

CHAPTER IV: CONTRACT MANAGEMENT AND EXECUTION OF WORKS

4. Introduction

As per the implementation strategy, the State Public Works Departments (PWDs) were responsible for executing the construction of road works along Indo-Nepal border. The project was to be completed by March 2016. The timelines were further revised to 31 December 2022.

The examination of records related to the execution of works in MHA and the State PWDs revealed the following:

4.1 State-wise progress of the INBR Project

The State-wise status of the INBRP is depicted in **Table No. 8**:

Table No. 8: State-wise status of the INBR Project (as of March 2021)

Particulars	Bihar	Uttar Pradesh	Uttarakhand	Total
Length approved by CCS (in km)	564	640	173	1377
Actual length of Road to be constructed (in km)	552.29	574.59	135.48	1262.36
DPRs approved by HLEC (in km)	552.29 ³⁵ (100%)	235.57 ³⁶ (41%)	55 (41%)	842.86 (67%)
Formation work (in km) (percentage with respect to km in approved DPRs)	354.91 (64%)	197.35 (84%)	41.50 (75%)	593.76 (70%)
Surfacing work (in km) (percentage with respect to km in approved DPRs)	155.53 (28%)	182.95 (78%)	29 (53%)	367.48 (44%)

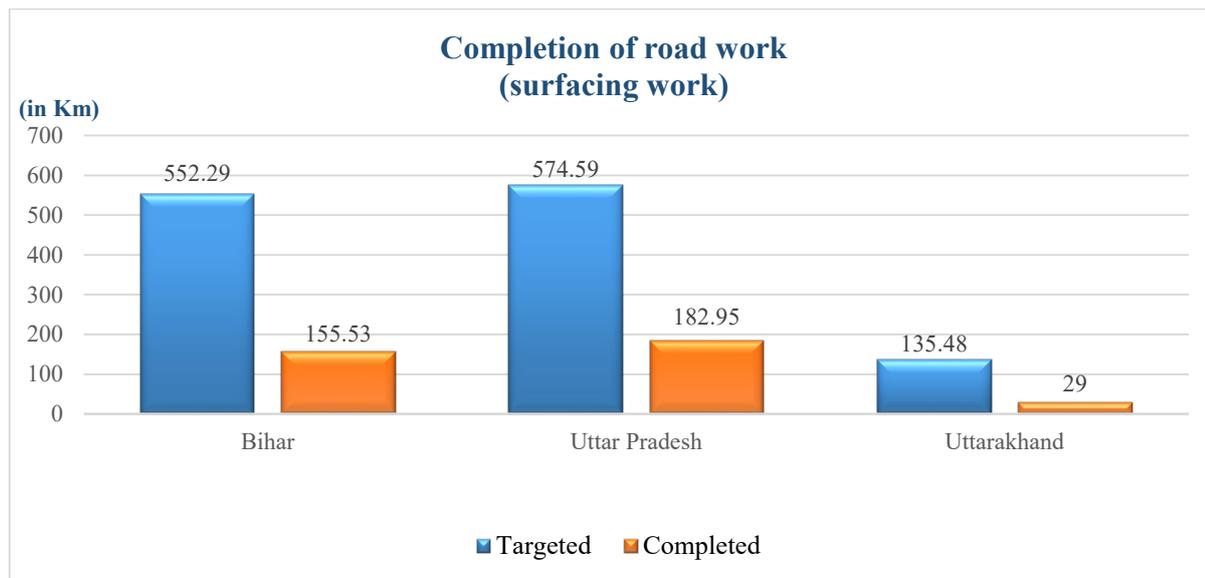
Source: MHA

Despite the lapse of 10 years i.e. 2011-2021, the progress of work of construction of roads in all the three States was slow and out of 1262.36 km road to be constructed along the Indo-Nepal border, only 367.48 km of road (29 per cent) has been completed (surfacing work) as of March 2021. The progress of work, compared to the approved DPRs (842.86 km) is 44 per cent.

³⁵ In Bihar, 564 km length was reduced to 552.29 km as per actual site conditions.

³⁶ In Uttar Pradesh, 257.02 km length was reduced to 235.57 km as per revised DPRs.

