of flood protection, the Committee prioritised various components of the BFMS to be executed in five phases[12].

The work related to Phase I of the Project was taken up in 2008 and completed in 2011. HSCL started (March 2008) works related to Phase-II of BFMS wherein the scope of works included construction of new embankments on the left (35.920 km) and right (34.710 km) sides of the Bagmati river. These embankment works were to be completed by June 2008. A total land area of 804.06 acre was required for construction of the proposed embankment project.

Meanwhile, in March 2011, the Department also decided to construct a Ring Bandh of 5.100 km length (from km 79.040 to km 83.450 of the right embankment) at Dhanaur Katra (Sitamarhi), under BFMS Phase-II.

In this context, Audit observed that:

(A) In BFMS Phase-II, 7.89 km of the left bank remained incomplete due to non-start of work on this stretch and 12.64 km of the right embankment was incomplete due to partial construction (1.42[13] km) and work not starting (11.22 km). Besides, 4.800 km of the Ring Bandh at Dhanaur Katra (Sitamarhi) was constructed but after leaving a gap of 0.300 km. The Department (2012-13) incurred an expenditure of ₹ 11.02 crore on the construction of embankment, as well as on the incomplete Ring Bandh. It was noted that these works could not be completed due to non-availability of land. In April 2018, the Agency (HSCL) expressed its inability to execute the construction of remaining 20.53 km stretches of embankments due to non-availability of land since 2012. The concerned Superintendent Engineer, Flood Circle, Sitamarhi, proposed (December 2023) to Chief Engineer, Flood Control and Drainage, Muzaffarpur, to include the completion of the 0.300 km gap in the ring bandh under the scope of a fresh tender. However, no decision had been taken by the Department to complete the gap as of December 2024.

(B) The State Government after accepting (February 2019) the proposal of HSCL decided to construct embankments of a stretch of 19.19 km[14] under Phase II of BFMS, through a fresh tender. Thereafter, a contract was executed (January 2020) with Subhash Infra Engineers Pvt Ltd. (SIEPL) (Agency) for

[12] *BFMS Phase-I (raising and strengthening of embankment) was not covered in audit as it was executed between January 2008 and March 2011; Phase-II (construction of embankment) was under progress; Phase-III(a) and IV were not concerned with the sampled divisions; Phase-III(b) (raising and strengthening of embankment) discussed in the concerned paragraph of execution and; Phase-V(a) was under progress.*

[13] *From km 83.850 to km 84.125 and from km 84.625 to 85.770.*

[14] *Scope of work was reduced from construction of embankments in 20.53 km to 19.19 km.*

₹ 159.63 crore, to be completed by January 2022. However, even after lapse of more than four years of contract (as of December 2024), only partial work of construction of embankment was executed in the length of only 0.210[15] km (less than one *per cent* of length) with an expenditure of ₹ 0.65 crore (March 2024).

Thus, the embankment works could not be completed and 29 *per cent* of the Phase-II of the BFMS project and six *per cent* of the Ring Bandh at Dhanaur Katra (Sitamarhi) remained incomplete (as December 2024) although an expenditure of ₹ 163.64 crore was incurred on execution of these works, as detailed in **Table 3.1.**

Table 3.1: Details of construction of embankments under Phase-II of BFMS (as of December 2024)

Sl. No.	Name of agency (Date contract/ stipulated date of completion)	Side of embankment	Scope of work (construction of new embankment in length of)	Constructed length of embankment work (as of December 2024)	Length of incomplete/ non-started work	Expenditure
(i)	HSCL (December 2005/June 2008)	Left	35.920 km (km 53.160 to km 89.080 km)	28.030 km (km 53.160 to km 81.190)	7.890 km	**₹ 163.64 crore** (including ₹ 11.02 crore on work in patches and incomplete Dhanaur Katra Ring Bandh)
		Right	34.710 km (km 56.970 to km to 91.680)	22.070 (km 56.970 to km 79.040)	12.640 km	
		Total	**70.63 km**	**50.10 km (71 *per cent*)**	**20.53 km (29 *per cent*)**	
		Ring Bandh on the right side	5.100 km of Dhanaur Katra Ring Bandh	4.800 km of the Ring Bandh	0.300 km (six *per cent*)	
(ii)	SIEPL (January 2020/January 2022)	Left	6.78 km (km 81.940 to km 88.720)	Nil	6.78 km	**₹ 0.65 crore** (on work in patches)
		Right	12.41 km (km 79.00 to km 91.41)	0.210 km	12.20 km	
		Total	**19.19 km**	**0.210 km**	**18.98 km**	

(Source: Records of the concerned Division)

Audit further observed that against the 804.06 acres of land required for BFMS, only 554.33 acres (69 *per cent*) could be acquired by the Government as of June 2025, *i.e.,* even after 17 years of commencement of work, impacting the effective execution of flood control measures in the Bagmati-Adhwara basin. Other reasons for non-construction of embankments included public protest and resistance from local villagers opposing the construction, coupled with the

[15] *km 83.480 to km 83.540, km 83.630 to km 83.675 and km 83.720 to km 83.825.*

unresolved issues related to the rehabilitation of affected persons, due to which progress of embankment construction was obstructed.

Thus, in violation of codal provisions, the Department could not ensure availability of land for execution of embankment works leading to not only unfruitful expenditure of ₹ 11.67 crore ***(Appendix-3.2)*** on incomplete embankments but also non-achievement of intended benefits, as partially constructed embankments could not be used effectively to prevent outflow of water from the rivers, especially during the monsoon season.

3.2.1.2 Phase V(a) of the Bagmati Flood Management Scheme

The objective of construction of embankments of 52.33[16] km length along the banks of the Bagmati river under BFMS Phase V(a) was to protect an area of 2.55 lakh Ha with a population of 71.88 lakh in the districts of Sitamarhi, Muzaffarpur, Darbhanga, Khagaria and Saharsa from floods. For this Phase of the Scheme, 1,549 acres of land was to be acquired. Accordingly, Bagmati Division, Runnisaidpur (Sitamarhi) engaged (July 2021) an agency[17] for the preparation of a land acquisition plan, which was to be submitted within three months. However, the Agency did not submit this Plan and the work order issued was revoked (August 2023) on the basis of negligence on the part of Agency.

Meanwhile, the Division invited (October 2021) a tender for execution of embankment in 52.33 km length under BFMS Phase V(a) at an estimated cost of ₹ 338.69 crore but without ensuring availability of land for the construction of these embankments. A contract was executed (April 2022) with M/s RKN Projects Private Limited (Agency) for ₹180.89 crore to complete the work by October 2023 but the work could not start due to non-acquisition of required land (1,549 acres). However, the Division paid (August-September 2022) mobilisation advance of ₹ 9.04 crore to the contractor, which was yet to be recovered (December 2024) ***(Paragraph 3.4.5.2)***.

Audit observed that the Division again hired (July 2024) an agency[18] for the preparation of a land acquisition plan which was to be submitted by November 2024, however, no such Plan was submitted (as of April 2025). Hence, the work for construction of embankments under Phase-V(a) of BFMS could not start even after three years of execution of the agreement (April 2022), due to non-availability of land. Thus, the intended objective to protect the envisaged area and population from impending danger of floods from these rivers could not be achieved.

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[16] *Bagmati Left Embankment from km 89.08 to 110.96, Right Embankment from Km 91.68 to Km 108.59 and Khiroi right jacketing embankment in 13.54 Km.*

[17] *Evermore India Pvt. Ltd.*

[18] *M/s Maa Mangala Construction.*

3.2.1.3 Construction of embankments along Jhim, Jamura and Banke rivers under Adhwara basin

The State accorded (August 2010) administrative approval for the construction of embankments along Jhim, Jamura and Banke rivers. The objective of the Scheme was to provide protection to 5.26 lakh population and 17,400 Ha of agricultural land, from floods. For this purpose, 360.48 acres of land was to be acquired. Bagmati Division, Sitamarhi, executed (March 2011) a contract for ₹ 39.82 crore with M/S GH Reddy and Associates (Construction) Private Limited (Agency) for construction of embankments in 53.77 km length, which was to be completed by March 2012. However, the required land was not acquired, prior to entering into the contract with the Agency. Therefore, the Agency could not start the work for a period of up to two years (March 2013). Subsequently, partial land was made available (March 2013) and construction of embankments was started but, after executing embankment work in 19.74 km, the construction work was stopped (since March 2017), due to non-availability of complete land. An expenditure of ₹ 86.11 crore was incurred on the project (as of November 2024), including ₹ 57.14 crore on land acquisition and payment of ₹ 28.97 crore to the Agency against the work done.

Details of construction of embankments (as of December 2024) are given in **Table-3.2**.

Table-3.2: Details of construction of embankments of Jhim, Jamura & Banke rivers (as of December 2024)

Name of river	Side of embankment	Work to be executed (in km)	Actual construction of embankments in km
Jhim	Left	21.60	5.23 (leaving 6 gaps)
	Right	20.88	8.80 (leaving 8 gaps)
Jamura	Left	4.11	1.62 (leaving 3 gaps)
	Right	5.18	3.26 (leaving 4 gaps)
Banke	Left	1.00	0.83 (leaving 1 gap)
	Right	1.00	0
Total		**53.77**	**19.74 (leaving 22 gaps)**

(Source: Records of the concerned division)

As can be seen from **Table-3.2**, embankments were constructed only in 19.74 km (37 *per cent*), out of 53.77 km. Besides, there were 22 gaps among these different stretches. Construction of embankments in patches was attributable to partial acquisition of land. Finally, the contract was foreclosed (November 2024) for want of land and reluctance of the contractor to execute work at old rates of contract.

Therefore, due to construction of embankments in patches, on account of non-availability of land, intended benefit of protection of 5.26 lakh population and 17,400 Ha of agricultural land from floods was not achieved and expenditure of ₹ 28.97 crore remained unfruitful, as of December 2024.

3.2.1.4 Construction of embankments along Rato river under Adhwara basin

The objective of construction of embankments in 32 km[19] length along Rato river was to protect a population of 50,000 and 6,000 Ha land from floods. Bagmati Division, Sitamarhi, executed a contract (February 2018) of ₹ 55.31 crore for construction of these embankments with M/s BSCPL Infrastructure Limited (Agency), which were to be completed by August 2019. For constructing these embankments, it was estimated that 228 acres of land would be required. Audit noticed that the construction work, however, could be started only in March 2024, *i.e.,* after six years of execution of contract, due to non-availability of land. Out of 32 km, construction of embankments was completed only in 6.15 km[20] (19 *per cent*) and the agency was paid ₹ 6.09 crore for the work executed (as of September 2024).

Audit further noticed that the embankment work executed was not done in a continuous stretch, leaving banks of the river open for outflow of water from the river during high stream. Patches of the embankment were unfinished and the remaining work could not be completed as only 146 acre of land against the required 228 acres was acquired (April 2025). Due to non-availability of land, remaining work in 25.85 km was not started even after more than five years of the stipulated date of completion of work (August 2019). Thus, the intended objective of the scheme to protect a population of 50,000 and 6,000 Ha land from floods was thus not achieved despite an expenditure of ₹ 6.09 crore on the project.

3.2.2 Kamala-Balan River basin

Kamala-Balan river enters the Indian territory in the Madhubani district of Bihar from Nepal. The Government of India, approved (February 2020), tagging[21] of left and right embankments of the Kamala-Balan river in the Indian territory to the embankments of the river in the territory of Nepal. The objective of tagging of the embankments was to address the issue of inundation in 0.28 lakh Ha area and 0.50 lakh population along the India Nepal border.

FCD-II, Jhanjharpur, executed (January 2021) a contract with M/S Shakti Kumar (Agency) for execution of the tagging work for ₹ 16.29 crore, which was to be completed by May 2022. As per the contract, the left and right embankments of the river in the Indian territory were to be tagged (joined) with their respective embankments in the territory of Nepal through construction of left (1.210 km) and right (0.600 km) embankments. For this, 24.56 acre of land (for left embankment: 16.24 acres and for right embankment: 8.32 acres) was required. However, the contract was executed without ensuring availability of required land, and finalisation of alignment for the left embankment. The alignment for left embankment of the river was finalised (by the CWPRS,

[19] *On Right Bank: 15 km (from km 0 to km 15) and on Left Bank: 17 Km (from km 0 to km 17).*

[20] *On Right Bank: 3.68 km (from km 0 to km 3.68) and on Left Bank: 2.47 Km (from km 1.230 to km 3.700).*

[21] *Joining of already constructed embankments in India and Nepal territory.*

Pune)[22], in March 2024, *i.e.,* after more than three years of executing the contract.

Audit noticed that construction work of embankment on the left side of the river was not even started while the work on the right embankment remained incomplete (October 2024) due to non-availability of land. Payment of ₹ 4.42 crore was made to the agency on account of work executed by it. Details of physical status of work are given in **Table-3.3**.

Table-3.3: Status of construction of tagging of Kamala-Balan embankments

Side of embankment	Construction work of embankment (in km)			Acquisition of land (in acre)		
	Embankments to be constructed	Embankments Constructed	Incomplete construction (in *per cent*)	Land to be acquired	Land Acquired	Shortage in acquisition of land (in *per cent*)
Left	1.210	0	1.210 (100)	16.24	0	16.24 *(100)*
Right	0.600	0.480	0.120 (20)	8.32	7.90	0.42 *(05)*

(Source: Records of the concerned divisions)

As can be seen from the **Table-3.3**, construction work of embankment on the left side of the river was not started despite lapse of almost four years from the date of commencement of work due to non-availability of land. This indicated improper planning by the Department, which resulted in unfruitful expenditure of ₹ 4.42 crore (as of November 2024).

Audit further observed that estimate for land acquisition for construction of embankment on the left side was approved by the concerned District Land Acquisition Office (DLAO), Madhubani, only in May 2025 and acquisition of the required land was pending as of June 2025.

3.2.3 Mahananda River basin

The Mahananda, a major northern tributary of the river Ganga, enters into the State from Nepal. In Bihar, tributaries like Mechi, Kankai, Parman, and Donk join the river which flows through the districts of Purnea, Katihar, Araria, and Kishanganj, before joining the Ganga. The Mahananda Flood Management Scheme (MFMS) was to be executed in five phases, of which Phase-1 (Strengthening & raising of 95.40 km length of the embankment) was completed (2013) and construction of embankment in 198.37 km was under progress (as Phase-II), during the audit period.

During test-check of records of Flood Control Divisions, Katihar, Kishanganj and Salmari (Katihar), Audit observed that 1,940.45 acres of land was to be acquired for construction of embankments along the Mahananda and its tributaries under MFMS Phase-II. Accordingly, a requisition for the required land was submitted to the Special Land Acquisition Officer (SLAO), Saharsa,

[22] *Central Water and Power Research Station (CWRPS), Pune, functions under the Ministry of Jal Shakti, GoI. It renders consultancy and/or advisory services to the Central and State Governments in providing technological solutions for optimal and safe design of water resources structures.*

in 2013. Further, the Central Water Commission (CWC), GoI, accorded approval for implementation of the MFMS Phase-II in June 2018. The objective of this Phase II was to construct embankments of 198.37 km along the Mahananda and its tributaries and to protect an area of 1.14 lakh Ha with a population of 46.18 lakh in the districts of Katihar, Kishanganj, Purnea and Araria. The Department approved (July 2018) this Phase with an estimated cost of ₹ 788.55 crore.

However, prior to ensuring availability of land, Flood Control Division (FCD), Katihar, executed (August 2018) a contract for construction of embankments at a cost of ₹436.71 crore, with a scheduled completion date of March 2021. The work was, however, not started under this phase even after lapse of more than six years from the date of execution of the contract as only 59.35 acre (three *per cent*) of land was made available (June 2025). Main reasons for non-acquisition of land were public protest and non-payment of compensation to the landowners.

Besides, for this work FCD, Katihar, provided (November 2018) a mobilisation advance of ₹ 21.84 crore to the agency, which was yet to be recovered (December 2024) ***(Paragraph 3.4.5.2)***. Thus, the intended objective to protect the envisaged area and population from impending danger of floods from these rivers could not be achieved.

Thus, execution of above mentioned contracts for construction of embankments in flood prone areas along the rivers Bagmati, Jhim, Jamura, Banke, Rato, Kamala-Balan and Mahananda, without ensuring availability of land was in violation of the codal provisions. It resulted in expenditure of ₹ 51.15 crore on incomplete embankments and denial of intended benefit of protection from floods to the beneficiaries even after a period of one year to 16 years from the stipulated period of completion of these schemes.

On the issue of commencement of scheme works without ensuring availability of land, during Exit Conference (May 2025) the Department stated that henceforth tenders will be floated only after ensuring availability of 80 *per cent* of the land for execution of embankments.

Recommendation 1: The Department may follow the codal provisions to ensure availability of land prior to sanctioning of estimates of works, to avoid non-start/ delays in completion of works.

3.3 Contract management in execution of embankment works

The rules and procedures for tendering and execution of works in the State are detailed in the Bihar Public Works Department and Accounts Codes, Bihar Financial Rules (2005), Standard Bidding Document (SBD) issued by the Road Construction Department, GoB, as well as directions and instructions issued from time to time, by the Water Resources Department. Further, the Central Vigilance Commission (CVC), vide its circular (December 2012) emphasised the need for observing integrity, transparency, fairness and equity in all aspects of decision making including in tendering and award of contracts.

The deficiencies noticed in the contract management of embankment works are detailed in succeeding paragraphs.

3.3.1 Lack of transparency in finalisation of tender

Clause 159 of the BPWD Code, stipulated that tenders shall invariably be invited in the most open and public manner. The intended participants should in all cases have prior knowledge of the detailed criteria for shortlisting the participants. Further, Rule 126 of the Bihar Financial Rules, stipulated for efficiency, economy, transparency in matters related to public procurement and for fair and equitable treatment to suppliers and promotion of competition in public procurement.

Test-check of records of the FCD, Jhanjharpur-I (Madhubani), revealed that the Division published (July 2020) a Notice Inviting Tender (NIT) for executing Phase-I[23] of the Scheme 'Raising, Strengthening and black topping of Kamala Balan embankment', with an estimated cost of ₹ 285.07 crore.

