

**CHAPTER-III
EXECUTION AND
MAINTENANCE OF SCHEMES
UNDER HGNJ YOJANA**

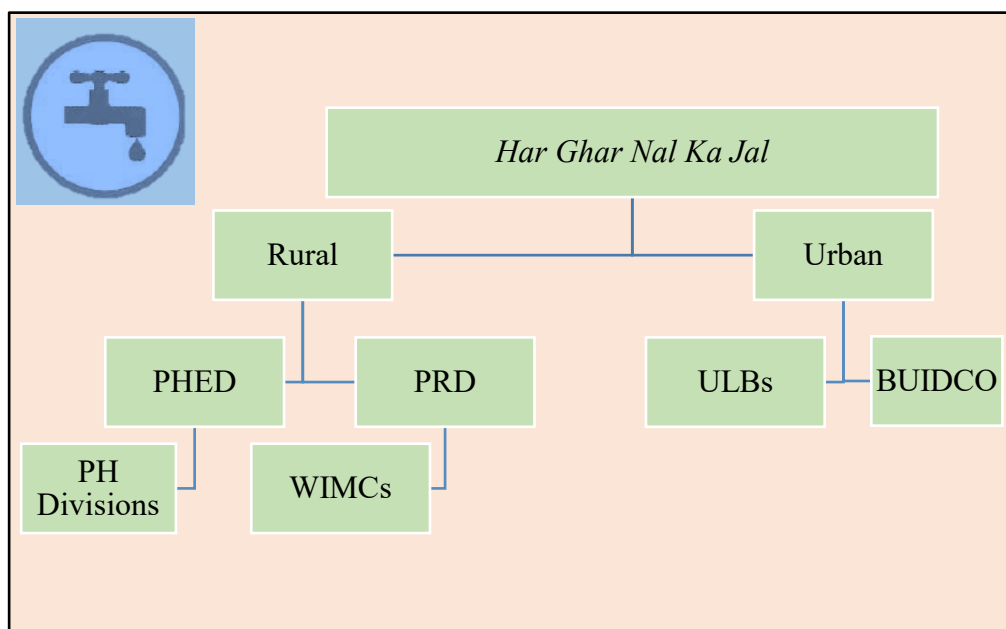
CHAPTER-III

EXECUTION AND MAINTENANCE OF SCHEMES UNDER *HGNJ YOJANA*

3. Execution of schemes under *HGNJ yojana*

The schemes under *HGNJ yojana* in rural areas were to be executed by the PHED & PRD through Public Health (PH) Divisions and Ward Implementation and Management Committees (WIMCs), respectively. In the urban areas, the *HGNJ yojana* was to be executed by UD&HD through ULBs and BUIDCO as indicated in **Chart 3.1**.

Chart 3.1: Areas and implementing agencies for execution of schemes under *HGNJ yojana*



(Source: *HGNJ yojana guidelines*)

For achievement of target of piped water supply under *HGNJ yojana* in 1,14,450 rural and 3,370 urban wards, the State Government launched (September 2016) four sub-schemes and fixed targets under each of these to cover all wards of Bihar by 2019-20 under piped water supply. Scheme-wise implementing Department, targets fixed, and achievement reported there against is as detailed in **Chart 3.2**.

Chart 3.2: Scheme-wise implementing Department, target and achievement of wards/households reported there against as of March 2023

Name of the scheme	Implementing Department	Target No. of wards (No. of households)	Achievement No. of wards (No. of households)
Mukhyamantri Gramin Peyjal Nischay Yojana	PRD	58,003 (-)	57,767 (94,73,788)
Mukhyamantri Gramin Peyjal (Quality affected areas) Nischay Yojana	PHED	30,207 (47,68,403)	29,726 (46,47,078)
Mukhyamantri Gramin Peyjal (Non-Quality affected areas) Nischay Yojana	PHED	26,240 (36,90,325)	26,196 (36,70,503)
Mukhyamantri Sahri Peyjal Nischay Yojana	UD&HD	3,370 (15,85,400)	3,156 (14,82,761)

(Source: Information provided by PRD, PHED and UD&HD)

Above **Chart** shows that despite the target of March 2020 for completion, 100 *per cent* of rural and urban wards were yet to be covered under piped water supply schemes, as of March 2023.