Chart No. 7: Completion of road work



Source: MHA

In **Bihar**, out of 15 stretches of 552.29 km, the formation work of 354.91 km and surfacing work of 155.53 km has been completed as of March 2021. While in two stretches (24.20 km) construction work has been completed, in 11 stretches (454.89 km) the work was under progress and in the remaining two stretches of 73.20 km, the work was retendered and yet to be awarded by the executing agency. **(Annexure-6)**

In **Uttar Pradesh**, out of 12 stretches (235.57 km), the construction of road in eight stretches (97.36 km) has been completed. In the remaining four stretches (138.21 km), the work of construction of road was under progress. As of March 2021, the formation work of 197.35 km and surfacing work of 182.95 km has been completed. **(Annexure-7)**.

In **Uttarakhand**, out of two stretches (55 km), the construction in one stretch (12 km) has been completed. In the remaining stretch (43 km), the construction of road was in progress. As of March 2021, the formation work of 41.5 km and the surfacing work of 29 km of road have been completed.

MHA stated (December 2021) that the concerned Executing Agencies are being geared up from time to time to complete the construction work within the time frame i.e. by December 2022.

Given the current pace of progress, Audit is of the view that the task of development of roads of operational and strategic significance in areas along the Indo- Nepal border within the revised timelines (December 2022) appears to be challenging.

4.2 Contract Management

Public contracting should be conducted in a transparent manner to ensure fair competition, with no scope for arbitrariness in the system. Audit examined the records of construction contracts

entered into by State executing agencies. The deficiencies in the contract management are discussed below.

4.2.1 Improper tendering process

Uttarakhand: As per clause 13.1 of the Uttarakhand Procurement Rule (UPR) 2008, as amended from time to time, procurement of goods/works of estimated value of ₹ 25 lakh and above should be through invitation of tender. Further, sub clause V of the UPR envisages that the minimum time to be allowed for submission of bids should be three weeks from the date of publication of the tender notice or availability of the bidding document for sale, whichever is later.

Audit observed that in contravention of the above provisions, during tendering (01 October 2011) for improvement and strengthening of the road stretch from 0 to 12 km of the projected road, the PWD Division prescribed only 11 days as against 21 days for sale and submission of bids by the aspirants/bidders³⁷. Further, due to termination (7 December 2013) of the earlier bond, the Division floated a tender (29 September 2014) for the rest of the work for the same stretch of the projected road, wherein only 12 days were given for submitting bids as against prescribed 21 days³⁸.

The SGoU stated (March 2019) that in both cases, the action was taken after appropriate circulation of tender notice. Ministry endorsed (August 2021) the views of the SGoU. The reply is not acceptable as only 11 and 12 days were given for submission of bids as against the prescribed 21 days.

4.2.2 Invitation and opening of bids before according Technical Sanction and delay in execution of contract bonds

Uttar Pradesh: As per UPPWD order (September 1999), Notice Inviting Tender (NIT) should not be issued without obtaining technical sanction (TS) from the competent authority. Further, Engineer-in-Charge (E-in-C) directed (April 2004) that NITs should not be published without finalisation of Bill of Quantities (BOQ). E-in-C (UPPWD) order (December 2005) also provides for execution of the contract bond within 52 days from the date of NIT.

Audit scrutiny revealed that in 11 out of 13 contracts, NITs were invited by UPPWD 34 to 162 days prior to technical sanction by the Competent Authorities and financial bids were also opened up to 59 days prior to the dates of technical sanction. In nine out of 11 NITs, contract bonds were executed 18 to 146 days beyond the stipulated period of 52 days. Thus, there was

³⁷ Against which four bids were received.

³⁸ Against which only three bids were received.

no justification for inviting tenders and opening of financial bids prior to technical sanctions **(Annexure-8)**.

Further scrutiny revealed that bids of successful bidders were higher than the estimated cost ranging between 12.15 *per cent* and 49.20 *per cent*. Therefore, to bring the contract within the approved estimated cost (TS), UPPWD reduced the BOQ although the contracts were executed for the entire length of road as mentioned in NITs. However, with the reduced BOQ, construction of 53.71 km road (22 *per cent*) was not possible³⁹.