Audit noted that all the four bidders who participated in the tender were declared qualified by the Technical Evaluation Committee[24] of the Department, and accordingly, their financial bids were opened (September 2020) wherein the quoted rate of the lowest bidder was 2.25 *per cent*, below the Bill of Quantity (BoQ)[25] rates. The Departmental Tender Committee (DTC) headed by the Principal Secretary, however revoked (September 2020) the tender citing 'unavoidable reasons', although, no specific reasons for cancellation of the tender were available on records. Subsequently, tenders were invited three times (January, April and June 2021) and work was finally awarded based on the tender invited in June 2021. The work was awarded at BoQ rates and accordingly a contract was executed in September 2021. The work was completed in March 2024 and a payment of ₹ 317.83 crore was accordingly made to the contractor.

Audit noted that the first NIT that was invited in July 2020 was cancelled by the Department without assigning any reasons despite the fact that the L_1 bidder had quoted rates of 2.25 *per cent* below the BoQ rates (of ₹ 282.95 crore). Instead, after a gap of 12 months the Department awarded the bid at a cost of ₹ 282.57 crore.

Thus, the imprudent decision of the Department to cancel the tender without assigning any specific reasons, highlighted lack of transparency in the finalisation of bids and resulted in avoidable payment of ₹ 7.15 crore[26].

During the Exit Conference (May 2025) the Department stated that these issues had been noted for future reference and it would take necessary steps to make the bidding process more responsive and competitive in future.

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23 *For Km 27.10 to Km 66.30 (Left Kamala-Balan Embankment) and between Km 23.20 to Km 64.00 (Right Kamala-Balan Embankment).*

24 *Headed by the Engineer-in-Chief of the Department.*

25 *Bill of Quantities is a detailed document that lists all the items needed for a project, including their estimated quantities, rates and costs.*

26 *2.25 per cent of the work done value of ₹ 317.83 crore.*

3.3.2 Unfair disposal of tenders

Clause 22.4 of the SBD containing 'Instructions to Bidders (ITB)' stipulates that during the course of technical evaluation of bids, the bidder will be asked in writing to clarify or modify his/her technical bid, if necessary, with respect to any rectifiable defects[27]. The bidders would need to respond within not more than seven days of issue of the clarification letter. Immediately, on receipt of these clarifications, the Evaluation Committee will finalise the list of responsive bidders whose financial bids are eligible for consideration.

During test-check of records in FCD, Darbhanga; Bagmati Divisions, Sitamarhi and Runnisaidpur (Sitamarhi), Audit noted that these divisions invited (February 2017 to March 2021) NITs for execution of three works[28]. Technical bids received for these NITs were evaluated by the DTC. However, the Committee, while evaluating these bids, declared the bidders as disqualified without seeking clarifications and getting modifications from them in respect of rectifiable defects like issues of 'Technical Personnel, Key-plant & Equipment, Experience in terms of quantity, Bid capacity' *etc.,* in their bids ***(Appendix 3.3)***.

Further, Audit observed that in one work (related to BFMS Phase-III(b) under FCD, Darbhanga), although a bidder was qualified during technical evaluation, the tender was revoked (December 2020) by the DTC, mentioning that no bidder was found technically qualified, indicating lack of fairness and due diligence in disposal of tender. Subsequently, the work was re-tendered (January 2021) and awarded (February 2021) on the basis of draw of lots among bidders, who had quoted identical rates.

Thus, bids were revoked without seeking clarifications and proper evaluation of bids which indicated unfair disposal of tenders.

During the Exit Conference (May 2025) the Department stated that these issues had been noted for future reference and it would take necessary steps to make bidding process more responsive and competitive in future.

Recommendation 2: The Department may ensure transparency and fairness in the tendering process by ensuring compliance with codal provisions.

3.3.3 Avoidable provision in estimates for spreading of earthwork

According to Rule 103 of the BPWD Code, an estimate[29] consists of an abstract showing the total estimated cost of each item to be used in the work. To facilitate the preparation of estimates, a schedule of rates (SOR) for each kind of work commonly executed had to be prepared by the Department.

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[27] *Related to 'Technical personnel, Key-plant & Equipment, Experience in terms of quantity, Bid capacity, Liquid-asset & credit facility' etc.*

[28] *BFMS Phase-III (b) (FCD, Darbhanga); Construction of embankment on Rato river (Bagmati Division, Sitamarhi) and BFMS Phase-V(a) (Bagmati Division, Runnisaidpur).*

[29] *Consists of a report, specification and detailed statement of measurements, quantities and rates.*

During test-check of records it was observed that in Flood Control Divisions, Darbhanga and Jhanjharpur (I&II), and Bagmati Divisions, Sitamarhi and Runnisaidpur, provision of certain items[30] in the SOR was made (during 2018-19 to 2021-22) in case of nine estimates of works related to desilting of existing drainage channel of rivers. These items provisioned in the SOR included earth cutting (including excavation), carriage, filing, spreading, dressing and finishing (profiling) *etc*.

Test-check of the estimates and corresponding earthwork graphs for these nine executed works revealed that although provisions were made in the estimates for spreading the excavated earth along embankments, actually no embankments or suitable banks were available along the river channels to allow for this spreading and profiling of excavated earth.

Besides, in these works, though rates of spreading, dressing, finishing *etc.,* were included in the works but measurements were taken only for earth cutting quantities. This indicated a risk that only excavation of earth was executed, however payment was made to the contractors for the entire earth work, which was inclusive of the cost of spreading and profiling of the earth work as provisioned in the estimates. It also resulted in avoidable payment of ₹6.55 crore to the contractors on account of the spreading[31] work ***(Appendix-3.4)***.

During the Exit Conference (May 2025) the Department stated that the issue had been noted for thorough review and corrective action would be taken to avoid such happening in future.

3.3.4 Irregular approval of rate for scheduled as well as non-scheduled items of estimate

In the light of the criteria mentioned in Paragraph 3.3.3 *ante*, the Department was to finalise the SOR along with the analysis of rate and material rate to facilitate the preparation of estimates. The rate of any non-scheduled item required in a work was to be adopted either from Directorate General of Supplies & Disposals (DGS & D)[32] rates or the relevant rate of the Central Public Works Department (CPWD) SOR applicable. Further, Rule 131 (H) of the Bihar Financial (Amendment) Rules, 2005, stated that tenders were to be invited for procurement of goods of estimated value of ₹ 25 lakh and above.

During test-check of records, Audit observed that the Superintendent Engineer (SE), Flood Circle, Darbhanga, obtained and approved (September 2020) quotations for 11 different non-scheduled items (for construction of four vents of size: 4,500 mm x 3,200 mm, to be used in works related to the gates of Anti

[30] *Item no. 5.1.44: Earthwork by tractor (Rajasthani) with bucket (Doli) with spreader, Item no. 5.1.46: Earthwork by mechanical means with help of excavator, tipper and spreader and Item no. 5.1.47: Earthwork by excavator and spreader or tractor-leveler of SOR.*

[31] *Rate of spreading in this item ranged from ₹ 17.71 per cubic metre to ₹ 18.77 per cubic metre in these agreements.*

[32] *A Central Purchase Organisation of the GoI which is an attached office under the Department of Commerce (Ministry of Commerce and Industry).*

Flood Sluice (AFS) at Sirnia-Phuhiya (Darbhagna) as well as one scheduled item (construction of a new two storey control room building).

SE, Darbhanga, however neither obtained the rates for non-scheduled items from DGS&D or from the concerned CPWD zone nor did he invite tenders for procurement of these items as required under codal provision. Work related to these non-scheduled items was completed (September 2023) at the cost of ₹ 9.49 crore.

In case of the scheduled item (construction of control room building), without preparing estimates as per the applicable SOR, tender was invited and cost for the control room building amounting to ₹ 1.27 crore was finalised on the basis of quotations received. The work was completed in August 2024 and the contractor was paid ₹ 1.08 crore (August 2024).

Thus, irregular approval of rates of non-scheduled as well as scheduled items in violation of codal provisions, led to irregular payment of ₹ 10.57 crore for construction of AFS gates and a new two storey control room building related to BFMS Phase III(b).

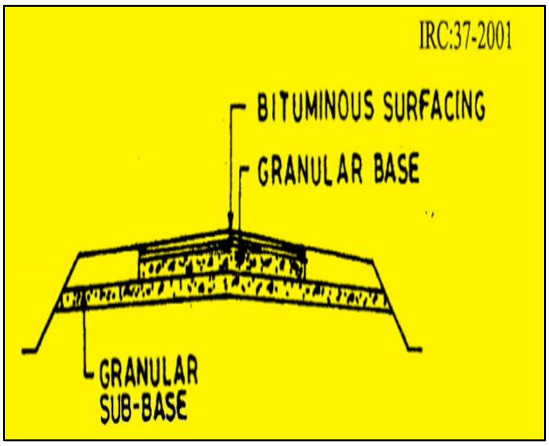
During the Exit Conference (May 2025) the Department stated that the issue had been noted for thorough review and corrective action would be taken to avoid this in future.

3.4 Irregularities in execution of works

Various irregularities noticed in the execution of works under test-checked schemes have been discussed in the succeeding paragraphs.

3.4.1 Wasteful expenditure

3.4.1.1 Wasteful expenditure on providing Wet Mix Macadam (WMM) beyond carriageway for road work on embankment



As per provisions of the Indian Road Congress: 37 (IRC: 37[33]), a road's pavement is made up of three layers *viz*., Granular Sub-base course[34] (GSB), Granular Base course {Water Bound Macadam/ Wet Mix Macadam (WBM/WMM)} and Bituminous surface (Bituminous Macadam/ Dense Bituminous Macadam *etc*.), respectively in the ascending order. Further, the designed width of bituminous surface (carriage way) and the granular base should be the same.

[33] *A set of guidelines published by the Indian Road Congress for the design of flexible pavements, specifying the technical standards and procedures to be followed.*

[34] *Granular Sub-base: Sub-base materials comprises natural sand, moorum, gravel, laterite, kankar, brick metal, crushed stone, crushed slag, crushed concrete or combinations thereof.*

Audit test-checked records of Flood Control Divisions, Jhanjharpur (I&II), Katihar, Salmari and Kishanganj, pertaining to six works of black topping of roads on the embankments along the Kamla-Balan and Mahananda river. During test-check of records, Audit observed that while executing two works[35] (FCD Salmari and Kishanganj), the width of WMM (at the granular base level) was kept as 6.118 m and 5.75 m, respectively against the 3.75 metre width of the carriage way (bituminous surface). This resulted in wasteful expenditure of ₹ 5.03 crore. Besides, excess execution of WMM work without its coverage under bituminous surface was also in violation of provision of IRC ***(Appendix-3.5)***.

During the Exit Conference (May 2025) the Department stated that IRC norms regarding use of WMM in execution of embankment works will be adhered to in future.

3.4.1.2 Improper decision to use granular sub base (GSB) on embankment

As per provisions of IRC-37 read with Clause 401 of MoRTH Specifications, granular sub base (GSB) material shall be laid in one or more layers in sub-base as the part of the road work and shall support the base course and bituminous surface.

Test-check of records of FCD-I, Jhanjharpur (Madhubani), revealed that the Technical Advisory Committee of the Department approved (June 2019) extension of Left Bhutahi Balan Embankment (LBBE) of Bhutahi Balan river along with brick soling on the top of the embankment from km 25.00 to km 31.60. FCD-I, Jhanjharpur (Madhubani), executed (September 2020) an agreement (03 SBD/2020-21) with a contractor for execution of this work. In August 2023, the Department directed to replace brick soling work with granular sub-base (GSB) without making provision for base course and bituminous surface on the embankment, as required under provisions of IRC. The work was, however completed (December 2023) by applying GSB only on the top of LBBE. Payment of ₹50.71 lakh was made to the contractor for this GSB work.

Image 3.1: Damaged GSB material on the top of the embankment

Due to non-provision of a base course and bituminous surface over the embankment, the GSB layer was continuously exposed and therefore, got

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[35] *Agreement no. 09SBD/17-18 (contract value; ₹67.33 crore) executed by FCD, Salmari and 04SBD/2017-18 (contract value; ₹18.01 crore) executed by FCD, Kishanganj for blacktopping of road on embankments of Mahanada river basin.*

damaged and spread beyond the road limits, as observed (October 2024) during joint physical inspection (***Image-3.1***).

During the Exit Conference (May 2025) the Department stated that IRC norms regarding use of GSB in execution of embankment works will be adhered to in future.

3.4.2 Avoidable expenditure

3.4.2.1 Non-utilisation of serviceable material leading to avoidable expenditure

Test-check of records of FCD, Salmari (Katihar), revealed that the Chief Engineer, Katihar, sanctioned (December 2017) estimates for construction of road work on the left embankment (km 13.25 to km 34.07) of the Mahananda river. As per the estimates of the work, 20 *per cent* of the serviceable material received from dismantling of existing pavement was to be used as GSB in the work. The work was awarded (February 2018) to an agency for ₹67.34 crore and was completed (March 2021) with an expenditure of ₹74.36 crore.

Audit observed that 3,024.875 cubic mt. material was received from the dismantled flexible pavement, of which 604.975 cubic mt. was to be used as serviceable material in the execution of work. However, it was noticed that the work was executed without using any serviceable material received from the dismantling, leading to avoidable expenditure of ₹ 19.56 lakh[36].

Executive Engineer FCD, Salmari, replied (November 2024) that work was executed as per site requirement and the matter would be verified.

The reply was not acceptable as non-compliance of the provisions of the contract led to avoidable expenditure.

3.4.2.2 Avoidable expenditure on execution of Dense Bituminous Macadam (DBM)

Test-check of records of FCD, Katihar, revealed that a contract[37] was executed (March 2017) with an agency to construct 19.50 kms road on the right embankment of the Mahananda river. As per the provisions of the IRC: 37 and traffic intensity worked out by the Division (***Appendix-3.6***) in the estimates for this work, pavement thickness of 500 mm[38] was to be taken for the road construction and Dense Bituminous Macadam (DBM) was not required, at all.

Audit, however observed that CE, Katihar, approved (February 2017) work estimates which included provision for pavement thickness of 560 mm and DBM layer of 50 mm. Thus, execution of extra work of pavement thickness along with DBM was executed against the provision of IRC. This resulted in avoidable expenditure of ₹1.89 crore.

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[36] *₹ 19.56 lakh = 604.975 cubic mt X ₹ 3,234 per cubic mt.*

[37] *03SBD/2016-17.*

[38] *As per traffic intensity, CVPD was 136. For CVPD 136, VDF was to be 1.5 and MSA was to be 0.85 (equivalent to 1). For that value of MSA, required thickness of pavement was to be 500 mm.*

During the Exit Conference (May 2025) the Department stated that IRC norms regarding use of DBM in execution of black top in embankment works will be adhered to in future.

3.4.3 Excess payment to the executing agency

3.4.3.1 Short deduction of shrinkage and royalty on earthwork leading to excess payment

Audit noticed that Bagmati Division (BD), Sitamarhi, and FCD, Katihar, executed one agreement each (May 2012 and March 2017, respectively) for raising and strengthening of embankments along the rivers Adhawara and Mahananda, respectively. These works were completed in March and June 2021, respectively. In this regard, Audit observed the following:

(i) ***Short deduction of shrinkage on earthwork***: Instructions of the Department (October 2019) read with Clause 7 of specification of earthwork of SBD stipulated that shrinkage/compaction/settlement allowance[39] should be deducted at the rate of 2.08 *per cent* from the quantity of the compacted earthwork. As per the estimates prepared for these works, payment of rolling and compaction of earthwork was also to be made as per the net quantity of earthwork, calculated after deduction of shrinkage/settlement allowance.

Test-check of records by Audit, however disclosed that while calculating the quantity of earthwork by the Divisions, shrinkage/compaction allowance was short deducted from the quantity of compacted earthwork, as detailed in **Table-3.4**.

Table-3.4: Details of short deduction of shrinkage/compaction allowance

(Quantity of earthwork: in lakh cum)

Name of Division. (Agreement no.)	Quantity of earthwork executed	Required deduction of shrinkage/ compaction (at the rate of 2.08 *per cent*)	Actual quantity deducted against shrinkage/compaction allowance	Short deduction of quantity for shrinkage/ compaction	Excess payment made[40] (₹ in lakh)
BD, Sitamarhi (01SBD/2012-13)	41.57	0.86	0.15	0.71	56.88
FCD, Katihar (03SBD/2016-17)	20.54	0.43	0.07	0.36	69.75
Total	**62.11**	**1.29**	**0.22**	**1.07**	**126.63**

As can be seen from **Table-3.4**, short deduction of shrinkage/compaction allowance from the quantity of compacted earth resulted in excess payment of ₹ 1.27 crore (up to June 2021 i.e. date of completion of work) to the concerned contractors and provided undue benefit to them, which was yet to be recovered, as of November 2024.

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[39] *Indicates reduction in volume of soil from the borrow pit stage to the final compacted stage.*

[40] *Calculated by multiplying the quantity of non-deducted earth and rate of different lead of earthwork ranging from ₹ 137.50 to ₹ 358.60 per cum.*

(ii) ***Short deduction of royalty on earthwork:*** As per directions issued (November 2019) by the Department, if the permit issued by the Mines and Geology Department, GoB, is not attached by the contractor with the bills, as a proof of having deposited the royalty for earth into Government account, the prevailing rate of royalty was to be deducted from the bill of the contractor. Besides, as per the SOR of the Department, earthwork rates were to be inclusive of royalty of earth, while approving the estimates.

Test-check of records of BD, Sitamarhi and FCD, Katihar, revealed that the approved earthwork rates in the estimates were inclusive of royalty at the rate of ₹ 22 per cubic mt. Audit however, observed that the contractor did not deposit the royalty of earthwork into the Government account and the divisions deducted the royalty of only ₹13.05 crore from the contractor's bills against ₹13.66 crore royalty leviable for use of 62.11 lakh cum mt. of earthwork as detailed in **Table-3.5**.

Table-3.5: Details of short deduction of royalty on earthwork

(Quantity: in lakh cum and amount: ₹ in crore)

Name of Division (Agreement no.)	Quantity of earthwork executed	Amount of royalty to be paid (at the rate of ₹ 22/ cubic mt)	Amount of royalty deducted from the contractor's bill	Short deduction of royalty/ excess payment
BD, Sitamarhi (01SBD/2012-13)	41.57	9.14	8.88	0.26
FCD, Katihar (03SBD/2016-17)	20.54	4.52	4.17	0.35
Total	**62.11**	**13.66**	**13.05**	**0.61**

(Source: Records of the concerned divisions)

Short deduction of royalty led to excess payment of ₹ 0.61 crore to the contractor.