3.1 Unrealistic reporting of coverage of wards in rural areas

According to directives/guidelines issued for *HGNJ yojana* from time to time, while online reporting was to be conducted (*via Nischaysoft* portal) for wards being covered by PRD, in case of PHED wards the respective divisions were to submit a Monthly Progress Report (MPR) to the Department as per directions issued (June 2022) by the Bihar Vikas Mission (BVM). However, UD&HD lacked an established reporting system.

PHED: As noted from the chart above and information provided by PHED (March 2023), a total of 55,922 (99 *per cent*) out of 56,447 wards were covered by the Department under the *HGNJ yojana*, since the inception of the Scheme (September 2016). However, the Department itself, while sanctioning funds in November 2023, stated that 10,719 habitations of 46,633 wards had been left out from coverage under *HGNJ yojana*. Consequently, the coverage of habitations in the 55,922 wards, as reported by PHED, was not 100 *per cent*.

The overstatement of coverage by PHED was further corroborated by Audit as it was noticed that, in five out of 15 test-checked PH Divisions (75 wards), PHED had reported 100 *per cent* coverage¹ under the *HGNJ yojana*. However,

¹ District wise progress report on *HGNJ yojana* as of March 2023.

audit scrutiny revealed that nine works remained incomplete in 43 of these 75 wards as of November 2023, indicating inflated reporting by the Department.

In addition, while PHED reported incomplete *HGNJ yojana* works in only 23 wards, Audit scrutiny revealed that in four out of 15 test-checked divisions (171 wards), 24 works in 136 wards remained incomplete (November 2023)². List of incomplete works, for each district/ ward is detailed in *Appendix 3.1*.

In its reply (June 2025), the PHED acknowledged various challenges that led to certain habitations being left out of the coverage. These included the inability to supply water to distant habitations from tube wells and obstacles in the distribution system caused by culverts, bridges, rivers, ponds, and railway crossings. This reply implicitly confirms that, despite PHED's claim for coverage of 99 *per cent* wards, 10,719 habitations of 46,633 wards were indeed not included.

PRD: Similarly, as per information made available by PRD, 99.51 *per cent* of targeted rural wards were covered (March 2023) under *HGNJ yojana*. However, audit noticed that in seven test-checked districts, 150 number of works remained incomplete in 150 wards, as compared to PRD figures wherein only 47 wards had incomplete works, as exhibited in **Table 3.1**.

Table 3.1: Target and achievement as per PRD report and records of seven test-checked districts by audit

Sl. no.	Name of the District	Status of coverage of wards as per PRD report (March 2023)			No. of wards having incomplete works as per test-checked records
		Target	Achievement	No. of wards having incomplete works	
1	Aurangabad	1,770	1,761	9	61
2	Darbhanga	3,849	3,833	16	28
3	Gaya	2,602	2,593	9	41
4	Gopalganj	2,737	2,736	1	3
5	Jamui	266	266	0	5
6	Saran	3,362	3,353	9	1
7	W. Champaran	3,216	3,213	3	11
	Total	17,802	17,755	47	150

(Source: Information provided by PRD and records of test-checked GPs)

It was noted that a number of works remained incomplete due to reasons such as paucity of funds, non-execution of works by WIMCs despite availability of funds, abandonment of work by contractors, non-transfer of funds to WIMCs by the GPs, *etc.*

Thus, the reporting of coverage of wards under the *HGNJ yojana* pipe water supply scheme by the Departments concerned was inflated and did not reflect the actual position on the ground. Due to a number of these projects remaining

² District wise progress report on HGNJ yojana as of March 2023.

incomplete, the aim of covering 100 *per cent* households by the targeted date under the Scheme, could not be achieved.