SGoUP replied (January 2020) that in order to save time, bids were invited before TS and TS was accorded prior to the commencement of work as per the provision of FHB Volume-VI. The scope of work remained as sanctioned. It was further stated that bids of higher rates than the rates mentioned in the BOQ were accepted as retendering for the bids would have resulted in further escalation of rates. Hence, in the Government's interest it was decided to negotiate with the lowest bidder to obtain the minimum cost. Ministry endorsed (August 2021) the views of the SGoUP.

The reply was not acceptable as the invitation and opening of bids before TS violated the UPPWD order of 1999. Further, the reduction of BOQ after opening of bid was against the principal of transparency in contract management. This also led to lesser length as compared to the sanctioned length being taken up for construction. Further, the contention that rejection of bids and going for re-tendering could have resulted in higher rates was entirely based on assumption since the process of re-tendering could have also yielded lower rates also.

4.2.3 Non-evaluation of bidding capacity and irregular award of contract.

Bihar: As per Rule 158A of the Bihar Public Works Division code, in order to avoid the participation of unqualified tenderers and later rejection on capability grounds, a two-bid/envelop system, technical and financial, should be used. In the bid, the intending participants would be shortlisted based on the criteria of personnel, equipment and financial capabilities as per the requirement of the work specified in the tender notice. Further, as per the special condition of contracts of Standard Bidding Document, copies of evidence showing ownership/lease agreement of Tools & Plants (T&P) with the date of manufacturing and evidence of the technical personnel to be engaged in executing work and their employment must be uploaded/attached with the technical bid. The agreement was to be executed only after verification of original papers of the tools and plants and key personnel.

³⁹ Computed on proportionate basis of quantity of BC/PQC works as per NIT and as per BOQ of the contract bonds.

Audit observed that contractor M/s JKM Infra had qualified in three groups separately which included seven⁴⁰ out of 15 stretches spread across four districts. M/s JKM Infra had submitted the same bidding document with same T&P and key personnel separately for each group.

It was further observed that the work in the stretch of Madanpur to Dhutaha (111.098 km) was initially awarded to M/s NKC in January 2013. However, the work remained incomplete after an expenditure of ₹ 6.47 crore (2.2 per cent of the agreement amount), as the work was stopped by the contractor in 2015 due to non-provision of encumbrance free land by the RCD.

RCD issued fresh Notice Inviting Tender (NIT) in January 2019 without closing the agreement with M/s NKC and split the work in four packages. Two out of four packages were awarded to M/s Ujjain Engicon. Besides, the contractor M/s Ujjain Engicon had also been awarded the work of road maintenance contract in the West Champaran District. The contractor was required to submit details of the availability of T&P for each group separately; however, documents of the same T&P and technical personnel were submitted in every group. This proved that though the contractor had limited T&P and technical manpower to execute the work, the Department Technical Bid Evaluation Committee did not consider it while qualifying M/s JKM and M/s Ujjain Engicon in the technical bid. Resultantly, work awarded to M/s JKM suffered and remained incomplete. Non-availability of T&P and Technical personnel was confirmed during the departmental inspection (November 2015) also. The progress of work of M/s Ujjain Engicon was far behind the work schedule approved by the EE, RCD, Bettiah.

The SGoB (July 2019) replied that by furnishing an affidavit, contractors assured that being the lowest bidder in more than one package, they would resort to new recruitment for arranging the required manpower. Regarding non-availability of tools and plants during the inspection of authority, it was stated that later it was rectified by the contractors. Ministry endorsed (August 2021) the views of the SGoB.

The reply corroborated the audit observation that the contractors did not have sufficient manpower and tools and plant at the time of bidding. Besides, no evidence was available on record regarding either new recruitment by the contractor or rectification of insufficient tools and plants.

4.2.4 Apparent manipulation in the financial bid relating to DPR

(i) Overwriting in bid value

Para 18.2 of Instruction to Bidders (ITB) of special condition of contract states that all pages of the bid where amendment has been made should be initialed by the person(s) signing the bid and a certificate of correction must be given by the employer. Further, Paragraph 18.3 of the ITB of Standard Bidding Document (SBD) provides that there should be no addition and

⁴⁰ 47 per cent of the total length of road

alteration in the financial bid except those to comply with the instruction of the employer, or as necessary to correct errors made by the bidders. In that case, such corrections shall be initiated by the person(s) signing the bid.