The concerned EEs replied (November 2024) that after verification of records necessary deductions would be made.

3.4.3.2 Excess payment to contractors beyond the work executed/ exclusion of GST and Labour Cess from Bill of Quantity value

(i) ***Payment to the contractor in excess of the work executed:*** Bagmati Division (BD), Sitamarhi, executed (May 2012) a contract (01SBD/2012-13), for raising and strengthening of embankments alongside the river Adhwara, at a cost of ₹48.44 crore. Test-check of records revealed that as per final measurements, total quantity of earthwork executed was 40,94,326 cubic mt. (up to July 2023). However, the payment was made (March 2021) to the contractor for earth work quantity of 41,56,823 cubic mt. resulting in excess payment of at least ₹ 65 lakh[41], for 62,496.58 cubic mt. earth work (till the date of audit i.e. October 2024).

Further, Audit noticed that another contract (17SBD/2010-11) was executed (March 2011) by the Division for construction of embankment along the rivers Jhim, Jamura and Banke. Test-check of records disclosed that the contract for this work was foreclosed (November 2024) by the EE, BD, Sitamarhi, due to non-availability of land to complete the construction of embankments. As per final measurement taken (September 2024) by the Division, work was executed for ₹ 26.68 crore, but payment of ₹ 28.97 crore was made (March 2021) to the contractor, resulting in excess payment of ₹ 2.29 crore (as of November 2024).

During the Exit Conference (May 2025) the Department stated that the matter of excess payment would be reviewed and suitable action would be taken.

The response of the Department was not acceptable as the contract with the agency had been foreclosed in November 2024, without recovering the outstanding amount.

(ii) ***Excess payment to contractor:***

The Schedule of Rates (November 2019) of the Department stipulated that work done value including Royalty on minerals, Labour Cess and GST were parts of the Bill of Quantity (BoQ) and were to be mentioned separately in the estimate of the work. Besides, in case where below percentage rates are quoted by the contractor, payment for the work executed was to be made after making deduction against the entire BoQ value.

During test-check of records of FCD, Jhanjharpur (I&II) and Katihar, Audit noticed that six contracts, related to raising, strengthening of embankments were executed during 2020 to 2024. In these six contracts, works were awarded at rates which were below the BoQ value by 3.31 *per cent* to 12.07 *per cent* ***(Appendix-3.7)***.

Audit observed that payment of ₹ 211.28 crore was made to the contractors for works executed by them. However, while calculating the total amount for payments to be made, amount of Royalty on minerals was excluded from the value of work done, for calculating the BoQ value (after considering below percentage rates). Had the Royalty on minerals been included in calculation of BoQ value, payment of ₹ 208.50 crore only was to be made to the contractors. Thus, irregular consideration of items pertaining to the total value of work by the Division resulted in excess payment of ₹ 2.78 crore to the contractors.

During the Exit Conference (May 2025) the Department stated that the matter of excess payment would be reviewed and suitable action would be taken.

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41 *Excess payment on earthwork: ₹ 49.05 lakh (62,496.58 cum x ₹ 78.50/cum) + Excess payment on rolling and compaction: ₹ 15.94 lakh (62,496.58 x ₹ 25.50/cum) = ₹ 64.99 lakh or ₹ 65 lakh.*

3.4.4 Double payment to the contractors

Flood Control Division (FCD)-I, Jhanjharpur, executed (February 2018) a contract for raising and strengthening of embankments along the Kamala Balan river (Phase-II), at a cost of ₹245.53 crore. Similarly, Bagmati Division (BD), Sitamarhi, executed (May 2023) a contract for construction of embankment on the Rato river along with tagging work[42], at a cost of ₹55.31 crore.

Test-check of records related to these works revealed that in both the works, the contractors were paid twice for the same quantity of work executed by them as detailed in **Table-3.6**.

Table-3.6: Details of double payments made to the contractors

Name of Division	Agreement no.	Amount of double payment (₹ in lakh)	Remarks
FCD-I, Jhanjharpur	01SBD/ 2022-23	75.00	In order to calculate the net amount of current bill, previous payments made to the contractor against the executed work, were to be deducted from the gross amount of the current bill. Audit noted that payment of ₹ 69.83 crore was made (February 2024) to the contractor, up to the seventh running account bill. However, in the next (eighth) RA bill, only ₹ 69.08 crore was deducted (March 2024) towards previous payment instead of ₹ 69.83 crore. This resulted in double payment of ₹ 75.00 lakh (₹ 69.83 crore - ₹ 69.08 crore) to the contractor.
BD, Sitamarhi	04 SBD/ 2017-18	11.72	Payment of ₹ 84.20 lakh was made (March 2024) to the contractor for construction of embankment & execution of tagging work from 60.00 to 160.00 m. Payment of ₹11.72 lakh was again made (March 2024) for execution of tagging work from 60.00 to 160.00 m under a supplementary agreement, despite the fact that this component was already paid under the original agreement, resulting in double payment of ₹11.72 lakh.
Total		**86.72**	

(Source: Records of the concerned divisions)

Thus, deficient scrutiny of bills by the concerned authorities led to double payment of ₹ 86.72 lakh as well as undue advantage to the contractors.

During the Exit Conference (May 2025) the Department stated that the matter of double payment would be reviewed and suitable action would be taken.

[42] *Tagging of left and right earthen embankment in 60m length each in no man's land of Indo-Nepal border.*

3.4.5 Other irregularities related to execution of embankment works

3.4.5.1 Non-construction of embankment as per designs of the Central Water Commission

As per Guidelines for preparation of DPRs for flood management works, issued (April 2018) by the Central Water Commission (Ministry of Jal Shakti, GoI), an embankment is designed to protect the area from overflow of flood water. For this purpose, the top level of embankment was to be designed by adding free board[43] to the High Flood Level (HFL[44]). Further, the Central Water and Power Research Station (CWRPS), Pune (Ministry of Jal Shakti, GoI), on the request of the Department, conducted (December 2010) a study and reported HFL and top levels of embankments on the stretches of Bagmati river.

(A) During test-check of records of FCD, Darbhanga, it was observed that, Chief Engineer, Samastipur, approved (October 2020) estimates for execution of raising and strengthening of embankments in 70.42 km (km 112.280 to km 182.700) along river Bagmati (under Phase III (b) of BFMS). The work was awarded to an agency for ₹121.11 crore.

As per the report of CWRPS, Pune, the HFL in stretch of km 112.280 to km 182.700, ranged from 46.89 m to 52.50 m and accordingly, the top level of the embankment was to be maintained from 48.69 m to 54.30 m (including freeboard). However, it was observed that estimates for the top level of the embankment were approved for 50.885 m to 41.967 m. The height of embankments was kept as per the approved estimates and as a result, the height was below than the levels recommended by CWRPS, Pune, by 3.410 m to 6.720 m ***(Appendix-3.8)***. An expenditure of ₹171.89 crore was incurred on the execution of embankment works.

(B) Similarly, as per the study of CWPRS, Pune, under BFMS Phase II, the HFL in the stretch of km 60 to km 79, ranged from 53.87 m to 53.10 m. Accordingly, the top level of embankment was to be maintained from 55.62 m to 59.44 m (including freeboard). However, it was observed that top levels of the embankments, in this stretch, ranged between 55.86 m to 58.92 m, which was lower by 0.02 m to 1.90 m than the levels, prescribed by CWPRS, Pune ***(Appendix-3.9)***. An expenditure of ₹148.96 crore was incurred on the execution of embankment works.

Therefore, due to non-execution of the embankment works as per the design HFL of CWPRS, Pune, the embankments of Bagmati river were vulnerable to the impact of flood despite incurring an expenditure of ₹ 320.85 crore, for execution of raising and strengthening of embankments.

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43 *Freeboard is the vertical distance between the design High Flood Level (HFL) and the top of the embankment or levee. It is a safety margin for uncertainties such as wave action, settlement, and inaccuracies in flood estimation. A minimum free board of 1.5 metre is required for discharge up to 3,000 m^3/s and for higher discharge, it should be of 1.8 metre.*

44 *Calculated on the basis of level of flood occurred during last 50 years, using the flood frequency analysis.*

Executive Engineer (EE), FCD, Darbhanga, replied (September 2024) that raising and strengthening of the embankment up to the required top level will be carried out.

3.4.5.2 Improper decisions in extending advances causing blockage of funds and undue benefit to contractors

Mobilisation advance: As per provisions of Clause 10B of SBD, mobilisation advance (MA) not exceeding 10 *per cent* of the tendered value may be given in two or more instalments to the contractor. The first instalment of such advance should be released to the contractor based on a written request and the second and subsequent instalment(s) may be released only after the contractor furnishes a proof of satisfactory utilisation of the earlier instalment. Further, MA bears rate of interest as specified in the contract and recovery of advance and interest shall be made via deduction from the contractor's bill, which was to commence after completion of 10 *per cent* of the gross value of the work. Besides, as per circular (April 2007) of the Central Vigilance Commission (CVC), MA should essentially be need based and advance payment may be released in stages, depending upon the progress of the work and mobilisation of the required equipment.

Audit noticed that under three agreements, Bagmati Division, Runnisaidpur (Sitamarhi) and FCD, Katihar, disbursed mobilisation advance of total ₹34.88 crore to the contractors in lieu of receipt of Bank Guarantees of the same amounts, as detailed in **Table-3.7**.

Table-3.7: Details of mobilisation advance extended to the contractors and interest accrued thereon

(Amount: ₹ in crore)

Sl. No.	Name of Division: Agreement no. (Agreement value)	Name of scheme	Date of payment of the MA	Amount of MA	Interest accrued on MA up to September 2024 (up to 17 November 2024 for Sl. No. 3) (outstanding as of December 2024)
01	BD, Runnisaidpur: 01SBD/2019-20 (₹ 59.63 crore)	BFMS-Phase-II (Extn)	21/04/2020	4.00	2.35*
02	BD, Runnisaidpur: 01SBD/2022-23 (₹ 180.89 crore)	BFMS Phase V(a)	25/08/2022	5.00	1.55**
			07/09/2022	4.04	1.23**
03	FCD, Katihar: 01SBD/2018-19 (₹ 436.71 crore)	MFMS Phase-II	23/11/2018	21.84	19.22**
	Total			**34.88**	**24.35**

(Source: Records of the concerned divisions)

**At the rate of 13.20 per cent per annum* ***At the rate of 14.70 per cent per annum*

Audit, however observed that due to non-availability of land, works could not commence (except Sl. No. 01 of **Table-3.7**, which commenced with delay and only one *per cent* of the work was executed). Besides, in violation of provisions of SBD, the second instalment of mobilisation advance amounting to ₹ 4.04 crore was also disbursed to the contractor (Sl. No. 02 of **Table-3.7**), without ensuring utilisation of the first instalment. Therefore, the MAs including subsequent instalments, sanctioned to the contractor were not need based and contrary to the directives of CVC.

Further, total amount of ₹ 59.23 crore in the form of MA (₹ 34.88 crore) and interest accrued (₹ 24.35 crore) thereon was not recovered from the contractors, even after lapse of more than two to six years, from the date of their disbursements (as of December 2024), leading to non-utilisation of advance for the intended purpose, as well as blockage of these funds for the aforesaid period.

Plant and Machinery advance: Clause 10B (iii) of SBD *inter alia* provided that Plant and machinery advance may be given on such plant and machinery which in the opinion of the Engineer-in-charge will add to the expeditious execution of work and improve the quality of work. Such plants and equipment were required to be hypothecated to the Government before the payment of advance. Audit observed that BD, Runnisaidpur, sanctioned (March 2020) plant and machinery advance of ₹ 7.98 crore to the contractor for constructing embankments[45]. This advance was sanctioned in violation of Clause 10 (B) (iii) of SBD, as the Division did not ensure hypothecation of the plant and machinery to the Government, prior to sanction of the advance. It was noticed that only less than one per cent of the work was executed in March 2024 and since then the work remained suspended. As a result, the Division could not recover the amounts of plant and machinery advance, as well as interest of ₹ 4.79 crore (as of September 2024) at the rate mentioned in the contract.

Thus, sanction of advances without ensuring availability of land, securing financial interests, as well as non-recovery of advances along with interest accrued thereon led to blockage of funds (₹ 59.23 crore) and undue benefit of ₹ 12.77[46] crore to the contractors.

During the Exit Conference (May 2025) the Department stated that the issue of mobilization advances is very critical and the provision to ensure the availability of 80 *per cent* of land before floating of tender would help to avoid such issues.

3.4.5.3 Non-utilisation of salvaged bricks

Embankments on Kamala Balan river protect the surrounding area from the floods caused by the river and also serve as a means for travelling in the area.

During test-check of records, Audit observed that Puccikaran (black topping) of embankments in 80 km length[47] along the Kamala Balan river (Phase-I) was to be executed by the Flood Control Divisions (I & II), Jhanjharpur (Madhubani).

[45] *SBD agreement no. 01SBD/2019-20 (for construction of new embankment under Bagmati Flood Management Scheme Phase-II (extn)) of ₹ 159.63 crore.*

[46] *Plant and machinery advance: ₹ 7.98 crore and interest on Plant and machinery advance: ₹ 4.79 crore.*

[47] *Km 27.10 to km 66.30 and Km 23.20 to km 64.00.*

Accordingly, an agreement[48] was entered into (September 2021) and work was executed during September 2021 to March 2024. As per estimates of the work, brick soling that existed on top of the erstwhile embankments was to be dismantled before execution of black topping work. Also, salvaged bricks obtained from the dismantling of the brick soling were to be kept in account and utilised in the flanks of the black top road.

Audit further observed that during execution of work, 36.48 lakh salvaged bricks were received (March 2024) from the dismantling of brick soling. Out of this 1.41 lakh bricks were utilised during the work and cost of 0.22 lakh bricks was recovered from the contractor. Meanwhile the Department, changed (October 2023) the scope of work midway by making provision of use of GSB in the flanks (shoulder) of road, instead of brick soling.

With regard to the remaining 34.85 lakh[49] salvaged bricks valuing ₹1.86 crore, Audit observed that neither the Divisions maintained any account for them nor were they utilised/disposed of till October 2024. Thus, misutilisation/ theft of unaccounted salvaged bricks also cannot be ruled out.

EEs of the concerned FCD stated (November 2024) that utilisation/auction of balance old bricks would be ensured, as per directions of the Department.

3.4.5.4 Payment of compensation and lead without ensuring land details

(A) Payment of earth compensation without ensuring land details: The Department issued (June 2019) directions for payment of compensation to the private landowners, on account of earth taken from their land. As per the directions issued, the concerned EE/AE/JE was to record the details of land including its ownership, location, area of the land to be excavated, along with its depth, in the Measurement Books (MBs) to ensure that the concerned owners receive the compensation.

Audit noticed that FCD-I, Jhanjharpur executed (September 2021) an agreement (04SBD/2020-21) for raising and strengthening of embankments along the Kamala Balan river. While making the payment for execution of works, ₹ 80.85 lakh were paid (January 2022 to March 2024) to the agency for making payment to the concerned landowner on account of compensation of land. Audit however, observed that in contravention of Departmental directions, the concerned EE/AE/JE did not record necessary land details in the measurement books prior to making payment of compensation amount, to ensure that the payments for compensation of land was made to the concerned land owners.

Executive Engineer, FCD-I, Jhanjharpur, replied (November 2024) that the details of land had been asked from the contractor in support of the payment of compensation.

48 *Agreement no. 04SBD/2021-22.*
49 *34,85,208 bricks = 36,48,105 salvaged bricks -1,40,537 utilised bricks – 22,360 recovered bricks.*

The reply of the EE is not acceptable as the Division was to record the land details itself.

(B) Payment of lead of earth without ensuring land details: As per the directions (March 2016 and June 2019) issued by the Department, if actual lead[50] of earth was more than 500 metres, then the concerned EE was to identify/record the borrow area along with land details like its plot number, name of landowner and area of land along with depth of cutting area in the measurement book. The payment of lead of earth work to the contractor was to be made as per these details.

Audit test-checked the records of seven sampled divisions[51], related to eight test-checked agreements (executed between March 2017 to October 2024). During test-check of records, Audit observed that for carriage of 83 lakh cubic mt. earth, ₹ 184.09 crore (as of October 2024) was paid against the lead in cases where the distance of borrow area was between more than 500 metre to 3.5 km, as per the measurement books ***(Appendix-3.10)***. However, in contravention of the Department's directions, necessary entries with regard to details of borrow area were not recorded in the measurement books by the concerned divisions. In the absence of such details, the basis on which actual lead of earthwork from the borrow area had been ensured by the divisions before making payments of ₹ 184.09 crore to the contractors, could not be verified.

The concerned divisions replied (August to November 2024) that earth work had been executed in light of lead approved by the competent authority.

The reply was not acceptable as they had not recorded the details of borrow area to ensure the actual distance for payment of carriage of earth.

3.4.5.5 Non-maintenance of roads

During test-check of records, Audit observed that FCD, Salmari[52] and Katihar[53], executed one contract each in March 2017 and February 2018, respectively. These contracts were for raising, strengthening and construction of roads on embankments of Mahananda river which were to be completed by March 2018 and March 2019, respectively. Contracts for these works included maintenance of road work for five years under defect liability period. Besides, as per SBD, 50 *per cent* of the security deposit (SD) deducted from the payments made to the contractor was to be refunded only after completion of the defect liability period.

Audit noticed that the construction work of roads was completed in March and June months of 2021, respectively and maintenance work was due for the next

[50] *In earthwork, lead is the average horizontal distance over which excavated material is transported from the point of excavation to the place of deposition or filling.*
[51] *FCD, Darbhanga, Jhanjharpur (I&II), Katihar, Kishanganj, Salmari and BD, Sitamarhi.*
[52] *Agreement no. 09 SBD/2017-18 for 18.900 km, executed on 12 February 2018.*
[53] *Agreement no. 03 SBD/2016-17 for 19.400 km, executed on 23 March 2017.*

five years. However, there were no records indicating that maintenance of roads was carried out during the defect liability period (as of November 2024).