3.2 Unrealistic reporting of coverage of wards in urban areas

In case of urban areas, information regarding implementation of the *HGNJ yojana* was provided to audit by UD&HD. As per this, overall, 93.65 *per cent* wards were reported as covered under the piped water supply scheme. Thus, even after a lapse of three years from the stipulated period (2019-20) of completion of *HGNJ yojana* water supply projects, the same remained incomplete in 6.35 *per cent* of urban wards. It was noticed during audit that these projects had remained incomplete due to abandonment of works by contractors, non-availability of water source, delayed/non-execution of agreement with contractors *etc.*

Further, in four test-checked ULBs, while UD&HD reported (March 2023) coverage of 100 *per cent* wards by pipe water supply scheme under *HGNJ yojana*, audit noted that 15³ number of works in 15 out of 78 wards (19 *per cent* wards) remained incomplete, as depicted in **Table 3.2**. Hence, the reporting of 100 *per cent* coverage of wards by the UD&HD reflected an incorrect and inflated data.

Table 3.2: Wards found incomplete during audit in ULBs

	Name of ULBs	Status of coverage of wards as per UD&HD report (March 2023)		Wards found incomplete during audit
		Target	Achievement	
1	Birpur	13	13	1
2	Benipur	29	29	4
3	Jhanjharpur	16	16	1
4	Jhajha	20	20	9
	Total	78	78	15

(Source: Scheme records of the Department and test-checked ULBs)

In reply, UD&HD informed (June 2025) that a tender had been invited in Birpur for execution of work. Meanwhile, water supply services in Jhanjharpur and Jhajha experienced delays due to road crossing and failure of boring, however, water supply is being provided.

The Department's response confirmed that the 93.65 *per cent* coverage reported by UD&HD, was not realistic.

3.3 Execution of *HGNJ yojana* in rural and urban wards

As per Vision and Strategy Document prepared (January 2016) by PHED, pipe water supply schemes under *HGNJ yojana* were to be executed by the implementing units either by augmenting the existing/on-going piped water supply (PWS) schemes or by constructing new ones. Under augmentation, the

³ Birpur: 1 work, Benipur: 4 works, Jhanjharpur: 1 work, Jhajha: 9 works.

Department had to first identify schemes that required capacity enhancement and redesign them to meet water demands of the population. These schemes were to be augmented with additional distribution networks and household connections.

For construction of new PWS scheme, the PHED directed (September 2016) the EEs of relevant divisions to organise meetings with AEs and JEs to set targets and prepare action plan for implementing *HGNJ yojana*. These meetings were to facilitate engagement with the *Mukhiya* and Panchayat Secretary of the respective GP.

For execution of *HGNJ yojana* by PHED, comprehensive contracts with complete responsibility for supply, installation, laying, testing and commissioning of all the materials and equipment including drilling and development of tube wells were to be awarded by the concerned PH Divisions.

- ***Execution of pipe water supply scheme under HGNJ yojana in rural areas***

- *HGNJ yojana* was implemented in quality and selected non-quality affected rural wards of the State by PHED as part of the *Mukhyamantri Gramin Peyjal* (Quality and Non-quality affected areas) *Nischay* component of the Scheme. Under this, PHED undertook the implementation of piped water supply projects in 56,447 rural wards in all 38 districts of the State. The scope of work of these projects included the construction of tube well, installation of motor pump, water tank, Water Treatment Plants (WTPs), setting up the distribution network, tap water connections to households, *etc.*, along with operation and maintenance (O&M) of these water supply schemes for a period of five-years. Operation & Maintenance of these schemes was to start only after the completion of the projects and the conclusion of a three to six month's trial run period.

As per schedule of payment for works executed, 85 *per cent* payment was to be made to the contractors after completion of physical & technical components and the remaining 15 *per cent* payment was to be made, only after successful conclusion of the trial run⁴ period.