The work for the preparation of DPR was entrusted to Bihar State Road Development Corporation Limited (BSRDCL) (September 2010). Quotations were invited (December 2010) from the empanelled Consultants. Scrutiny of records disclosed that the financial bid was opened before a Committee⁴¹ on 28 December 2010. As per the comparative statement of the financial bid, M/s ICEAP, New Delhi, was the lowest bidder and quoted the lowest price of ₹ 96,557 per km.

Audit noted that the rate was altered (date not entered by bidder) from ₹ 77,144 per km to ₹ 96,557 per km. No certificate of correction was put by the employer on the pages where alteration was done. Justification for alteration of the rate was also not available on record in the form of employer's instruction to make the alteration.

(ii) Post tender negotiation

As per CVC Guidelines (January 2010), post tender negotiation with L-1 *i.e.* the lowest bidder could often be a source of corruption. Therefore, it was directed that post tender negotiations with L1 should be done only in exceptional circumstances. Further, as per Rule 164 of BPWD Code, negotiation of rates should be done with the lowest tenderer only if the tender is considered to be too high.

Scrutiny disclosed that a decision was taken to hold rate negotiation with all the bidders including L-1 by the Rate Negotiation Committee⁴² (Committee) of BSRDCL. In the rate negotiation held on 29.12.2010, the Committee negotiated the rate with all the bidders and took their consent to execute the work at the flat rate of ₹ 94,500 per km. Accordingly, the Committee decided to distribute the entire stretches of 564.16 km among all the five bidders⁴³.

Thus, the rate was first raised through overwriting and brought down through rate negotiation with all the bidders as against the codal provision which appears to be a case of rate manipulation. The overall inflated cost of DPR preparation for 564.16 km of the road was ₹ 97.92 lakh⁴⁴. Against the agreement value of ₹ 5.13 crore, the Consultants were paid ₹ 4.80 crore towards the preparation of DPR.

⁴¹ Chief General Manager (Chairman), General Manager (Member), Three Deputy General Managers (Members) and Chief Accounts Officer (Member).

⁴² Chief General Manager (Chairman), General Manager (Member), Three Deputy General Manager (Members) and Chief Accounts Officer (Member)

⁴³ S. N. Bhobe-113 km, VKS Infratech-113 km, Caritas-113 km, CETEST-113 km and ICEAP-113 km

⁴⁴ (₹ 94,500 – ₹ 77,144) X 564.16 km = ₹ 97,91,560.96

SGoB replied (July 2019) that the rate quoted by the agency was higher than the normal rate. Hence, the Committee decided to negotiate the rate with all the bidders. Regarding overwriting in financial bid (quotation), it stated that as per RFP clause 2.6.1, financial proposal should contain no overwriting, except as necessary and made by the Consultant themselves and it must be initialed by the person signing the proposal.

The fact, however, remained that the Department had not fixed any normal rate. In normal parlance of contract, normal/reserve price needs to be discovered, but Audit did not find any such process in records. Besides, Rule 164 of the BPWD Code was also not complied with. Certificate of correction was not put by the employer on the pages where alterations were done. Also, the justification for the alteration of the rate was not on record.

4.3 Award of work without availability of encumbrance free Land

As already pointed out in paragraph 2.4, in all the three States, the works for construction of roads were awarded without ensuring acquisition of land and forest clearance. This resulted in time overrun in the projects as discussed below.

Bihar: The project of 552.29 km of roads was divided into 15 stretches, out of which, 191.06 km of road was said to be available for upgradation. However, after the alignment change (April 2011), the actual land available was sufficient for road length of only 51.25 km (nine *per cent*) for upgradation, while land for the rest of 501.04 km (91 *per cent*) was to be acquired. Despite unavailability of land, RCD gave the contract for construction of road for the entire stretch of 552.29 km (March 2013). Resultantly, work could not progress, and the contractors refused to work due to unavailability of land. The contractors in nine stretches (372.93 km) had stopped work (2015) while in one stretch (24.05 km) the work was rescinded (September 2017). Nine stretches (372.93 km) were affected by arbitration/tribunal cases, while in the ten stretches put together, only 30.40 km (eight *per cent*) of work was done as of March 2021.