This indicated that the divisions did not ensure commencement of road maintenance work by the contractors even after more than three years of their completion. During JPI (November 2024) of the roads along with the personnel of the concerned divisions, Audit observed that flank, ramp and approach roads were damaged at several locations as shown in ***Image-3.2*** and ***3.3***, taken during JPI.

Image-3.2: *Damaged road flank in FCD, Katihar (14 November 2024)*

Image-3.3: *Damaged road flank in FCD, Salmari (14 November 2024)*

Further, it was also observed that the concerned divisions deducted ₹ 11.21 crore (₹ 5.27 crore: Katihar Division and ₹ 5.94 crore: Salmari Division) as SD from the contractors, 50 *per cent* of which was to be refunded only after completion of the defect liability period. However, both the divisions refunded (August 2021 to July 2023) the entire SD amount, despite the fact that maintenance work had not commenced. This resulted in undue benefit amounting to of ₹ 5.60 crore, to the contractors as well as non-maintenance of roads, to ensure their quality.

Executive Engineer, FCD Salmari, replied (November 2024) that contractor was asked to conduct maintenance work at regular basis. EE, FCD, Katihar, did not furnish any reply to the audit observation.

Recommendation 3: The Department may ensure that works are executed strictly as per approved technical specifications and all excess payments and recoverable amounts are promptly recovered.

3.5 Non-adherence to quality norms for construction, raising and strengthening of embankments

Quality control, including testing and inspection of material and workmanship was essential to ensure successful performance of an embankment, for flood management.

(A) Non-adherence to quality norms during construction of embankments: As per recommended practices for the construction of embankments prescribed in IRC 36, successful performance of an embankment depends on the quality of compaction in its construction. In this context, various tests like sieve analysis, Maximum Dry Density[54] (MDD) using light compaction, optimum moisture content (OMC) and deleterious constituents tests were required to be conducted on soil intended to be used in the embankments, for selection of appropriate borrow soil. IRC 36 further stipulated that to attain the required MDD, the soil is to be compacted, with a minimum compaction from 98 *per cent* to 102 *per cent*.

During test-check of records related to seven road works on embankments executed during March 2017 to October 2024 by five[55] sampled divisions, Audit observed that, the above mentioned required tests, except MDD were not conducted by the concerned divisions. Further, Audit test-checked 221 reports of the Research and Training Division of the Department, based on tests conducted during 2016-17 to 2023-24. During test-check, it was observed that compaction of earthwork was 90.62 *per cent* to 97.45 *per cent,* less than the required compaction of 100 to 102 *per cent,* in all 221 samples ***(Appendix-3.11)***.

This indicated that compaction work was not executed properly to achieve the required MDD of the earthwork and the quality prescribed under IRC 36 to ensure successful performance of embankment.

(B) Non-conducting of quality tests in borrow area: As per provisions of Para 2 of the Indian Standard (IS) 11532[56], issued (1995) by the Bureau of Indian Standards, Ministry of Consumer Affairs, Food & Public Distribution, Government of India, investigation of borrow areas, their location, and depth of excavation were to be carefully attended to during construction of embankments for a systematic mapping and determination of engineering properties of the soil such as, dry density, compaction tests etc., in the borrow areas.

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[54] *It is the highest dry density a soil can achieve at a specific moisture content and the point where the soil is most compacted.*
[55] *FCD, Jhanjharpur (I and II), Katihar, Kishanganj and Salmari.*
[56] *This standard covers the guidelines regarding construction and maintenance of river embankments.*

During test-check of records of four[57] sampled divisions, Audit noticed that 152.93 lakh cubic mt. of earth was obtained from borrow area ***(Appendix-3.12)*** in five works executed between September 2020 and October 2024, in these divisions. However, the requisite detailed investigation of these borrow areas from where the earth was taken was not carried out by the concerned divisions.

Hence, the quality tests prescribed under IS to ensure systematic mapping and required engineering profile of embankment were not adhered to by the concerned divisions, which may lead to deformation/decaying of embankments in design life.

During the Exit Conference (May 2025) the Department stated that IRC/IS norms for observing the quality of the works related to construction & maintenance of river embankments would be followed in future.

3.6 Lack of monitoring of the schemes

3.6.1 Inadequacy of water ways

On the request of Government of Bihar, the Indian Institute of Technology (IIT), Roorkee, conducted a study on flood management/ waterway/protection of embankment with reasons for breach of the Kamala-Balan river embankment. As per this study report (December 2019), whenever the bridge structure narrows the natural waterway of a river, then the hydraulic reaction from the river generates high afflux along upstream. Usually, any constriction caused by the bridge due to decreasing of the waterway channel by more than 20 *per cent* or more, creates a significant rise in high flood level (HFL) along the upstream affected zone.

As per the study report of IIT, Roorkee, the river's ability to carry sediment was decreasing as bridges were restricting the flow of the river and causing high flood levels. This continuous rise of high flood levels affected adversely, the safety of the embankments.

3.6.1.1 Inadequate waterways with risk of breach of embankment

Test-check of records of the Flood Control Divisions, Jhanjharpur (I&II) and Darbhanga, disclosed that Chief Engineer, Samastipur, reported (October 2020) to the Engineer-in-Chief (Flood and Drainage), that there were several bridges situated at different locations (chainage) of the embankments of Kamala Balan and Bagmati rivers having less capacity for waterway. Less capacity of these bridges for waterways had caused constriction of the Kamala Balan and Bagmati rivers. Details of constriction of waterways of Kamala Balan and Bagmati rivers due to impaired drainage are given in **Table-3.8**.

[57] *FCD, Darbhanga, Jhanjharpur (I and II) and Sitamarhi.*

Table-3.8: Details of inadequate waterways for Bagmati and Kamala Balan rivers

(Length in metre)

Name of River	Location of bridge (chainage)	Length of bridge	Distance between embankments	Impaired drainage (in *per cent*)
Kamala Balan	Pipraghat bridge at km 23.25	260.00	575	54.80
	Bridge 57 at km 44	187.00	575	67.50
	Rail bridge old at km 49.30	175.00	575	70.00
	New rail bridge at km 49.30	206.60	575	64.10
Bagmati	Kharari bridge at km 19.30 of Haya Ghat Karanchin Embankment (HKE)	286.00	1,337.00	78.60
	Kokerghat bridge at km 43.80 of HKE	405.90	924.90	58.10
	Kolhuaghat bridge at km 52.70 of HKE	186.30	366.60	54.56
	Rajghat bridge at km 62.20 of HKE	512.00	912.00	45.17

(*Source: Records of the concerned divisions)*

As can be seen from **Table-3.8**, bridges existing between the embankments of both the rivers at eight locations, were significantly less wider than rivers and thus impaired the drainage of the rivers up to more than 78 *per cent*, by constricting their waterways. This led to risk of breach of embankment ***(Paragraph-3.6.1.2)***.

Audit, however, observed that the Department did not take any corrective action on this report to reduce the impaired drainage created by the bridges (May 2025), indicating insufficient monitoring on the part of the Department.

3.6.1.2 Inadequate waterways led to breach of embankment

Test-check of records of BD, Runnisaidpur (Sitamarhi), disclosed that embankments of Bagmati river were breached (September 2024) at five locations[58] due to flash floods caused by heavy rain fall in its catchment area. As per the report of the Division, one of the reasons for breach of the embankment was inadequate water ways of river through the Katoujha bridge[59] (Sitamarhi). Out of seven vents of the bridge, the waterway was constricted in six vents due to heavy to moderate siltation.

Audit observed that the right embankment of Bagmati river was breached at one point at km 53.50 downstream. As per the Report of the Division, the breach was also due to the fact that the deck slab[60] of the RCC bridge situated at Tilak Tajpur (Sitamarhi) was below the designed HFL and approach roads of the bridge also protruded well inside the river. Resultantly, water overtopped the

[58] *Left embankment at: km 34.60 and km 37.50; Right embankment at: km 53.50, km 46.60 and km 51.50.*

[59] *Situated at km 54.60 of Bagmati Left Embankment and km 60.90 of Bagmati Right Embankment.*

[60] *Acts as carriage way for vehicles on a bridge.*

bridge during the floods ***(Image-3.4)***, which led to breach of the embankment ***(Image-3.5)***.

Image-3.4: *Flooding water overtopping the bridge at Tilak Tajpur (Sitamarhi) during flood (29 September 2024)*	***Image-3.5:*** *Image of ruptured embankment (shown in right side of the image) (04 December 2024)*

The absence of adequate waterways between the embankments was indicative of deficient monitoring by the Department, as it did not ensure safety of the embankments even after lapse of five years of the study report of IIT Roorkee.

The concerned EEs (FCD Jhanjharpur (I&II) and BD, Runnisaidpur) replied (December 2024) that the issue related to inadequate waterways had been reported to higher authorities and corrective measures would be taken in the light of their instructions.

Recommendation 4: The Department may address the issue of constriction of waterways due to structure of bridges, approach roads within the embankments and siltation in the riverbeds.

3.6.2 Inadequate monitoring of schemes through 'Water Resources Department Scheme Implementation & Monitoring System'

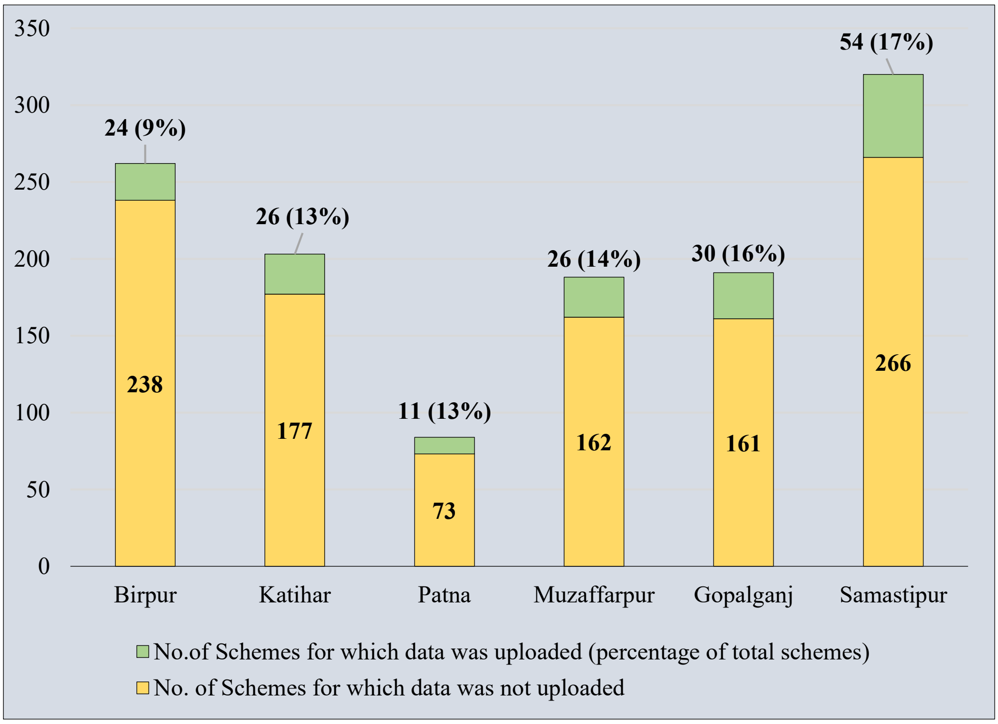
The Department developed (May 2018) a web application 'Water Resources Department Scheme Implementation & Monitoring System (WSIMS)', for effective monitoring of the progress of schemes/ works at the apex and division levels. The application was developed at a cost of ₹ 39.70 lakh by the National Informatics Centre[61]. The application was hosted (August 2021) on the server

[61] *Functions under the Ministry of Electronics and Information Technology, GoI. It was established in 1976 with the objective to provide technology driven solutions to Central and State Governments.*

of FMISC (Flood Management Improvement Support Centre)[62] of the Department. Subsequently, the Department developed its own MIS web application also, for monitoring of schemes and integrated it with WSIMS[63], and directed (September 2022) SE, Flood Control Planning & Monitoring Circle to upload data related to various schemes on this MIS web application.

Test-check of records available at the Department level, disclosed that during 2021-22 to 2023-24 (up to August 2024), against a total 1,248 schemes[64] approved by the Department for the six Flood Control and Drainage zones, only 171 (14 *per cent*) were available on the WSIMS/ MIS application, as depicted in **Chart-3.2**.

Chart-3.2: Details of number of schemes uploaded on WSIMS/MIS



(Source: MIS application data received from WRD, GoB)

As can be seen from **Chart-3.2**, details of only nine *per cent* (Birpur) to 17 *per cent* (Samastipur) of the approved schemes were entered in the WSIMS/MIS.

Thus, information/data in respect of ongoing schemes in the Department were not being uploaded/ updated on the MIS (August 2024) on a regular basis to ensure effective monitoring of schemes/ works at the apex as well as division levels.

The Department did not provide any reply to the audit observation (September 2025).

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62 *WRD accorded approval for the constitution of a Flood Management Improvement Support Centre (FMISC) in March 2007 to improve the technical and institutional capacity of the State for flood management.*

63 *The MIS web application was accessible through a link available on WSIMS.*

64 *Birpur (262), Katihar (203), Patna (84), Muzaffarpur (188), Gopalganj (191) and Samastipur (320).*

CHAPTER-IV

Audit Paragraphs

CHAPTER-IV

AUDIT PARAGRAPHS

BUILDING CONSTRUCTION DEPARTMENT

4.1 Excess payment due to erroneous calculation of price adjustment

Due to erroneous calculation of price adjustment, excess payment of ₹ 1.01 crore was made to the contractor.

Clause 10 CA of the Standard Bidding Document (SBD)[1] prescribed that 'if after submission of tender, the price of cement or steel reinforcement bars increases or decreases as compared to the prices prevailing at the time of the last stipulated date for receipt of tenders (including extension, if any), then the amount of contract shall accordingly be varied.' The SBD further also provided that any such increase shall not be payable if the increase becomes operative after the stipulated date of completion of work in question. Further, price adjustment should be paid as per the formula prescribed in the SBD contract on the basis of percentage component of materials of the work mentioned in 'Schedule E' of the Proforma of Schedules of SBD.

Besides, vide instructions issued (October 2013) the Road Construction Department (RCD), Government of Bihar, also clarified that the calculation of price adjustment should be done in accordance with the percentage of components of material shown in 'Schedule E' and not as per the example shown below sub-clause 7 of Clause 10 CA/10 CC of the SBD.

During the course of conducting audit (February 2024) of the office of the Executive Engineer (EE), Building Construction Division (BCD), Saharsa, it was observed that the EE entered into a contract[2] (November 2017) with an agency for construction of the Saharsa Engineering College, at Saharsa, for ₹65.72 crore. As per the contract, the work was to be completed in February 2019. Subsequently, the Departmental Tender Committee extended (February 2019) the timeline for completion of the work up to 01 August 2019. The work was completed in July 2019 and the agency was paid ₹80.08 crore (February 2020). Of this, an amount of ₹3.26 crore was paid to the agency, on account of price adjustment.

Test-check of records revealed that as per 'Schedule E' of this contract, the percentage of components mentioned for Steel and Cement was 13 *per cent* and 15 *per cent,* respectively. However, while calculating the price adjustment, instead of taking percentage of components of material shown in 'Schedule E' of the contract, percentage component of Steel and Cement were taken as 19 *per cent* and 14 *per cent* respectively, shown as example below sub-clause 7 of Clause 10 CA/10 CC in the SBD. This erroneous calculation led to excess payment of ₹1.01 crore to the contractor on account of price adjustment ***(Appendix-4.1)***. Thus, due to erroneous calculation of price adjustment,

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[1] *Standard Bidding Document is a contract document, published by the Road Construction Department, Government of Bihar, and is applicable to all the works departments of the State.*

[2] *01/SBD/2017-18.*

Executive Engineer (EE), Building Construction Division (BCD), Saharsa, made an excess payment of ₹1.01 crore[3] to the agency, on account of price adjustment.

On being pointed out by Audit, the EE replied (February 2024) that necessary action would be taken after calculating the price adjustment again, as per clause 10 CA of the SBD.

The audit observation was forwarded (December 2024) to the Department. The reply of the Department was, however awaited (September 2025).

[3] *Excess payment ₹ 1.01 crore = ₹ 3.26 crore (total paid amount) - ₹ 2.25 crore (payable amount).*

EDUCATION DEPARTMENT

4.2 Avoidable payment of penal interest on Service Charge

Due to its lackadaisical approach, the Department did not assess and pay Service Charge on time, resulting in avoidable expenditure of ₹8.47 crore, on payment of penal interest on Service Charge.

The provision contained in Rule 9 of the Bihar Financial Rules stipulates that every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money. Rule 13 of the Bihar Municipal Property Tax (Assessment, Collection and Recovery) Rules, 2013, stipulates that every assesse/ tax payer and owner of holding[4] shall be responsible for self-assessing his/her Holding Tax and paying it to the Municipality without waiting for a demand notice. Further, Rule 4 of the Rules *ibid* provides that the non-commercial State and Central Government offices and establishments shall be liable to pay a "Service Charge" which shall be 75 *per cent* of the normal Holding Tax.

Besides, as per the guidelines for calculation of Property tax and Vacant Land Tax issued by the Urban Development and Housing Department (UD&HD), GoB, the total Service Charge payable includes the Service Charge and the interest/penalty applicable on its delayed payment. All payments made after September 30th of the financial year shall be subject to levy of Penal Interest for delayed payments, at the rate of 1.5 *per cent* per month effective from 1st October of that financial year.

Audit test-checked (March 2024) records of the office of the Additional Chief Secretary, Education Department (Department), GoB. During test-check of records, Audit observed that the Patna Municipal Corporation (PMC) issued (January 2023) a demand notice of ₹ 33.83 crore to the Department. The demand notice was for making payment of arrears pertaining to Service Charge, Water Fee and Solid Waste Management Fee related to the Department's 182 buildings for the period 1995 to 2023. The notice was inclusive of amount of penal interest[5] of ₹ 18.48 crore.

In response to the notice, the Department sanctioned and released ₹ 15.79 crore (March 2023) related to 161 buildings[6], as detailed in **Table-4.1**.