- The *Mukhyamantri Gramin Peyjal Nischay* component of *HGNJ yojana* was implemented by PRD in 58,003 rural wards in 29 districts of the State through WIMCs. The WIMCs were responsible for the construction of various components of the pipe water supply schemes *viz.* tube well, motor pump, distribution network, water tank, tap water connections to households *etc.*, as well as O&M. Before the commencement of work by WIMC, a baseline survey of Wards had to be completed. Following this, the JE of the respective ward was

⁴ Purpose of trial run was to ensure successful operation of constructed components of works *viz.* tube well, pump, water treatment plant, distribution network, staging for water tank, house hold connections.

responsible for drafting the DPR. The Block Level Monitoring Units were entrusted with granting technical sanction for the DPR, while the GP was tasked with providing administrative approval (AA). Work orders for the purchase of material to be used in the scheme were to be issued by WIMCs, based on market surveys and the projects were to be executed by the WIMCs themselves with the involvement of labourers, technician, plumbers, *etc.* Involvement of contractors was prohibited under this scheme.

- **Execution of pipe water supply scheme under HGNJ yojana in urban areas:** The urban component of *HGNJ yojana* i.e. the *Mukhyamantri Sahri Peyjal Nischay* scheme was implemented in 3,370 urban wards of 143 cities of Bihar by ULBs and BUIDCO. Pipe water supply schemes in 1,384 wards of 32 cities were implemented by the BUIDCO and in the remaining 1,986 wards of 111 cities, *HGNJ yojana* was to be implemented by the ULBs through private agencies, to be appointed *via* a tendering process. O&M of these water supply schemes was to be carried out by the contractor for five years after completion of project.

Irregularities in execution of *HGNJ yojana* were noticed during audit, as discussed in the succeeding paragraphs.

3.3.1 Augmentation of existing piped water supply scheme without survey in rural areas

As per the Vision and Strategy document of PHED (January 2016), identification and augmentation of existing capacity was to be done as per the demands of the population. Before redesigning of existing/ on-going PWSs, capacity of existing tube wells, required length of distribution network, number of household connections *etc.*, required for catering to water demands of the population, were to be identified by the concerned PH Divisions.

Audit noticed that in five test-checked PH divisions, primary agreements for 16 works valuing ₹12.45 crore were executed (December 2018 to May 2020) for augmentation of pipe water supply in 124 wards, to provide new tap water connections to 14,114 rural households by extending the existing distribution network *etc.* However, in all these wards detailed survey for proper identification of existing capacity of tube wells, length of distribution network or, number of household connections required to be covered, and scope of work be carried out, was not done.

As a result, in all these cases, after finalisation of the primary agreement, supplementary agreements had to be executed (during the period September 2020 to January 2022) for taking up additional work of 71,354 meter distribution network, tap water connections to 5,639 households and 11 number of tube wells, *etc.*, (**Appendix-3.2**) at a revised cost of ₹18.26 crore. Hence, due to improper identification of existing PWS as well as unrealistic assessment of requirements, three schemes remained incomplete and there were delays of

three to 23 months in completion of 13 schemes from actual date of completion (June 2019 to November 2020).

(a) Delay in providing service delivery of water supply in rural wards

Audit observed that in 13 of 16 scheme agreements, 15,817 household connections were to be provided in 100 rural wards under the HGNJ yojana. Out of this, delivery of water supply to 11,192 households in these 100 wards, was delayed for periods ranging between three to 23 months from the stipulated dates of completion (June 2019 to November 2020) of the primary agreements. In addition, tap water connections to 4,625 eligible households of 100 wards could not be provided as depicted in **Table 3.3**.

Table 3.3: Delay in completion of components of supplementary agreements (as of November 2023)

Sl. No.	Name of PH Divisions	No. of wards in test-checked agreements	No. of house connections to be provided	No. of house connections provided	Number of house connections not provided	Delay in completion of work vis-à-vis due date of completion as per primary agreement (in months)
1	Aurangabad	6	1,421	620	801	11
2	Chapra	20	2,432	2,128	304	3 to 7
3	Darbhanga	25	3,730	2,028	1,702	19 to 22
4	Jhanjharpur	8	1,672	1,679	(-) 7	14 to 23
5	Madhubani	41	6,562	4,737	1,825	11 to 23
	Total	100	15,817	11,192	4,625	

(Source: Records of test-checked PH divisions)

(b) Service delivery of water supply yet to be provided in rural wards

Audit further noticed that due to improper survey of the existing PWS schemes, three⁵ out of the 16 agreements remained incomplete as of November 2023. The primary reason for non-completion of these projects was that the capacity of tube wells to discharge the required quantity of water, so as to cover all targeted households, had not been properly assessed by PH divisions, as detailed in **Table 3.4**.