In reply, Ministry endorsed (August 2021) the views of the SGoB, which stated that tenders were floated between July 2012 to December 2012. It was expected that within one year, land acquisition as per old Land Acquisition Act might be completed. Hence the work agreement was signed in between December 2012 and June 2013. However, the land acquisition could not happen due to farmer's agitation.

The reply was not acceptable as the tenders should have been floated only after completion of land acquisition.

Uttar Pradesh: UPPWD entered into 13 contracts for execution of work (12 between May 2013-July 2015 and one in February 2018) though the land was not acquired. Audit observed that just one month prior to taking up of the construction work in May 2013, a consultancy firm was engaged for survey work (identification of land, consent from land owners

and getting registry done in the name of the State Government) and preparation of micro-plan for land acquisition. This indicates that even preparatory work relating to land acquisition was not completed and there was no scope for construction of work, the contracts were executed in anticipation of land acquisition.

Audit observed that at the time of execution of the contract, out of 12 works (13 contracts)⁴⁵, in six works no land was available whereas in five works two to 37 per cent land was available and only in one work 100 per cent land was available.

Audit noted that the construction of roads in eight stretches (97.36 km) had been completed after a delay ranging between 23 and 69 months from the target date of completion. In remaining four stretches (138.21 km), the construction of roads had not been completed despite lapse of 56 to 69 months from the stipulated date of completion (**Annexure-9**).

In reply, the SGoUP stated (January 2020) that agreements were made keeping in view that some portion of the packages include government land where no land acquisition was required and construction and land acquisition process may proceed simultaneously. Land acquisition process was held up due to amendment in Land Acquisition Act (2013). Ministry endorsed (August 2021) the views of the SGoUP.

Audit noted that the agreements made without land resulted in not only time and cost overruns but also undue favor to the contractors as they were paid interest-free advances aggregating ₹ 84.85 crore as discussed in para 3.1.6 which were tied to progress of construction even though the land was not available.

Uttarakhand: The State PWD entered into (November 2011) an agreement with the contractor for improvement and strengthening of the road from zero to 12 km for ₹ 9.10 crore without obtaining forest clearance. As per agreement, the scheduled dates for start and completion of the work were 16 November 2011 and 15 May 2013 respectively. The Forest Department stopped the work on 25 June 2012. The Division started the process of obtaining forest clearance in March 2012, which could only be obtained from Government of India in July 2015. Meanwhile, the contractor intimated (27 May 2013) that he was unable to work on the agreed rates as passage of time had led to an increase in rates and that he would work only on the current rates (rates prevalent in May 2013). On the request (October 2013) of the contractor, the Department cancelled (December 2013) the agreement⁴⁶ and appointed an Arbitrator. The arbitration was awarded in favour of the contractor and the Department was directed to pay an amount of ₹ 1.32 crore along with interest. The matter was pursued in various Courts (District Court, High Court and Supreme Court), whose ruling was in favour of the contractor.

⁴⁵ In *Bahraich*, road work was awarded in part to two contractors, hence, 13 contract bonds.

⁴⁶ Against the agreement value of ₹ 9.10 crore, work valuing ₹ 1.41 crore was executed by the contractor for which he was paid this amount.

In the meanwhile, in anticipation of the forest clearance, the Department again floated a tender for the remaining work in September 2014. An agreement for the said work was executed with another contractor (March 2015) for ₹ 7.88 crore with the scheduled date of completion as 24 September 2016. The work was finally completed in June 2017 at a total cost of ₹ 10.53 crore⁴⁷.

Thus, failure of the State Government to provide clear site without encumbrance to the contractor resulted in time overrun (49 months) besides an extra burden of ₹ 1.92 crore⁴⁸.

The SGoU stated (March 2019/March 2021) that the sanction of the forest land in respect of the existing motor road from 0 to 12 km was already received in 1987 and accordingly the bond was entered into and the work was awarded. Ministry endorsed (August 2021) the views of the SGoU.

The reply was not acceptable as the clearance obtained in 1987 was accorded by SGoUP and not by GoI. In fact, the agreement had to be terminated in absence of acquisition and clearance of forest land; and the Department had to acquire 3.8 hectare forest land at a cost of ₹ 0.74 crore to obtain (July 2015) forest clearances from GoI. Besides, the Department had also accepted in the Arbitration (December 2013) that the forest clearance had not been obtained and, therefore, it had to cancel the bond without levying any penalty on the contractor.