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[4] *As per Section 2 (44) of the Bihar Municipal Act, 2007, "holding" means land held under one title or agreement and surrounded by one set of boundaries.*

[5] *As per Rule 12 of the Bihar Municipal Property Tax (Assessment, Collection and Recovery), if the holding tax liability of a financial year was paid after 30th September of next financial year, penal interest at the rate of 1.5 per cent per month shall be levied).*

[6] *Remaining 21 buildings pertained to Colleges and their hostels, and payment in respect of these buildings was to be met from the internal resources of the concerned Universities/Colleges.*

Table-4.1: Amount sanctioned for arrears of Service Charge, penal interest, Water Fee and Solid Waste Management Fee

(Amount: ₹ in crore)

Sl. No.	Type of Building	Order No. of the Department	No. of buildings	Sanctioned and Released Amount	Amount of penal interest
1	Secondary and higher Secondary Schools	509/23.03.2023	35	6.58	3.38
2	Primary Schools	510/23.03.2023	114	6.96	4.26
3	Research and Training Directorate and other institutes	508/23.03.2023	12	2.25	0.83
Total			**161**	**15.79**	**8.47**

Subsequently (March 2023), the Department paid the sanctioned amount of ₹15.79 crore to the PMC. Audit observed that the paid amount was inclusive of penal interest of ₹8.47 crore on Service Charge, which was levied as penalty due to non-assessment and payment of Holding Tax and Service Charge in time by the Department.

Besides, the following irregularities were also observed in payment of ₹15.79 crore on account of arrears of Service Charge, penal interest, Water Fee and Solid Waste Management Fee for 161 buildings to PMC:

- In respect of four school buildings, the Department paid Service Charge, water fee and solid waste management fee of ₹ 16.36 lakh[7], twice to the PMC, resulting in excess payment to this extent.
- Besides, payment of ₹6.67 lakh was also made for Service Charge, water fee, solid waste management fee along with penal interest pertaining to four[8] such buildings, of which three buildings belonged to the Government of India and one belonged to the Department of Revenue and Land Reforms, Government of Bihar. Thus, payments of ₹ 6.67 lakh, towards Service Charge related to other Government/Department resulted in irregular expenditure to this extent.

The above indicated that the Department, while incurring expenditure, did not exercise necessary vigilance, as required under the provisions of the Bihar Financial Rules, 2005.

Thus, due to its lackadaisical approach, the Department did not assess and pay Service Charge on its buildings on time, in violation of the relevant provisions of the Bihar Municipal Property Tax (Assessment, Collection and Recovery) Rules, 2013, and guidelines for calculation of Property tax and Vacant Land Tax issued thereunder. Due to this, the Department incurred an avoidable expenditure of ₹ 8.47 crore, on payment of penal interest on Service Charge.

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7 *(i) Secretary HM School Gandhi Arya Kanya School, Patna City: ₹ 11.52 lakh (ii) The Headmaster Samudaik Bhawan Dujra, Patna: ₹ 1.92 lakh (iii) PS Brahampur, Phulwari Sharif, Patna: ₹ 1.67 lakh and (iv) Rajkiya Manorma Vidyapith Girls High School, Bankipur, Patna: ₹ 1.25 lakh.*

8 *Three building owned by GoI (Principal, Central School, Bailey Road, Patna: ₹ 2.44 lakh; Deputy Commissioner, Kendriya Vidyalaya Sangathan, Patna: ₹ 0.20 lakh and Khuda Bakhsh Oriental Public Library, Patna: ₹ 2.19 lakh) and one building owned by Department of Revenue and Land Reforms, GoB (Revenue Survey Training Institute, Patna: ₹ 1.84 lakh).*

In addition, it also incurred excess expenditure of ₹16.36 lakh and irregular expenditure of ₹6.67 lakh.

The audit observation was forwarded to the Department in February 2025. The reply of the Department was, however awaited (September 2025).

4.3 Loss due to inadmissible payment of Integrated Goods and Services Tax

Inadmissible IGST payments to the printing agency by Lalit Narayan Mithila University, Darbhanga, resulted in financial loss of ₹5.37 crore, to the University.

Department of Revenue, Ministry of Finance, Government of India, vide its notifications (28 June 2017 and 25 January 2018), stipulated that services provided to an educational institution in relation to admission or the conduct of examinations were exempted from Integrated Goods and Services Tax (IGST). Further, as per Section 20 of the IGST Act, the provisions of the CGST Act (Section 54 of the Act), relating to refunds shall *mutatis mutandis* apply to the IGST Act.

As per Section 54(1) of the CGST Act, 2017, any person claiming refund of any tax and interest, if any, paid on such tax or any other amount paid by him, may make an application before the expiry of two years from the relevant date in such form and manner as may be prescribed.

Audit test-checked records (June 2024) of the office of the Vice Chancellor, Lalit Narayan Mithila University (LNMU), Darbhanga. During test-check of records, Audit observed that the University executed two agreements with an agency[9], for two different works. The first agreement was executed (November 2020) for confidential printing work related to examinations conducted by the University. Initially, the agreement was executed (November 2020) for a period of three years which was subsequently extended (December 2024) till the selection of a new agency. The second agreement was executed (July 2021) for work related to Student's Life Cycle[10] including all the pre and post examination related confidential works pertaining to all the examinations conducted by the University, for five academic sessions from 2021-22 to 2025-26.

Audit further observed that the University paid (September 2021 to May 2023) a total of ₹ 35.19 crore ***(Appendix-4.2)*** to the agency on account of works related to examination, executed by it. Payment of ₹ 35.19 crore made to the agency, included payment of ₹5.37 crore on account of IGST at the rate of 18 *per cent*, although these works were exempted from payment of IGST as per notification of the Department of Revenue, Ministry of Finance, Government of India.

Further, within the prescribed two years' period, the University did not claim a refund against the payment of IGST, made to the agency, under Section 54 of the CGST Act. This lack of necessary action on the part of University, ultimately led to financial loss of ₹ 5.37 crore to the University.

9 *RMS Techno solutions (India) Pvt. Ltd., Lucknow (Uttar Pradesh).*

10 *Student's life cycle included their online admission process, entrance examination, registrations, course management etc.*

On this being pointed out by Audit, the University replied (August 2024 and July 2025) that refund of the IGST amount could not be claimed due to the expiry of the time limit and payment of IGST would not be made to the agency in future.

The reply of the University was not acceptable, as it neither exercised necessary financial controls before making payment of IGST to the agency, nor did it take necessary action to claim refund of IGST paid, within the prescribed period of two years under Section 54 of the CGST Act.

The audit observation was forwarded to the Department in June 2025. The reply of the Department was, however awaited (September 2025).

EDUCATION DEPARTMENT AND SC & ST WELFARE DEPARTMENT

4.4 Avoidable expenditure on payment of interest and damages

Due to non-compliance with statutory provisions of the Employees' Provident Fund Act/Scheme, 1952, the Departments of SC and ST Welfare and Education had to incur avoidable expenditure of ₹ 3.77 crore towards payments of interest and damages levied for delayed remittance of Employees' Provident Fund contribution.

As per the provisions of the Employees' Provident Fund (EPF) & Miscellaneous Provisions (MP) Act, 1952, read with Sections 30 and 38 of the Employees' Provident Funds Scheme, 1952, the principal employer holds the responsibility of paying the provident fund contribution of their employees. Further, Section 38 of the EPF Scheme, also provides that it is the duty of the employer to deduct the employees' contribution/statutory dues from their wages towards EPF, Pension Scheme and Insurance Scheme. The employer is to remit EPF contribution/statutory dues to the concerned office of the Employees' Provident Fund Organisation, together with his share within 15 days of the end of every month. Besides, Sections 7Q and 14B of the EPF & Miscellaneous Provisions Act, 1952, provide for levy of interest and damages, respectively on belated remittances, at the rates specified[11] therein.

(i) Test-check of records (May 2024) of the Bihar Mahadalit Vikas Mission (BMVM), Patna (SC and ST Welfare Department, Government of Bihar) disclosed that the Mission sanctioned (February 2022 to February 2024) ₹ 1.36 crore to 11 District Welfare Offices[12] (DWOs) for payment of interest and damages levied by the concerned Employees Provident Fund Offices (EPFOs). Test-check further revealed that in violation of the provisions of the EPF Act/Scheme, 1952, the concerned DWOs remitted the EPF contributions of Vikas Mitra[13] for the period July 2018 to October 2023, with delays up to 619 days, to the respective EPFOs. Due to delays in remittance of EPF contributions, the respective EPFOs levied interest and damages amounting to ₹ 1.34 crore[14] against the concerned DWOs, which were finally remitted by the latter to the EPFOs. This ultimately led to an avoidable expenditure of ₹ 1.34 crore by the SC & ST Welfare Department, towards payment of interest and damages ***(Appendix-4.3)***.

On this being pointed out by Audit, the SC & ST Welfare Department replied (March 2025) that delays in remittance of EPF contributions were due to non-submission of requisite information and delay in verification of KYC form/ Universal Account Number (UAN) of the employees by EPFOs.

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[11] *The employer shall be liable to pay simple interest at the rate of 12 per cent per annum or at such higher rate, as may be specified in the scheme (as per EPF Act, 1952) and damages ranging from 5 per cent (for delays less than two months) to 25 per cent (for delays for six months and above), as per para 32A of the EPF Scheme, 1952.*

[12] *Araria, Arwal, Aurangabad, Bhagalpur, Buxar, Darbhanga, Kaimur, Khagaria, Lakhisarai, Patna and Samastipur.*

[13] *A contract based employee under DWO, responsible for disseminating information about the schemes run by the SC & ST Welfare Department, GoB, as well as their implementation, monitoring, and other related activities.*

[14] *Interest: ₹ 58.56 lakh and Damages: ₹ 75.82 lakh.*

The reply of the Department was not acceptable since test-check of records of the BMVM, Patna, disclosed that the respective DWOs were responsible for delays in remittance of EPF contribution to EPFOs, despite availability of funds, which resulted into payment of interest and damages.

(ii) Audit test-checked records of District Programme Officers (DPOs), (Establishment), Madhubani (January 2024) and Muzaffarpur (March 2024), Education Department, Government of Bihar. During test-check of records, Audit observed that DPO, Madhubani, remitted the EPF contribution of their employees for the period from January 2020 to March 2022, with delays up to 838 days to the EPFO Muzaffarpur. Similarly, DPO, Muzaffarpur remitted the EPF contribution of employees for the period from September 2020 and February 2022 with delays up to 970 days to the EPFO Muzaffarpur. ***(Appendix-4.3)***. Resultantly, the Regional Provident Fund Commissioner, Muzaffarpur, levied interest and damages of ₹ 2.43 crore against the DPOs, for belated remittances. However, due to non-payment of interest and damages to EPFO, the Regional Provident Fund Commissioner, Muzaffarpur, finally forfeited ₹ 2.28 crore (December 2023 and March 2024) from the bank account of DPO, Madhubani, and ₹ 14.74 lakh (November 2023) from the bank account of DPO, Muzaffarpur.

Therefore, due to delays in remittance of the EPF contributions to EPFO, the concerned DPOs violated the provisions of the EPF Act/Scheme which resulted in avoidable expenditure of ₹ 2.43 crore towards payment of interest and damages.

Thus, due to non-compliance of statutory provisions of the EPF Act/Scheme, 1952, the Departments of SC and ST Welfare and Education had to incur avoidable expenditure of ₹ 3.77 crore[15] towards payments of interest and damages levied for delays in remittance of employees EPF contribution to the concerned EPFOs.

The audit observation was forwarded to the Department in May 2025. The reply of the Department was, however awaited (September 2025).

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[15] *11 DWOs: ₹ 1.34 crore, DPO, Madhubani: ₹ 2.28 crore and DPO, Muzaffarpur: ₹ 0.15 crore.*

RURAL WORKS DEPARTMENT

4.5 Unfruitful expenditure on construction of bridges

Due to execution of works without ensuring availability of land, the work of approach roads and bridge remained incomplete and expenditure of ₹ 3.30 crore incurred remained unfruitful.

As per the Resolution issued (July1986) by the Cabinet Secretariat, Government of Bihar (GoB), where acquisition of land is involved, the tender process should be initiated only after acquisition of required land. Further, the guidelines for NABARD funded projects provided for prioritising roads connecting villages with markets, hospitals, educational institutions, railway heads *etc*., while selecting projects. Besides, the primary objective of the Pradhan Mantri Gram Sadak Yojana (PMGSY) was to provide connectivity, by means of all-weather roads (including cross-drainage structures such as culverts, minor bridges and causeways), to the eligible[16] unconnected habitations in rural areas.

Audit test-checked records of the offices of the Executive Engineers (EEs), Rural Works Division (RWD), Pakridayal (July 2024) and Araria (August 2024) of East Champaran and Araria districts, respectively. Audit observed that these Divisions entered into contracts for construction of two High Level Reinforced Concrete Cement (HLRCC) bridge/ Reinforced Concrete Cement (RCC) bridge, as detailed in **Table-4.2**.

Table-4.2: Details of works

(Amount: ₹ in crore)

Sl. No.	Name of Works Division	Name of work	Name of Scheme	Amount (Date of Agreement)	Scheduled date of completion	Status of physical progress of work (as of June 2025)	Total expenditure incurred (Month of last Payment)
1	RWD Pakridayal (East Champaran)	Construction of HLRCC Bridge at Nonia Toli in Betauna Village under Patahi Block	NABARD funded project	2.41 (2/9/2016)	July 2017	Bridge was completed, however, approach roads were incomplete	2.33 (August 2018)
2	RWD, Araria (Araria)	Construction of RCC bridge at Thapkol to Karhbana road near Thapkol village	PMGSY	1.31 (7/9/2019)	September 2020	Bridge was yet to be completed and approach roads were not constructed	0.97 (September 2020)
	Total						**3.30**

(Source: Records of the concerned works division)

In this regard, Audit further observed that:

(A) The Department accorded (July 2015) Administrative Approval (AA) of ₹ 2.63 crore for construction of a HLRCC bridge at Nonia Toli (near house of Shyam Ji Mahto) in Betauna village under Patahi Block of East Champaran

[16] *Habitations with a population of 500 persons and above, in plain areas.*

district through a NABARD funded scheme. As per the administrative approval, the bridge was to be built along with approach road on both sides having lengths of 125 metre and 120 metre. A contract was executed (September 2016) with a contractor for ₹2.41 crore, with 23 July 2017 being the scheduled date of completion of the bridge.

The bridge work along with base work[17] of the approach roads was completed in August 2018 and thereafter, no further work took place. For execution of this work, an amount of ₹ 2.33 crore was paid (August 2018) to the contractor. Incomplete roads are evident in ***images 4.1*** and ***4.2*** (13 July 2024) taken during joint physical inspection with the officials of the Department.

Image 4.1 and 4.2*: Incomplete approach roads (both sides) of HLRCC bridge at Nonia Toli in Betauna Village under Patahi Block, Pakridayal (East Champaran)*

In this regard, the contractor intimated (July 2017, June 2019, October 2019 and January 2020), EE, RWD, Pakridayal, that the work of construction of approach roads on both sides of the bridge was being stopped by the villagers, claiming ownership of the land. Further, it was also reported by the EE (November 2022, March 2023, June 2023, July 2023 and July 2024) that the land pertaining to the approach road has been encroached by the villagers. However, records did not show whether any further action was taken to resolve the land dispute. As a result, the work of construction of approach roads remained incomplete, as of August 2025. Due to non-completion of approach roads, the completed bridge remained unutilised even after almost seven years of its completion (August 2018 to July 2025).

(B) The Department accorded (February 2019) AA of ₹1.45 crore for construction of RCC bridge at Thapkol to Karhbana road near Thapkol village of Jokihat block (Araria) under PMGSY. Accordingly, a contract for ₹1.31 crore was executed (September 2019) with 06 September 2020 being the scheduled date for completion of the bridge. As per the contract, apart from RCC bridge, approach roads were also to be constructed in the length of 70 metre on both sides of the bridge.

Audit however, observed that due to land dispute, 20 *per cent* work related to the construction of the bridge remained incomplete while the work related to approach roads was also not executed (August 2025). The contractor was paid

[17] *Embankment work (₹16.57 lakh), Granular Sub Base (₹ 7.63 lakh), Water Bound Macadum Gr-II (₹3.52 lakh) and Water Bound Macadum Gr-III (₹ 3.36 lakh).*

₹ 0.97 crore for the work executed by him. Status of work is evident in ***images-4.3*** and ***4.4***, taken during joint physical inspection (22 August 2024) conducted by Audit along with officials of the Department.

Image 4.3 and 4.4*: Incomplete RCC bridge and its approach roads at Thapkol to Karhbana road near Thapkol village of Jokihat block (Araria)*

Audit further observed that EE, RWD, Araria, requested (September 2022) District Magistrate, Araria, to acquire land for completing the remaining work of bridge. Subsequently, the Department constituted (April 2024) a Committee, to prepare a feasibility report for completing the approach roads to the bridge. However, the feasibility report of the Committee was awaited and the work of construction of bridge and approach roads remained incomplete as of August 2025 despite lapse of five years since the scheduled date of completion (September 2020).

Thus, due to commencement of the works without ensuring availability of land under both the divisions, the works of approach roads in both the bridges were either not started or remained incomplete. Consequently, expenditure of ₹ 3.30 crore incurred on both the bridges and approach roads remained unfruitful. Besides, the intended objective of connecting the habitations was also not achieved.

Regarding the construction of RCC bridge at Thapkol (Araria), the Department replied (February 2025) that private land owners were not willing to give the required land under a perpetual lease policy. Therefore, it has been decided to acquire the required land for construction and the process for land acquisition has been initiated.

The reply of the Department pertaining to RCC bridge at Thapkol (Araria) was not acceptable since in violation of the Resolution of Cabinet Secretariat, GoB (July 1986), availability of land was not ensured prior to execution of works, to ensure timely completion of road construction projects. Further, the Department did not reply (September 2025) regarding non-completion of work related to approach roads for HLRCC bridge at Nonia Toli under RWD, Pakridayal (East Champaran).

WATER RESOURCES DEPARTMENT

4.6 Avoidable payment on carriage of boulders

Department's decision to sanction transportation of boulders through road, despite this being costlier than rail, resulted in avoidable payment of ₹3.56 crore.