Table 3.4: Number of wards, households and reasons for incomplete existing PWS

Sl. No.	Name of PH Divisions, Name of work, Value of primary agreement, Initial target date of completion	No. of incomplete wards	No. of households	Reason for schemes being incomplete
1	Aurangabad Obra PWS (SBD-156/2019-20),	10	1,595	Initial agreement for this work was executed in December 2019, however, the estimate was prepared without conducting any survey. Hence, these estimates were revised (November 2020) to provide for an

⁵ Aurangabad (Obra PWS: SBD-156/2019-20), Darbhanga (Kamtaul PWS: SBD-35/2019-20) and Madhubani (Madhwapur PWS: F2-29/2018-19).

Sl. No.	Name of PH Divisions, Name of work, Value of primary agreement, Initial target date of completion	No. of incomplete wards	No. of households	Reason for schemes being incomplete
	Original Estimated cost: ₹64.23 lakh Revised estimated cost: ₹216.76 lakh Initial target date of completion: 3 rd June 2020			additional pipeline, after the lapse of more than one year from the initial agreement. However, even this revision was done without any assessment and therefore, a second revision (for two tube wells and two pumps) was proposed in January 2023 <i>i.e.</i> two years after the first revision. Further, EE of concerned division stated that the identified water source was not sufficient to cater to water supply needs to all the wards to be covered. Resultantly, the project remains incomplete (as of July 2023) and intended benefit to provide pipe water supply to targeted households was yet to be achieved.
2	Darbhanga Kamtaul PWS (SBD-35/2019-20) Original estimated cost: ₹82.78 lakh Revised estimated cost: ₹159.28 lakh Initial target date of completion: 14 th May 2020	6	1,410	Initial estimate for the work was prepared (November 2018) without conducting a survey and primary agreement was also executed (November 2019) on this estimate. Against this agreement, the contractor executed 3,157 of 3,815 meter pipe laying and provided 251 of 1,300 house service connections as of May 2020. However, the sanctioned quantity of pipeline under this estimate was not sufficient to cover all targeted wards. In addition, the existing old tube well had also completed its design life. Hence, in the supplementary agreement (November 2019) provisions for additional pipelines and tube well was made. However, contractor did not execute work included in the supplementary agreement. Resultantly, 1,410 households were still deprived of benefits from <i>HGNJ yojana</i> after lapse of more than four years from the date of the initial agreement.
3	Madhubani Madhwapur PWS (SBD-29/2018-19) Original estimated cost: ₹69.30 lakh Revised estimated cost: ₹91.23 lakh Initial target date of completion: 6 th July 2019	8	931	Estimate for this work was prepared (November 2018) without survey, and agreement was executed (March 2019) providing for extension of pipeline and house connection. However, the contractor reported (May 2019) that the identified tube well was not working. This shows that PH Division Madhubani, did not assess status of existing tube well, leading to overall delay in the execution of work. Finally the tender for the tube well was invited in October 2023 <i>i.e.</i> after lapse of more than four years from the date of the initial agreement. As a result, 931 households were still deprived of benefits of pipe water supply under <i>HGNJ yojana</i> as of November 2023.
	Total	24	3,936	

(Source: Records of test-checked divisions)

Thus, existing PWS schemes were not duly assessed through a proper survey before taking them up for augmentation or enhancement of capacity under *HGNJ yojana*. As a result, 3,936 households of 24 wards were deprived of tap water connection under *HGNJ yojana*.