4.4 Other irregularities

Audit noted some other irregularities in **Bihar** and **Uttar Pradesh** as tabulated below in **Table No. 9:**

Table No. 9: Other irregularities

Irregularities	Audit observations
1. Non recovery of difference of cost of bulk and packed bitumen	In two works ⁴⁹ (Bihar), 2545.56 MT bulk bitumen was used while as per the provision of agreement (June 2013), packed bitumen (VG 30 and CRBM 55) was to be used. This resulted in excess payment of ₹ 1.18 crore (December 2014 to January 2018). Despite that, recovery of excess payment could not be made. <i>MHA endorsed (August 2021) the reply of SGoB in which it was stated that the excess payment would be adjusted.</i>
2. Excess payment on claim against carriage of earth	In two stretches ⁵⁰ of work (Bihar), initial sanctioned lead for carriage of earth and subgrade was one km. During progress of work, the contractor claimed extra carriage of five km due to non-availability of earth within distance of one km in both the stretches. The Executive Engineer (EE), after verification, forwarded the claim of contractors to the Superintending Engineer (SE), Road Circle, Purnea.

⁴⁷ ₹ 10.53 crore = ₹ 1.41 crore first agreement + ₹ 9.12 crore second agreement.

⁴⁸ The High Court awarded ₹ 1.92 crore {₹ 1.32 crore (Principal) + ₹ 43.34 lakh (Interest) + ₹ 15.85 lakh (GST)}

⁴⁹ *Kuari-Sikti and Dhaweli-Fatehpur and for Meerganj to Kuari and Sikti to Dhaweli*

⁵⁰ *Refugee Colony to Meerganj and Meerganj to Kuari-Sikti to Dhaweli*

Irregularities	Audit observations
	<p>Accordingly, the SE sanctioned the extra carriage of five km (August 2018) for the stretch <i>Refugee Colony</i> to Meerganj @ ₹ 53.43 per cum for earthwork as well as subgrade.</p> <p>For another stretch Meerganj to Kuari and Sikti to Dhaveli, the SE sanctioned the extra carriage of three km @ ₹ 38.48/cum for 40 per cent quantity (earthwork). For remaining 60 per cent quantity, extra carriage of four km @ ₹ 68.24/cum was sanctioned. In case of subgrade, SE sanctioned extra carriage of four km @ ₹ 59.51/cum (September 2016).</p> <p>Further, during March 2019, the SE sanctioned additional carriage of four km in both the stretches for same chainage for earthwork as well as subgrade. The rate was enhanced from earlier sanctioned rate of ₹ 53.43/cum to ₹ 110.09/cum in <i>Refugee Colony</i> to Meerganj stretch.</p> <p>In the stretch Meerganj to Dhaveli, rate for earthwork was revised (from earlier sanctioned ₹ 38.48/cum for 40 per cent earthwork quantity and ₹ 68.24/cum for 60 per cent earthwork quantity) to ₹ 111.09/cum. In case of subgrade, rate was revised from ₹ 59.51/cum to ₹ 120/cum.</p> <p>Thus, payment was made to contractors twice for the same quantity of earthwork and subgrade. This resulted in double payment of ₹ 8.96 crore (₹ 4.67 crore to M/s ASIP & AMR and ₹ 4.29 crore to M/s Bhartiya Infra projects Ltd).</p> <p>MHA endorsed (August 2021) the reply of SGoB in which it was stated that as per PWD code and SBD clause -12 Superintendent Engineer and Chief Engineer are empowered to sanction extra carriage for construction material if required to be used in any project. Payment is made after proper sanction of claim by competent authority. SGoB further added that in both cases the payment will be checked and ensured that claims are settled on the basis of sanctioned revised estimate from MHA.</p> <p>The reply is not acceptable as approval of competent authority cannot justify the inadmissible double payment of carriage on same stretch.</p>
<p>3. Extra payment due to non-deduction of below BOQ value</p>	<p>The agency ASIP & AMR executed an agreement with EE, RCD Araria (Bihar) to execute the work @ 9.65 per cent below BOQ (Bill of Quantities) for stretch “Refugee Colony to Meerganj”. Therefore, all the payments were to be made after reducing the gross value of the bill by 9.65 per cent.</p> <p>Scrutiny of records revealed that by not lowering the bill value by 9.65 per cent, the RCD had made payment aggregating ₹ 21.19 crore instead of ₹ 19.14 crore as admissible under the agreement, resulting in excess payment of ₹ 2.05 crore to the contractor.</p> <p>MHA endorsed (August 2021) the reply of SGoB in which it was stated that in calculation of escalation claim, the value of R is calculated after deduction of 9.65 per cent below value of the BOQ. So there is no excess payment involved. GST amount has also been calculated on the Gross amount achieved after deduction of 9.65 per cent below value of the BOQ. There is no over payment involved.</p> <p>Excess payment made in the form of Claim 2, Claim 4, Claim 7 & Claim 8 is under process of recovery in the latest claim bill submitted by the contractor and would be suitably adjusted.</p> <p>Reply is not tenable as calculation entered in the measurement book did not support reply of SGoB.</p>