As per provisions contained in Section 1 of the Chapter 2 of the Bihar Financial Rules, every Drawing and Disbursing authority must adhere to high standards of financial propriety. Every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money. Further, as per Schedule of Rates (SoR) issued (October 2017) by the Water Resources Department, where carriage of construction material by rail was feasible, the carriage cost should be calculated for both road and railways, and accordingly the lower of the two rates should be adopted for preparation of estimates.

Audit test-checked (February 2025) records of the office of the Executive Engineer (EE), Flood Control Division (FCD), Gopalganj. Audit noticed that the Chief Engineer Flood Control and Drainage (CE), Gopalganj, accorded (November 2017-January 2018) technical sanction (TS) of ₹48.49 crore for three flood control related works[18]. As per the sanctioned estimates, total 22,692.96 cubic metre (cum) boulders were to be used in these works. The boulders were to be carried to the work sites from Chunar quarry (Mirzapur, Uttar Pradesh) by rail/road {6,807.89 cum (30 *per cent*) through rail and 15,885.07 cum (70 *per cent*) through road}.

Accordingly, the Division executed (January-February 2018) contracts for execution of these three works for ₹ 42.58 crore[19], with the scheduled date of completion of all the works in May 2018. Works were completed in the month of March 2019, at a total cost of ₹ 41.40 crore[20]. During the execution of works, total 22,543.75 cum boulders were utilised, out of which 6,763.48 cum (30 *per cent*) boulders were transported through rail and the remaining 15,780.27 cum (70 *per cent*) were transported through road.

Audit observed that as per rates mentioned in the estimates for all the three works, rates for carriage of boulders by rail were economical and ranged from ₹2,933.08 per cubic metre (pcm) to ₹ 3,407.45 pcm. In comparison, the carriage rates for boulders by road ranged from ₹ 5,410.48 pcm to ₹ 5,963.91 pcm. However, reasons for ignoring the Departmental SoR and transporting 70 *per cent* of boulders through road were neither found recorded in the approved estimates nor were any constraints in transporting boulders through rail recorded. Therefore, keeping in view the fact that rates of carriage through rail were more economical as compared to road, boulders used in the works

[18] *(i) TS of ₹ 4.37 crore for Anti-Erosion work at Sallehpur-Tandaspur Chharki (09 SBD/2017-18) (ii) TS of ₹ 12.00 crore for Construction of New Earthen Embankment in Saran Embankment (11 SBD/2017-18) and (iii) TS of ₹ 32.12 crore for Raising & Strengthening of Bandhauli-Shiltalpur-Faizullahapur Zamindari Bundh and breach closure and boulder revetment (18 SBD/2017-18).*

[19] *₹ 3.70 crore for Sl. No. (i); ₹ 10.58 crore for Sl. No. (ii) and ₹ 28.30 crore for Sl. No. (iii) of footnote no. 18.*

[20] *₹ 3.68 crore: Sl. No. (i); ₹ 10.62 crore: Sl. No. (ii) and ₹ 27.10 crore: Sl. No. (iii) of footnote no. 19.*

should have been transported through rail, instead of road. Hence, approval and transportation of 15,780.27 cum of boulders (70 *per cent* of the total used quantity) through road resulted in avoidable payment of total ₹ 3.56 crore ***(Appendix-4.4)***.

The EE, FCD, Gopalganj replied (February 2025) that keeping in view the importance of the works, such provisions were made. It was not possible to complete the works on time by bringing boulders through railways since there were many formalities to be completed while doing so.

The reply of the concerned EE was not acceptable since no records were available to substantiate that there was any particular problem such as non-availability/limited availability of railway rakes or any likely delay in the completion of the work by carrying the boulders through rail. Besides, carriage of 30 *per cent* of the boulders through rail in all the three works indicated that there was scope of carriage of boulders through rail.

The audit observation was forwarded to the Department (April 2025). The reply of the Department was however, awaited (September 2025).

Patna **(DR. SANDIP ROY)**

The 25 March 2026 **Principal Accountant General (Audit-I), Bihar**

Countersigned

New Delhi **(K. SANJAY MURTHY)**

The 06 April 2026 **Comptroller and Auditor General of India**

Appendices

Appendix-1.1

(Refer: Paragraph-1.3.2)

Outstanding Inspection Reports/ Paragraphs

(Amount: ₹ in crore)

Year	No. of IRs	No. of Paragraphs	Amount involved
2014-15	927	5,798	40,938.80
2015-16	919	6,667	28,095.96
2016-17	1,000	8,067	77,476.48
2017-18	763	6,748	1,28,795.71
2018-19	128	1,292	15,447.79
2019-20	282	3,167	1,00,690.51
2020-21	91	930	1,00,125.61
2021-22	334	3,744	2,04,382.59
2022-23	371	4,503	67,385.70
2023-24	421	6,729	1,14,310.03
Total	**5,236**	**47,645**	**8,77,649.18**

Appendix-1.2

(Refer: Paragraph-1.3.2)

Types of irregularities in outstanding paragraphs of Inspection Reports

Year	No. of IRs	Fraud/misappropriation/ embezzlement/ losses detected in audit	Recoveries &instances of Overpayments detected in audit	Violation of contractual obligations and undue favours to contractors	Avoidable/excess expenditure	Wasteful/infructuous expenditure	Expenditure incurred without sanction from competent authority	Diversion of funds from one scheme to another or from one object head to another	Drawal of funds at the fag end of financial year with a view to avoiding lapse of funds	Incurring of expenditure on banned items or items of special nature without approval of competent	Purchase of stores/ stock in excess of actual requirements with a view to avoiding lapse of funds	Idle investment/ idle establishment/ blockade of funds	Payment of idle wages to staff	Delays in commissioning of equipment/ idle equipment and consequences owing thereto	Non-achievement of objectives/unfruitful expenditure	Miscellaneous observations	Total paragraphs
1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**	**17**	**18**
2014-15	927	126	299	197	186	254	28	97	11	4	13	428	9	21	334	3,791	5,798
2015-16	919	59	214	162	298	400	88	195	29	13	77	507	19	23	436	4,147	6,667
2016-17	1,000	72	160	302	346	419	88	175	60	94	68	532	24	35	636	5,056	8,067
2017-18	763	81	168	415	243	337	42	30	42	12	27	789	23	18	377	4,144	6,748
2018-19	128	19	23	39	74	24	5	17	0	0	6	85	3	2	55	940	1,292
2019-20	282	12	14	41	57	79	10	13	3	0	2	80	7	5	163	2,681	3,167
2020-21	91	8	4	13	41	19	1	3	7	1	0	14	1	2	46	770	930
2021-22	334	31	20	63	173	137	80	29	16	3	13	98	26	14	173	2,868	3,744
2022-23	371	57	60	69	126	41	8	13	3	11	4	103	3	8	63	3,934	4,503
2023-24	421	59	79	109	157	79	6	13	1	2	4	160	14	15	106	5,925	6,729
Total	**5,236**	**524**	**1,041**	**1,410**	**1,701**	**1,789**	**356**	**585**	**172**	**140**	**214**	**2,796**	**129**	**143**	**2,389**	**34,256**	**47,645**

Appendix-1.3

(Refer: Paragraph-1.3.4)

Details of non/partial production of records and replies to Audit relating to PA/ SSCA for the Audit Report ended March 2024

Sl. No.	Name of SSCA/PA	Details of non/partial production of records and replies to Audit					
		No. of units audited	No. of units which did not produce certain records	No. of audit memos issued	No. of audit memos on which full reply received	No. of audit memos on which partial reply received	No. of audit memos on which reply was not received
1	Performance Audit on 'Implementation of MGNREGA in Bihar'	66	66	743	216	429	98*
2	SSCA on 'Construction, raising and strengthening of embankment under Water Resources Department'	8	5**	27	0	27	0
	Total	**74**	**71**	**770**	**216**	**456**	**98**

** (i) DRDA, Sheohar: 24 (ii) DRDA, East Champaran: 4 (iii) DRDA, Gaya: 48 (iv) PS, Purahia: 2 (v) PS, Abhirajpur Bairiya: 1 (vi) GP, Basantpatti: 2 (vii) GP, Adauri: 3 (viii) PS, Piprahi:3 and (ix) PS, Govindpur:11.*

*** (i) Bagmati Division, Runnisaidpur, Sitamarhi (ii) Bagmati Division, Sitamarhi (iii) Flood Control Division, Jhanjharpur-I (iv) Flood Control Division, Jhanjharpur-II (v) Flood Control Division, Katihar.*

Appendix-1.4

(Refer: Paragraph-1.4)

Status of entrustment of Audit and rendering/issuance of Separate Audit Reports of Autonomous Bodies (As of June 2025)

Sl. No.	Name of Autonomous Body	Status of entrustment up to FY	Rendering of accounts to Audit		Issuance of SAR		Date of placement in the Legislature	Remarks
			Year of accounts	Date	Year of accounts	Date		
1	Bihar Electricity Regulatory Commission, Patna	Entrustment not required	2022-23	15/05/2024	2020-21	11/04/2023	Not Available	Separate entrustment for these State Autonomous Bodies (ABs) are not required as these State ABs have been formed under the various Act of the Parliament. *Ref: Section 19 (2) of the CAG's DPC Act, 1971.*
2	Real Estate Regulatory Authority, Patna		2018-19	07/01/2021	2018-19	07/01/2022	Not Available	
3	Bihar State Legal Service Authority, Patna		2022-23	01/10/2024	2021-22	12/03/2024	23/07/2024	
					2022-23	13/02/2025	Yet to be placed before State Legislature	
4	Bihar Building and other Construction Workers' Welfare Board, Patna		2008-09 to 2021-22	26/06/2024	Issuance of SAR is under process			
5	Bihar Commission for Protection of Child Right in Bihar		2011-12 to 2022-23	08/10/2024	Audit has been deferred by the Commission			
6	Bihar State Human Rights Commission, Patna		2008-09 to 2023-24	11/09/2024	Issuance of SAR is under process			
7	Bihar Agriculture University, Sabour (Bhagalpur)	2021-22	2014-15 to 2019-20	09/09/2024 (Revised)	Issuance of SAR is under process			
			2020-21 to 2021-22	18/06/2024	Revised account awaited from University			
8	Bihar Animal Sciences University, Patna	2022-23	2018-19	22/09/2023	2017-18	29/11/2024	Not Available	
			2019-20	22/09/2023	Issuance of SAR is under process			
9	Bihar State Bio-diversity Board, Patna	2020-21	2017-18 to 2020-21	05/12/2024	Issuance of SAR is under process			
10	Bihar State Housing Board, Patna	2021-22	2015-16	05/07/2019	2015-16	22/04/2020	Not Available	
11	Bihar State Khadi and Village Industries Board, Patna	2009-10	2009-10	29/08/2013	2009-10	21/04/2014	Not Available	

Appendix-2.1

(Refer: Paragraph-2.1.6)

List of sampled units and no. of sampled beneficiaries

Sl. No.	District	Block	GPs	No. of beneficiaries
1	Begusarai	Sahebpur Kamal	Bishanpur Ahok	10
2			Sandalpur	11
3			Sanha East	10
4			Sanha North	11
5		Bakhri	Ghaghara	10
6			Mohanpur	10
7			Ratan	10
8			Salauna[1]	10
9	East Champaran	Sugauli	Bhargawa	11
10			Karmawa Raghunathpur	12
11			Panjiarwa	11
12			Shukul Pakar	12
13		Turkaulia	Belwaray	12
14			Chargaha	11
15			Jaysinghpur East	12
16			Jaysinghpur South	12
17	Gaya	Manpur	Bhadeja	10
18			Bhore	14
19			Kaiya	13
20			Nauranga	12
21		Bodhgaya	Jhikatiya	10
22			Kanhaul	12
23			Kurmawam	10
24			Mora Mardana	10
25	Nawada	Govindpur	Baksoti	10
26			Baniyabigha	10
27			Bhawanpur	10
28			Sughri	10
29		Warisaliganj	Baghibardiha	10
30			Chakwai	10
31			Saur	10
32			Shahpur	10
33	Saharsa	Sattar Kataiya	Bihra	13
34			Purikh	10
35			Rakiya	10
36			Sattar	10
37		Sour Bazar	Rampur	10
38			Rauta Khem	14

[1] *GP had merged in Nagar Parishad, Bakhri, with effect from 11 Macrh 2021.*

Sl. No.	District	Block	GPs	No. of beneficiaries
39			Chandour East	12
40			Kanp West	15
41	Sheohar	Piprahi	Basaiya Shekh	10
42			Belba	11
43			Dhankaul	10
44			Kamrauli	10
45		Purnahiya	Abhirajpur Bairiya	10
46			Adouri	10
47			Barahi jagdish	10
48			Basantpatti	10
Total	**6**	**12**	**48**	**521**[2]

[2] *Out of 521 beneficiaries, one related to Jhikatiya was not traceable.*

Appendix-2.2
(Refer: Paragraph-2.1.8)
Details of records not produced before Audit

Sl. No.	Units	Record	Remark
1	20 sampled GPs	Gram Sabha meeting register	**Begusarai**: Sanha East (2019-22), Sanha North (2019-24), Ghaghara (2019-22), Mohanpur (2019-21 & 2023-24), Ratan (2019-22), **Nawada:** Shahpur (2021-22 & & 2023-24), Saur (2019-22); **Saharsa**: Kanp West (2022-23), Rauta Khem (2020-21), Bihra (2020-21), Sattar (2019-20), Rakiya (2019-20) and **Gaya:** Bhadeja, Bhore, Jhikatiya, Kaiya, Kanhaul, Kurmawan, Mora Mardana & Nauranga. **(Para 2.2.4.1)**
2	10 sampled Panchayat Samiti	Panchayat Samiti meeting register	**Gaya:** Bodhgaya, Manpur; **Nawada:** Warisaliganj, Gobindpur; **Sheohar:** Purnahiya Piprahi; **Begusarai:** Sahebpur Kamal, Bakhri and **East Champaran:** Sugauli and Turkaulia. (for 2019-24) **(Para 2.2.4.3)**
3	State Level, and Gaya and Begusarai districts	Details of appointment of members of the the State Vigilance Cell and supervision made, and cases detected by the CVO and action taken there against; Consitution of District Vigilance Cell	For the period 2019-24 **(Para 2.6.3)**
4	DRDA, Gaya, East Champaran, Begusarai, Nawada, Saharsa and Sheohar	Complaint register	For the period 2019-24 **(Para 2.6.4.3)**
5	48 Sampled GPs	Registers for employment demanded, employment offered, and employment provided.	For the period 2019-24 **(Para 2.6.6)**

Appendix 2.3 (A)
(Refer: Paragraph-2.2.4.3)
Delay in approval of Annual Development Plan by Gram Panchayats

Name of district	Name of Gram Panchayat	Year	Delay (In Days)
Saharsa	Bihra	2023-24	16
	Sattar	2023-24	17
Begusarai	Sandalpur	2019-20	57
		2020-21	26
		2021-22	01
		2023-24	08
	Ratan	2023-24	02
Nawada	Baniyabigha	2021-22	11
		2023-24	391
	Bhawanpur	2022-23	25
	Sughri	2022-23	26
	Saur	2022-23	20
	Chakwai	2023-24	20
	Shahpur	2022-23	14
Sheohar	Dhankaul	2019-20	57
		2020-21	26
		2021-22	21
		2023-24	57
	Basaiya Shekh	2019-20	57
		2020-21	26
		2021-22	325
		2023-24	57
	Kamrauli	2019-20	371
		2020-21	122
		2021-22	05
		2023-24	57
	Abhirajpur Bairiya	2022-23	14
		2023-24	19
	Adouri	2019-20	12
		2022-23	12
	Barahi Jagdish	2022-23	14
		2023-24	14
	Basantpatti	2022-23	12
		2023-24	14
East Champaran	Jaysinghpur (East)	2021-22	115
	Jaysinghpur (South)	2019-20	306
	Bhargawan	2020-21	26
		2021-22	06
	Karamawa Raghunathpur	2020-21	26
		2021-22	03
	Panjiarwa	2020-21	26
		2021-22	06
	Shukul Pakar	2021-22	03

(Source: GS Meeting Register of the concerned GP)

Appendix-2.3 (B)
(Refer: Paragraph-2.2.4.3)
Delay in approval of Annual Development Plan by Zila Parishads

Zila Parishad	Year	Delay in approval of Annual Development Plan (in Days)
Saharsa	2020-21	57
	2021-22	23
	2022-23	67
	2023-24	175
Begusarai	2019-20	345
	2022-23	152
	2023-24	123
Nawada	2019-20	34
	2022-23	260
	2023-24	94

(Source: Records of the concerned ZP)

Appendix-2.4

(Refer: Paragraph-2.4.4.4)

Pending compensation for delayed payment of wages

(Amount in ₹)

Financial Year	Total days	Payable Amount	Approved days	Rejected days	Approved amount	Amount paid	Amount to be paid	Days not approved
	1	2	3	4	5	6	7 (5-6)	8 {1-(3+4)}
2019-20	2,41,53,232	2,67,82,353	18,22,293	2,04,82,509	19,82,227	19,17,346	64,881	18,48,430
2020-21	3,76,00,063	4,70,52,909	18,30,469	3,31,61,387	21,38,374	20,69,054	69,320	26,08,207
2021-22	85,38,283	1,00,70,579	3,60,646	66,37,249	4,57,799	2,93,619	1,64,180	15,40,388
2022-23	2,24,36,581	2,99,17,581	84,073	1,96,92,052	86,038	12,929	73,109	26,60,456
2023-24	75,45,862	98,14,059	98,055	53,26,755	1,17,268	15	1,17,253	21,21,052
Total *(State)*	**10,02,74,021**	**12,36,37,481**	**41,95,536**	**8,52,99,952**	**47,81,706**	**42,92,963**	**4,88,743**	**1,07,78,533**
Total *(Sampled Districts)*	**1,46,47,370**	**1,81,05,638**	**12,06,811**	**1,12,19,868**	**14,00,499**	**12,87,323**	**1,13,178**	**37,13,543**

(Source: Report 14.1 of NREGASoft, dated 17 July 2024)

Appendix 2.5

(Refer: Paragraph-2.5.7 (B))

Details of GP-wise approved works not entered in *NREGASoft*

Name of District	Name of GP	Annual Deveopment Plan Year	No. of works as per GS register	No. of works entered in *NREGASoft*
Begusarai	Sandalpur	2019-24	1504	399
	Bishanpur Ahok	2019-20 & 2021-23	136	338
	Mohanpur	2019-20 & 2021-24	1753	220
	Salauna	2019-20 & 2021-22	273	37
	Ratan	2019-20, 2021-22 & 2023-24	799	293
	Ghaghara	2019-20 & 2021-24	733	383
Saharsa	Rampur	2019-24	1544	356
	Rauta Khem	2019-24	373	584
	Kanp West	2019-22 & 2023-24	692	477
	Chandour East	2019-24	951	731
	Bihra	2019-20 & 2021-24	605	740
	Purikh	2019-24	1693	164
	Rakiya	2020-24	819	453
	Sattar	2020-23	2381	558
Sheohar	Abhirajpur Bairiya	2019-24	668	538
	Adouri	2019-24	466	847
	Barahi Jagdish	2019-24	1360	691
	Basantpatti	2019-24	445	412
	Dhankaul	2019-24	902	859
	Kamrauli	2020-22	302	174
Total			**18,399**	**9,254**

(Source: GS Register of the concerned GP and NREGASoft)

Appendix 2.6

(Refer: Paragraph-2.5.8)

Statement showing only earth work done in road construction

(Amount in ₹)

Sl. No.	Name of District	Name of Units	Name of Scheme	Est. Amount	Amount Paid
1	Saharsa	PS Sattar kataiya	GP purikh ward no. 07 me Jumrati Safi ke ghar se Prameshwar sutihar ke khet tak sarak mein mitti bharai	3,40,500	1,81,196
2			Gram panchayat Sattar Samiti mad Sattar Badi Nahar se lekar Patori sima ki aur janewali sadak mein mitti bharai karya	9,03,500	7,48,568
3			Samiti mad GP Bihra ant. Daynej ki aur janewali sarak se lekar Okahi Sima ki aur janewali sarak	3,74,300	1,76,568
4		PS-Sour bazar	Rampur Tilale Bhitta se Vidyanand ke khet se lekar geruaaha pula pitch road tak mitti bharai karya	8,53,000	8,18,444
5			Nado panchayat antargat kargah hote huae Jiwachpur simant tak sarak mein mitti bharai karya	9,92,800	9,67,946
6			Ward no. 11 me Uttam Thakur ke ghar se lekar Rahua ghat tak janewali sarak me mitti bharai karya	7,11,500	6,27,251
7			Ramkumar Yadav ke khet ken ikat se Rauta panchayat ke sima tak sarak mein mitti bharai karya	8,49,000	7,93,362
8	East Champaran	Zila parishad	Kalyanpur Mehsi prakhand ko jodne wali path Mansi Chapra Ganesh Bhagat ke ghar se harpurnag Siwan tak mitti bharai	8,90,300	7,10,028
9			Rajkishor Singh ke khet se Pipra ghat hote huye Chimni ke pas path mein mitti bharai karya	6,76,700	2,31,486
10			Turkaulia prakhand se Kotwa prakhand ko jodne wali path semr tola nahar se aage pitch road tak mitti bharai karya	5,39,300	2,53,638
11			Turkaulia Pashchim men Pitambar Singh ke ghar kea age se Harsiddhi Prakhand ko jodane wali path men mitti bharai karya	5,62,400	4,59,492
Total				**76,93,300**	**59,67,979**

(Source: Records of the sampled GPs and NREGASoft Data)

Appendix-3.1

(Refer: Paragraph-3.2)

Status of schemes for construction of embankments in the test-checked river basins as of December 2024

(Length in km & Amount ₹ in crore)

Sl. No.	Name of Division	Description of Scheme	Physical status (Length)		Financial status		Time line		Status of work
			To be constru-cted	Actually constructed (*per cent*)	Contract value	Up to date payment (*per cent*)	Date of Contract	Schedule date of completion	
Bagmati-Adhwara Basin									
1	Bagmati Division, Runnisaidpur	Bagmati Flood Management Scheme[3] –II (BFMS-II)	70.63 and 5.10 km of Dhanaur Katra Ring Bandh[4]	50.10 (71) and 4.80 km Dhanaur Katra Ring Bandh	MoU was executed in December 2005	163.64	December 2005	June 2008	Incomplete
2		BFMS-II (extn)	21.99	0.21 (01)	159.63	12.63 (8)	January 2020	January 2022	Initiated and stopped
3		BFMS-V(a)	52.33	0 (0)	180.89	9.04 (5)	April 2022	October 2023	Not started
4	Bagmati Division, Sitamarhi	Jhim-Jamura	53.77	19.74 (37)	39.82	28.97 (73)	March 2011	March 2012	Foreclosed (November 2024)
5		Rato	32.00	6.15 (19)	56.34	6.09 (11)	February 2018	August 2019	Stopped for want of land
Kamala-Balan Basin									
6	Flood Control Division- I, Jhanjharpur	Nepal Tagging	1.81	0.48 (27)	16.29	4.42 (27)	January 2021	May 2022	Stopped for want of land
Mahananda Basin									
7	Flood Control Division, Katihar	MFMS[5]-II	198.37	0 (0)	436.71	23.01 (5)	August 2018	March 2021	Not started
Total			**436.00**	**81.48 (19)**	**889.68**	**247.80**			

(Source: Records of the concerned divisions)

[3] *Administrative Approval of Bagmati Flood Management Scheme (BFMS) was including with Phase-I and Phase-II. Work was executed as per MoU and estimate. MB/expenditure report was not made available for construction of embankment in 11.35 km (Left:- 53.160 to 58.038 and Right:- 56.970 to 63.54) for estimation value of ₹19.37 crore.*

[4] *There was no embankment in alignment of from km 79.040 to 83.450 in right side, however Dhanaur-Katra Ringh Bandh was constructed from km79.040 of right embankment to protect the area in place of main embankment.*

[5] *Mahananda Flood Management Scheme (MFMS).*

Appendix-3.2

(Refer: Paragraph 3.2.1.1)

(A) Statement showing expenditure on the embankment constructed by HSCL under Phase-II of BFMS in patches

Period of work	Item of work	Quantity	Rate in ₹	Amount (in ₹)
Before flood 2012	E/w Tractor	70,220	76.70	53,85,874
After flood 2012	E/w Tractor	10,623.96	99.10	10,52,834
Before flood 2012	E/w Upto 1/2km	48,130	107.80	51,88,414
After flood 2012	E/w Upto 1/2km	10,740.24	107.80	11,57,798
Before flood 2012	E/w 1/2 to 1km	20,627	130.10	26,83,573
Before flood 2012	Seat preparation	55,749	2.30	1,28,222.7
Before flood 2012	Compaction	1,37,514	20.40	28,05,286
Before flood 2012	Crop comp.	1,37,514	6.50	8,93,841
After flood 2012	Seat preparation	2,622	2.50	6,555
Before flood 2012	Borrow area	1,40,440	1.40	1,96,616
After flood 2012	Borrow area	21,818.75	1.50	32,728.13
After flood 2012	Compaction	21,818.75	29.30	6,39,289.4
After flood 2012	Crop compensation	21,818.75	7.50	1,63,640.6
			Total	**2,03,34,671**

Statement showing expenditure incurred (March 2011 to August 2011) on incomplete constructed Dhanaur Katara Ring Bandh

Item	Unit	Executed quantity	Rate	Amount
Seat preparation	Sqm	2,59,761.60	1.70	4,41,594.72
Borrow area	Cum	6,50,097.20	1.00	6,50,097.20
E/W Tractor	Cum	1,64,624.94	75.90	1,24,95,032.95
E/w upto 500m	Cum	2,00,858.42	98.40	1,97,64,468.53
E/w 0.50 to 1 km	Cum	1,39,467.71	117.10	1,63,31,668.84
E/w 1to 1.5km	Cum	88,913.22	139.10	1,23,67,828.90
E/w 1.5 to 2km	Cum	65,070.63	161.00	1,04,76,371.430
Compaction	Cum	6,50,097.20	20.20	1,31,31,963.44
crop comp.	Cum	6,50,097.20	6.50	42,25,631.80
Total				**8,98,84,657.81**

(B) Statement showing expenditure incurred (March 2024) on incomplete constructed embankment under Phase-II of BFMS (extension)

Item	Unit	Executed quantity	Rate	Amount
Seat preparation	Sqm	8,293.03	4.30	35,660.02
E/w upto 150m to 0.5 km	Cum	12,450.09	174.70	21,75,030.72
E/w 1.5 to 2 km	Cum	12,463.59	276.60	34,47,428.99
Compaction	Cum	24,913.68	45.68	11,26,098.33
Total				**67,84,218.06**
After adding labour cess, GST and deducting 10% as per agreement				**64,72,144**

Grand Total: ₹203.35 + ₹898.85 + 64.72 = ₹ 1,166.92 lakh

Appendix-3.3

(Refer: Paragraph 3.3.2)

Findings of bid evaluation committee and decision of DTC

<table>
<tr><th>Observation of Technical Bid evaluation</th><th>Decision of DTC</th></tr>
<tr><td colspan="2">Name of work: BFMS phase III (b); Estimated cost: ₹ 128.07 crore; NIT 02/2020-21 dated 22.09.2020; Implementing unit: FCD, Darbhanga.</td></tr>
<tr><td>Non-attachment of affidavits of two site supervisors</td><td rowspan="2">Tender was revoked (December 2020) mentioning that no bidder was technically qualified.</td></tr>
<tr><td>Non-attachment of technical personnel (required no. of Site supervisor)</td></tr>
<tr><td>One bidder (M/s Mateshwari Construction) was technically qualified in the technical bid</td><td></td></tr>
<tr><td colspan="2">Name of work: Construction of embankment on Rato river; Estimated cost: ₹ 110.65 crore; NIT 05/2016-17 & 01/2017-18 issued in February 2017 and May 2017 respectively; Implementing unit: BD, Sitamarhi.</td></tr>
<tr><td>Four bidders were disqualified on ground of non-submission of certified copy of technical personnel, or Key equipment or both</td><td rowspan="2">Tenders were revoked mentioning with, no bidder was technically qualified.</td></tr>
<tr><td>Mentioning of ‘quality surveyor’ as ‘quantity surveyor’</td></tr>
<tr><td colspan="2">Construction of embankment on Rato river; Estimated cost: ₹ 52.43 crore; NIT 02/2017-18 Dated 04.09.2017; Implementing unit: BD, Sitamarhi.</td></tr>
<tr><td>Three bidders were disqualified on the grounds of non-attachment of certificate of ongoing work and existing commitment. However, bid capacity mentioned by three bidders were ₹ 567.71 crore, ₹ 989.91 crore and ₹ 1,087.33 crore, respectively, against the required bid capacity of ₹ 53.48 crore.</td><td rowspan="2">Work was awarded (January 2018) to BSCPL, Infrastructure, Hyderabad at 3.75 per cent above the BoQ value</td></tr>
<tr><td>One bidder, (Broadway links PVT. Ltd) was disqualified for non-submission of certificate of technical personnel and Key equipment.</td></tr>
<tr><td colspan="2">Name of work: BFMS Phase-V (a); Estimated cost: ₹ 338.69 crore; NIT (07SBD/20-21) Dated 09.03.2021: Implementing unit: BD, Runnisaidpur.</td></tr>
<tr><td>42 certificates of Existing commitments and ongoing works were submitted by RKN Projects PVT LTD. Nellore, Andhra Pradesh. Of which, three certificates were marked as ‘not satisfactory’.</td><td>Despite, the firm was found technically qualified and awarded the contract at 0.90 per cent above of BoQ rate</td></tr>
</table>

(Source: Records of the concerned divisions)

Appendix-3.4

(Refer: Paragraph 3.3.3)

Avoidable expenditure on spreading of earthwork

Name of division	Agreement No.	Scope of work	Earth work quantity of cutting area (M^3 in lakh)	Rate (in ₹) of spreading per m^3	Payment against spreading (Amount: ₹ in lakh)
FCD, Darbhanga	10 SBD/2020-21	De silting of old channel	2.96	18.77	55.57
	01 SBD/2020-21	Removal of obstruction in river	5.45	18.66	101.77
	01 SBD/2021-22	Removal of obstruction in river	3.75	18.77	70.44
BD, Sitamarhi	02SBD/20-21	Loosening of shoal	0.59	18.77	11.08
BD, Runnisaidpur	04SBD/2020-21	De silting of old channel	0.58	18.77	10.97
	01SBD/2018-19	Activation of old dhar/channel	11.53	17.71	204.16
FCD -1, Jhanjharpur	03SBD-2020-21	Removal of obstruction in river	3.93	18.77	73.68
FCD – 2, Jhanjharpur	04SBD/2020-21	Removal of obstruction in river	3.32	18.66	61.90
FCD – 2, Jhanjharpur	03SBD/2021-22	Removal of obstruction in river	3.51	18.77	65.90
Total			**35.62**		**655.47**

(Source: Records of the concerned divisions)

Appendix-3.5

(Refer: Paragraph 3.4.1.1)

Statement showing wasteful expenditure on WMM

Particulars	No. of Row	FCD, Salmari	FCD, Kishanganj
Width of WMM was to be executed	1	3.75 m	3.75 m
Thickness of WMM was executed	2	0.225 m	0.225 m
Executed Length of road/WMM	3	18,900 m	6,180 m
Quantity of WMM was to be executed	4(1x2x3)	15,946.875 cum	5,214.375 cum
Quantity of WMM was executed	5	25,930.32 cum	7,120.64 cum
Wasteful quantity of WMM	6 (5-4)	9,983.445 cum	1,906.265 cum
Quantity of WMM material required to carriage in execution of per cum WMM item	7	1.32 cum	1.32 cum
Wasteful quantity of WMM material carried	8 (6x7)	13,178.147 cum	2,516.270 cum
Rate of WMM item (excluding carriage)	9	₹1,046.30/cum	₹1,100.90/cum
Rate of carriage of WMM material	10	₹2,466.50/cum	₹1,962.50/cum
Wasteful expenditure on WMM item	11 (6x9)	₹1,04,45,678	₹20,98,607
Wasteful expenditure on carriage WMM material	12 (8x10)	₹3,25,03,900	₹49,38,180
Total wasteful expenditure on WMM with carriage	13 (11+12)	₹4,29,49,578	₹70,36,787
Adding GST@ 12%	14	₹4,81,03,527	0.00
Expenditure[6] on wasteful quantity of WMM	15	₹ 4,32,93,174	₹70,00,899
Total (Salmari + Kishanganj)			**₹ 5,02,94,073**

(Source: Records of the concerned divisions)

6 *After 10 per cent below in Salmari and 0.51 per cent below in Kishanganj as per agreement.*

Appendix-3.6

(Refer: Paragraph 3.4.2.2)

Details of non-requirement of Dense Bituminous Macadam (DBM) in the road work

Source of provision and design data taken in the estimates	Provision/Value
IRC: 37	As per IRC 37, the design of road pavement depends on factors like Commercial Vehicles Per Day (CVPD), Vehicle Damage Factor (VDF)[7], Million Standard Axle Load (MSA)[8], California Bearing Ratio (CBR) value[9] etc.
California Bearing Ratio value	4 *per cent*
Traffic intensity	136 CPVD
Vehicle Damage Factor (based on 136 Commercial Vehicles Per Day)	1.5
Million Standard Axle Load (based on 1.5 VDF)	0.85

Particulars	As per estimates	As per IRC provisions
As per traffic intensity of 136 CPVD	Value of VDF was taken as 3.5	Value of VDF was to be taken as 1.5
Value of MSA	MSA was taken 1.98 or equivalent to 02 by considering value of VDF 3.5	MSA was to be taken as 0.85 or equivalent to 01 by considering the value of VDF 1.5
Pavement thickness of the road	Value of pavement thickness was taken 560 mm including 50 mm DBM by considering the CBR as 4 *per cent* and MSA as 02	Value of pavement thickness was to be taken 500 mm, whereas DBM was not required by considering the CBR as 4 *per cent* and MSA as 01

[7] *It is a multiplier factor used for calculation of Million Standard Axle (MSA).*

[8] *MSA (Million Standard Axle), is used for designing of the pavement. It refers to the cumulative number of standard axles passing over a road section during its design life.*

[9] *It is a measure of load bearing of soil used for the design of pavement thickness.*

Appendix-3.7

(Refer: Paragraph 3.4.3.2)

Excess payment to contractor due to exclusion of GST and Labour Cess from BoQ value

(Amount: ₹ in crore)

Sl. No.	Name of FCD	Agreement no.	BoQ value	Percentage below the BoQ on which work was allocated	Work done value	Amount to be paid	Amount paid as per MB	Excess payment
1.	Jhanjharpur-I	01SBD/2023-24	264.13	10	76.71	83.30	84.40	1.1
2.	Jhanjharpur-I	03SBD/2020-21	21.23	12.07	16.15	20.48	21.22	0.74
3.	Jhanjharpur-I	02SBD/2020-21	6.87	5.71	6.22	6.39	6.51	0.12
4.	Jhanjharpur-II	01SBD/2023-24	264.13	10.00	71.35	77.59	78.38	0.79
5.	Jhanjharpur-II	04SBD/2020-21	5.37	7.77	5.18	5.17	5.18	0.01
6.	Katihar	01SBD/2023-24	15.53	3.31	13.36	15.57	15.59	0.02
	Total		**577.26**			**208.50**	**211.28**	**2.78**

(Source: Records of the concerned divisions)

Appendix-3.8

(Refer: Paragraph 3.4.5.1(A))

Details of heights of Bagmati Embankments from km 112.280 to km 182.700

(Height in metre)