Irregularities	Audit observations
<p>4. Excess Payment for price neutralisation</p>	<p>In two contracts⁵¹ pertaining to Araria Division, prices of Bitumen and WPI index used for computing price neutralisation was different from actual Bitumen prices and WPI index. Therefore, excess payment of ₹ 67.36 lakh was made under price neutralisation.</p> <p>MHA endorsed (August 2021) the reply of SGoB in which it was stated that the enhanced payment would be adjusted from the final bill of the contractor.</p>
<p>5. Excess and unauthorized payments on vehicles</p>	<p>As per Clause 124 of MoRTH, the contractor shall provide a vehicle to the engineer for inspection work and will be paid accordingly as mentioned in the Bill of Quantity (BOQ).</p> <p>In Uttar Pradesh, the scrutiny of DPRs revealed that in nine out of 12 DPRs, ₹ 3.42 crore (original ₹ 1.55 crore) was provisioned for vehicles under road safety, road signage, etc. in BOQs of DPRs and accordingly sanctioned by the Competent Authority while according technical sanction to these DPRs. However, against these provisions, an expenditure of ₹ 5.15 crore with an excess expenditure of ₹ 2.46 crore was incurred on vehicles as of December 2019. It is pertinent to mention that in two works neither was this item provisioned in original DPRs nor in the revised DPRs. Thus, not only was excess payment made but items not sanctioned in DPRs were included in the contracts and payments made.</p> <p>Ministry endorsed (August 2021) the views of the SGoUP. The SGoUP stated that the vehicles had been used for the execution of Indo-Nepal border works in seven INB Divisions as per minimum requirements. As per prevailing practice, two vehicles are allowed in normal working Divisions but Divisions of INB were placed in interior and remote areas. Therefore, more number of vehicles were required to be deployed. Payments of vehicles are being charged against contingencies provided in the sanctioned estimates.</p> <p>The fact remains that not only was excess payment made on vehicles but it was also included in the BOQ of contract without having been sanctioned in the DPRs. Further, reply did not provide specific comments with regard to the excess and unauthorised payments.</p>
<p>6. Unfruitful expenditure of ₹ 4.01 crore</p>	<p>Construction work from Phulwaria on the Lalbakaiya river to Bahargram in Sitamarhi district was awarded in January 2013 at a cost of ₹ 64.33 crore which was to be completed in 20 months, <i>i.e.</i> by September 2014. However, the work remained incomplete due to the change in alignment. Scrutiny disclosed that between Phulbaria Ghat to Bahargram, road alignment between chainage 99.200 to 102.30 (length 3.1 km) was changed (August 2016). However, before the change in alignment, the Division had already spent ₹ 4.01 crore⁵² on civil cost, forest clearance and utility shifting along the old alignment. Since expenditure incurred on the Phulbaria Ghat to Bahargram road alignment was no longer in Indo-Nepal project, the above expenditure of ₹ 4.01 crore was rendered unfruitful due to the change in road alignment.</p> <p>RCD accepted the audit contention and stated that the road would be used as a link road for providing connectivity to the BOP.</p>

⁵¹ Agreements for Kuari - Sikti and Dhaveli - Fatehpur and for Meerganj to Kuari and Sikti to Dhaveli.

⁵² Civil cost ₹ 3.99 crore, Forest clearance ₹ 0.01 crore and Utility shifting ₹ 0.01 crore