Place/chainage	Required height of embankment as per CWPRS, Pune	Design level planned by the department	Less height of embankments in design (in comparison to recommendation of CWPRS, Pune)	Top level (m) actually executed	Short in height against requirement
720 m (km 113)	54.300	50.885	3.415	50.890	3.410
3720 m (km 116)	54.280	50.165	4.115	50.170	4.110
6720 m (km 119)	54.250	50.230	4.020	50.230	4.020
9720 m (km 122)	54.230	50.370	3.860	50.370	3.860
12720 m (km 125)	54.210	49.732	4.478	49.730	4.480
15720 m (km 128)	54.190	49.424	4.766	49.420	4.770
18720 m (km 131)	54.180	49.210	4.970	49.210	4.970
21720 m (km 134)	54.130	48.809	5.321	48.810	5.320
24720 m (km 137)	53.950	47.740	6.210	47.740	6.210
27720 m (km 140)	53.780	47.980	5.800	47.980	5.800
30720 m (km 143)	53.540	47.561	5.979	47.560	5.980
33720 m (km 146)	53.280	47.167	6.113	47.170	6.110
36720 m (km 149)	52.920	46.853	6.067	46.850	6.070
39720 m (km 152)	52.710	47.760	4.950	47.760	4.950
42720 m (km 155)	51.820	46.218	5.602	46.220	5.600
51720 m (km 163)	50.480	44.981	5.499	44.980	5.500
57720 m (km 169)	49.870	44.046	5.824	44.050	5.820
60720 m (km 172)	49.480	43.735	5.745	43.740	5.740
63720 m (km 175)	49.130	43.355	5.775	43.360	5.770
66720 m (km 178)	48.830	42.661	6.169	42.660	6.170
69720 m (km 181)	48.690	41.967	6.723	41.970	6.720

(Source: Records of the concerned divisions)

Appendix-3.9

(Refer: Paragraph 3.4.5.1(B))

Details of top level of embankments from km 60.00 to km 79.00 against the design level

Chainage (Km)	Design level to be achieved as per report of CWPRS, Pune	Left embankment		Right embankment	
		Formation level achieved	Short height against design	Formation level achieved	Short height against design
60	**59.44**	57.54	-1.90	NA[10]	NA
61	**59.24**	58.52	-0.72	NA	NA
62	**59.04**	58.64	-0.40	NA	NA
63	**58.84**	58.07	-0.77	NA	NA
64	**58.64**	57.48	-1.16	58.92	0.28
65	**58.42**	58.52	0.10	58.84	0.42
66	**58.22**	57.80	-0.42	58.82	0.60
67	**58.02**	57.98	-0.04	58.86	0.84
68	**57.82**	57.56	-0.26	58.58	0.76
69	**57.62**	57.22	-0.40	55.86	-1.76
70	**57.42**	57.32	-0.10	NA	NA
71	**57.22**	57.20	-0.02	NA	NA
72	**57.02**	57.15	0.13	NA	NA
73	**56.82**	56.69	-0.13	58.07	1.25
74	**56.62**	56.60	-0.02	57.87	1.25
75	**56.42**	56.32	-0.10	57.68	1.26
76	**56.22**	56.17	-0.05	NA	NA
77	**56.02**	NA	NA	NA	NA
78	**55.82**	NA	NA	NA	NA
79	**55.62**	NA	NA	56.715	1.095

(Source: Records of the concerned divisions)

[10] *Information was not available.*

Appendix-3.10
(Refer: Paragraph 3.4.5.4)
Irregular payment on lead (carriage) of earthwork

Division	Agreement No.	Period of execution	Range of lead (rounded off up to 0.5 km)	Quantity of work executed (m^3 in lakh)	Payment made (₹ in crore) against the work done
FCD, Darbhanga	10 SBD/2020-21	March 2021 to September 2024	0.5km to 1.00km	14.71	30.62
			1.00km to 1.50km	1.00	2.44
BD, Sitamarhi	04 SBD/2017-18	February 2018 to March 2024	0.5km to 1.00km	1.64	2.82
FCD-1, Jhanjharpur	01 SBD/2023-24	May 2023 to October 2024	0.5km to 1km	6.97	16.95
	03 SBD/2020-21	September 2020 to December 2023	0.5km to 1km	0.91	1.89
			1km to 1.5km	0.91	2.23
	04SBD/2021-22	January 2022 to March 2024	0.5km to 1km	5.29	11.01
FCD-2, Jhanjharpur	01 SBD/2023-24	May 2023 to October 2024	0.5km to 1km	5.01	12.17
	04SBD/2021-22	January 2022 to March 2024	0.5km to 1km	6.86	14.28
			1 km to 1.5km (extra item)	5.17	12.66
FCD, Katihar	03SBD/ 2016-17	March 2017 to June 2021	0.5km to 1km	6.54	11.26
			1km to 1.5km	4.43	9.00
			1.5km to 2km	2.32	5.43
			2km to 2.5km	1.13	3.00
			2.5km to 3km	1.16	3.43
FCD Division, Kishaganj	04SBD/ 2017-18	January 2018 to January 2020	1km to 1.5km	0.19	0.40
			1.5km to 2km	0.86	2.00
			2km to 2.5km	0.56	1.50
			3km to 3.5km	0.35	1.19
FCD, Salmari	09SBD/ 2017-18	January 2018 to March 2021	0.5km to 1km	3.45	5.68
			1km to 1.5km	3.54	7.05
			1.5km to 2km	2.90	6.78
			2km to 2.5km	3.54	9.51
			2.5km to 3km	3.56	10.78
Total				**83.00**	**184.09**

(Source: Records of the concerned divisions)

Appendix-3.11

(Refer: Paragraph 3.5 (A))

A. Specification requirement for minimum Subgrade Soil Compaction as per IRC 36

Sl. No.	MDD (gm per cc)	Minimum subgrade Compaction requirement (*per cent)*
1	Less than 1.65	102*
2	1.65 to 1.74	102*
3	1.76 to 1.90	100
4	1.92 and above	98

*(Source: IRC 36) *If not attainable in any soil, at least 100 per cent*

B. Details of compaction of earthwork and conduct of MDD test-report

Sl. No.	Name of Division	Agreement no.	Date of tests	No. of tests	MDD	Required level of compaction as per IRC	Actual Compaction (%)	No. of test the MDD was less than 1.65
1	Kishanganj	04SBD/ 2017-18	25/02/19	8	1.880	100	95.05	0
2			06/05/19	15	1.634 to 1.644	102	95.01 to 95.25	15
3.	Salmari	09SBD/ 2017-18	02/05/18	5	1.562 to 1.577	102	95.01 to 95.26	5
4.			10/06/18	7	1.562 to 1.577	102	95.00 to 95.14	7
5.			16/01/19	5	1.562 to 1.577	102	95.00 to 95.20	5
6.	Katihar	03SBD/ 2016-17	15/11/17	3	1.54 to 1.65	102	95.00 to 95.10	2
7.			25/06/18	3	1.566 to 1.611	102	Not done	3
8.			21/06/18	2	1.552 to 1.736	102	Not done	1
9.	Jhanjharpur-I	01SBD/ 2023-24	15/05/24	29	1.652 to 1.807	100 to 102	90.51 to 94.55	0
10.			05/03/24	52	1.652 to 1.835	100 to 102	90.64 to 94.34	0
11.	Jhanjharpur-I	04SBD/ 2021-22	31/01/22	5	1.707 to 1.857	100 to 102	95.32 to 95.93	0
12.			20/02/22	6	1.584 to 1.742	102	95.00 to 95.97	1
13.			12/03/22	4	1.597 to 1.759	100 to 102	95.01 to 95.45	1
14.			20/05/22	4	1.622 to 1.726	102	95.07 to 95.38	1
15.			11/04/22	1	1.680	102	Not Available	0
16.			02/06/22	4	1.680 to 1.713	102	Not Available	0
17.	Jhanjharpur-II	01SBD/ 2023-24	06/03/24	39	1.661 to 1.738	102	90.62 to 94.82	0
18.			07/01/24	09	1.648 to 1.757	100 to 102	96.47 to 97.45	2
19.	Jhanjharpur-II	04SBD/ 2021-22	07/01/24	9	1.648 to 1.757	100 to 102	96.47 to 97.45	2
20.			06/05/22	6	1.626 to 1.738	102	95.04 to 95.28	1
21.			21/02/22	5	1.695 to 1.757	100 to 102	95.19 to 95.83	0
	Total			**221**	**1.540 to 1.857**		**90.62 to 97.45**	**46**

(Source: Records of the concerned divisions)

Appendix-3.12
(Refer: Paragraph 3.5 (B))
Statement showing quantity of earth obtained from borrow area without conducting quality tests of borrow area

Sl. No.	Name of Division	Name of Work	Agreement No.	Period of execution	Earth obtained from borrow area (m^3 in lakh)
1	FCD, Darbhanga	Bagmati Flood Management Scheme under phase III(b)	10SBD/2020-21	March 2021 to September 2024	36.99
2	BD, Sitamarhi	Construction of left & right embankment on Rato River	04SBD/ 2017-18	February 2018 to March 2024	4.99
3	FCD-1, Jhanjharpur	Raising, Strengthening and Puccikaran of Left and Right Kamla-Balan Embankment under Phase-II	01SBD/ 2023-24	May 2023 to October 2024	27.88
4		Extension of LBBE from KM 25.00 (near village Ram Nagar) to KM 31.60 up to Ghoghardiha -Nirmali link road (Near Parsa halt) and construction of AFS at chainage: 25.488, 28.470 and 29.710 km.	03SBD/ 2020-21	September 2020 to December 2023	2.28
5		Raising, Strengthening and Puccikaran of Left and Right Kamla-Balan Embankment under Phase-I	04SBD/ 2021-22	January 2022 to March 2024	21.05
6	FCD-2, Jhanjharpur	Raising, Strengthening and Puccikaran of Left and Right Kamla-Balan Embankment under Phase-II	01SBD/ 2023-24	May 2023 to October 2024	20.02
7		Raising, Strengthening and Puccikaran of Left and Right Kamla-Balan Embankment under Phase-I	04SBD/ 2021-22	January 2022 to March 2024	39.72
	Total				**152.93**

(Source: Records of the concerned divisions)

Appendix 4.1
(Refer: Paragraph 4.1)
Details of excess payment made due to erroneous calculation of price adjustment

(Amount in ₹)

No. of Running Account bill	Date of measure-ment	value of work (R)	Percentage of Steel as per Schedule 'E' (Ps)	WPI of Steel at the time of measurement (S1)	WPI of Steel for January 2017 i.e., before 28 days of opening of bid (S0)	Actual amount of Steel to be adjusted {Vo=0.85xPs /100xRx (S1-S0)/S0}	Percentage of Cement as per Schedule 'E' (Pc)	WPI of Cement at the time of measure-ment (C1)	WPI of Cement for January 2017, i.e., before 25 days of opening of bid (C0)	Actual amount of Cement to be adjusted {Vo=0.85xPc/ 100xRx(C1-C0)/C0)
1st	10/02/18	10,51,56,771	13	108.6	90.5	23,23,965	15	111.3	108.3	3,71,399
2nd	21/03/18	2,59,36,818	13	110.7	90.5	6,39,708	15	110.3	108.3	61,070
4th	26/07/18	12,28,61,078	13	113.4	90.5	34,35,291	15	110.9	108.3	3,76,071
5th	16/09/18	9,46,91,242	13	115.2	90.5	28,55,752	15	110.4	108.3	2,34,105
6th	23/11/18	3,73,28,662	13	115.0	90.5	11,16,663	15	109.6	108.3	57,130
7th	25/12/18	5,88,61,908	13	112.9	90.5	16,09,889	15	109	108.3	48,508
8th	23/02/19	12,54,46,681	13	112.1	90.5	33,08,466	15	111.6	108.3	4,87,366
9th	30/05/19	11,83,45,436	13	112.1	90.5	31,21,181	15	111.6	108.3	4,59,777
10th	30/07/19	7,97,70,000	13	108.5	90.5	17,53,177	15	111.6	108.3	3,09,910
Total						**2,01,64,092**				**24,05,336**
Amount payable as per percentage component shown in Schedule E of the SBD (2,01,64,092+24,05,336)										**2,25,69,428**
Amount paid by the Division										**3,26,31,323**
Avoidable excess payment										**1,00,61,895 or ₹ 1.01 crore**

Appendix-4.2
(Refer: Paragraph 4.3)
Details of payment made to the agency by the University

(Amount: in ₹)

Sl. No.	Bill No.	Bill Date	Bill value	IGST (@ 18 *per cent)* on bill value	Total Amount paid
1	384/2021-22	15-Sep-21	1,59,52,506	28,71,451	1,88,23,957
2	391/2021-22	21-Sep-21	4,90,43,114	88,27,761	5,78,70,875
3	699/2021-22	17-Jan-22	3,58,45,306	64,52,155	4,22,97,461
4	93/2022-23	4-Oct-22	63,75,180	11,47,532	75,22,712
5	95/2022-23	16-Nov-22	1,48,47,236	26,72,502	1,75,19,738
6	99/2022-23	5-Dec-22	82,70,239	14,88,643	97,58,882
7	100/2022-23	6-Dec-22	85,24,782	15,34,461	1,00,59,243
8	101/2022-23	7-Dec-22	82,50,359	14,85,064	97,35,423
9	102/2022-23	8-Dec-22	81,36,654	14,64,597	96,01,251
10	103/2022-23	9-Dec-22	81,82,581	14,72,864	96,55,445
11	104/2022-23	6-Jan-23	60,52,500	10,89,450	71,41,950
12	105/2022-23	6-Jan-23	7,06,920	1,27,246	8,34,166
13	106/2022-23	11-Jan-23	36,21,678	6,51,902	42,73,580
14	107/2022-23	11-Jan-23	8,48,501	1,52,730	10,01,231
15	108/2022-23	11-Jan-23	85,44,318	15,37,977	1,00,82,295
16	109/2022-23	11-Jan-23	83,81,922	15,08,746	98,90,668
17	110/2022-23	11-Jan-23	81,92,346	14,74,622	96,66,968
18	111/2022-23	11-Jan-23	88,22,228	15,88,001	1,04,10,229
19	119/2022-23	16-Feb-23	63,34,120	11,40,142	74,74,262
20	120/2022-23	16-Feb-23	55,58,600	10,00,548	65,59,148
21	121/2022-23	16-Feb-23	27,94,450	5,03,001	32,97,451
22	122/2022-23	16-Feb-23	2,28,02,832	41,04,510	2,69,07,342
23	123/2022-23	16-Feb-23	2,00,10,960	36,01,973	2,36,12,933
24	124/2022-23	16-Feb-23	1,00,60,020	18,10,804	1,18,70,824
25	125/2022-23	16-Feb-23	42,47,600	7,64,568	50,12,168
26	126/2022-23	16-Feb-23	42,03,675	7,56,661	49,60,336
27	127/2022-23	16-Feb-23	42,93,870	7,72,896	50,66,766
28	128/2022-23	16-Feb-23	38,65,884	6,95,859	45,61,743
29	05/2023-24	28-Apr-23	27,94,800	5,03,064	32,97,864
30	18/2023-24	29-May-23	10,87,200	1,95,696	12,82,896
31	19/2023-24	29-May-23	14,76,696	2,65,805	17,42,501
32	20/2023-24	29-May-23	66,000	11,880	77,880
Total			**29,81,95,077**	**5,36,75,111**	**35,18,70,188**

Appendix-4.3

(Reference: Paragraph-4.4)

Office-wise details of avoidable expenditure incurred towards payment of penalty of damages and interest

(Amount in ₹)

Sl. No.	Office	Wages month	Range of delay in remittance (in days)	Avoidable expenditure		
				Amount of interest	Amount of damages	Total amount
1	DWO, Araria	January 2019 to February 2023	1 to 247	3,25,191	4,15,851	7,41,042
2	DWO, Arwal	April 2019 to October 2023	3 to 419	380	74,827	75,207
3	DWO, Aurangabad	July 2018 to April 2023	1 to 619	3,02,312	2,06,250	5,08,562
4	DWO, Bhagalpur	October 2018 to January 2022	2 to 575	5,61,456	5,34,460	10,95,916
5	DWO, Buxar	April 2019 to April 2022	2 to 551	7,72,838	14,02,524	21,75,362
6	DWO, Darbhanga	April 2019 to April 2023	2 to 264	8,00,056	9,81,593	17,81,649
7	DWO, Kaimur	October 2018 to September 2021	1 to 531	1,50,151	1,34,426	2,84,577
8	DWO, Khagaria	April 2019 to January 2023	1 to 457	2,11,537	1,96,209	4,07,746
9	DWO, Lakhisarai	April 2019 to March 2023	1 to 335	61,225	36,621	97,846
10	DWO, Patna	April 2019 to January 2023	5 to 322	23,86,267	35,99,141	59,85,408
11	DWO, Samastipur	April 2019 to November 2020	2 to 185	2,85,040	0	2,85,040
(A)	**Total**		**1 to 619**	**58,56,453**	**75,81,902**	**1,34,38,355**
12	DPO (Establishment), Madhubani	January 2020 to March 2022	6 to 838	-	-	2,27,98,578
13	DPO (Establishment), Muzaffarpur	September 2020 to February 2022	1 to 970	-	-	14,74,568
(B)	**Total**		**1 to 970**	**-**	**-**	**2,42,73,146**
Grand Total (A+B)				**58,56,453**	**75,81,902**	**3,77,11,501**

Appendix-4.4

(Reference: Paragraph-4.6)

Details of quantity of boulders, carriage rates and payments made

Sl. No.	Agreement No.	Quantity of boulders required as per approved Estimates/ Agreement (in cubic metre)		Quantity of boulders used in works (in cubic metre), rates of carriage and payment made					Amount payable if boulders were carried through rail		Avoidable payment (₹ in crore) (9) - (11)- 10% of (9-11)
		By Rail	By Road	Quantity (by Rail)	Rate per cubic metre (in ₹)	Quantity (by Road)	Rate per cubic metre (in ₹)	Total Amount paid (₹ in crore) {5x6+7x8}	Total Quantity {5+7}	Payable Amount (₹ in crore) {6x10}	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
1	09 SBD/ 2017-18	1,364.69	3,184.27	1,356.55	3,091.20	3,165.30	5,568.60	2.18	4,521.85	1.40	
2	11 SBD/ 2017-18	2,916.00	6,804.00	2,921.28	2,933.08	6,816.33	5,410.48	4.54	9,737.61	2.86	
3	18 SBD/ 2017-18	2,527.20	5,896.80	2,485.65	3,407.45	5,798.64	5,963.91	4.31	8,284.29	2.82	
	Total	**6,807.89**	**15,885.07**	**6,763.48**		**15,780.27**		**11.03**	**22,543.75**	**7.08**	**3.56***

** ₹ 3.56 crore = ₹3.95 crore {(Total paid amount (₹11.03 crore)- Payable amount (₹7.08 crore) – 10 per cent of ₹ 3.95 crore (Since, the contracts were awarded at 10 per cent below than the estimated cost)}*

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