In its reply (June 2025), the Department stated that the scheme was originally designed for a 30-year period based on the ultimate projected population. However, as the tube well was designed for a service life of 15 years, the associated distribution network and household connections were planned accordingly. Since the tube well has now reached the end of its design life, a new scheme was formulated based on the current population.

Department's reply is not acceptable as capacity of existing tube wells, required length of the distribution network and number of household connections necessary to meet the water demand of the population was to be assessed before starting of work.

3.3.2 Construction of new piped water supply schemes

3.3.2.1 Service delivery of water supply not ensured in PHED wards

The PH Divisions awarded tenders and executed contracts with agencies for completion of different components of the scheme. After commissioning of the project, a trial run was to be carried out and on the basis of its successful conclusion, the residual 15 *per cent* of payment would be released to the contractor.

During audit, it was noticed in 30 sampled agreements of eight test-checked PH Divisions the contractor had failed to complete works of tubewells in 20 wards, distribution network in 44 wards, HSCs in 68 wards, staging in 88 wards, WTPs in 21 wards (as of November 2023). These pipe water supply projects had been awarded between the period 2017-18 and 2019-20 but even after a lapse of more than three to five years, they remained incomplete due to reasons such as work being abandoned by the contractor, trial run not done *etc.* The non-completion of these WSPs, lead to deprivation of safe tap water connections to 28,849 households, as detailed in **Table 3.5** and in *Appendix 3.3*.

Table 3.5: Details of test-checked PH divisions where the work was left incomplete by the contractor (as of November 2023)

Sl. No.	Name of PH Divisions (No. of agreements test-checked)	No. of incomplete wards	No. of households in incomplete wards	Expenditure incurred (₹ in crore)
1	Bhagalpur East (4)	12	2,910	3.28
2	Darbhangha (1)	3	448	0.00
3	Gaya (14)	84	15,100	13.92
4	Jhanjharpur (3)	11	2,125	1.69
5	Madhubani (1)	6	900	0.20

Sl. No.	Name of PH Divisions (No. of agreements test-checked)	No. of incomplete wards	No. of households in incomplete wards	Expenditure incurred (₹ in crore)
6	Sherghati (4)	31	5,840	2.49
7	Supaul (2)	3	796	0.50
8	Jamui (1)	5	730	0.03
	Total (30)	155	28,849	22.11

(Source: Scheme records of test-checked PH Divisions)

An expenditure of ₹22.11 crore was incurred on the 30 test-checked agreements for 155 wards but despite this, they remained incomplete, leading to unfruitful expenditure (as of November 2023).

In June 2025, the Department accepted the audit observation and stated that water supply had commenced in 41 out of 155 wards following the construction of new tube wells, engagement of new contractors and laying or repair of pipelines. For the remaining 114 wards, steps have been initiated to commence water supply by preparing new estimates, engaging new contractors *etc.*

- ***Service delivery of water supply yet to be started in difficult terrain***

Implementation of *Mukhyamantri Gramin Peyjal Nischay* scheme under *HGNJ yojana* in 99 rural wards under Gaya district was handed over (May 2020) by the District Panchayati Raj Officer (DPRO), Gaya to PHED as the area had a difficult terrain⁶. As per given timelines, the work was to be completed within a period of one month.

Scrutiny of records of 23 schemes in 23 wards of Gaya district indicated that the scheme was operational only in two wards (Ward No. 11 and 13 of GP Lodhabe). However, in five schemes of five wards, pipe laying and house connection work had been carried out (at a cost of ₹85.09 lakh), without completing the staging⁷ process and construction of water tower for storage of water. Hence, water was available to households only during operation of motor pump as storage facility was not constructed. As such, continuous supply of water could not be ensured in these five wards to 1,370 households (**Appendix 3.4**).

The status of works in the remaining 16 wards⁸ is as detailed in **Table 3.6** as under:

⁶ Area under scarce ground water, hilly area, rocky plains.

⁷ Staging is a structure installed at a height of eight metre from ground level to place the water tank above it.

⁸ In two wards (Ward No. 11 and 13) of GP Lodhabe, the scheme was operational as envisaged.

Table 3.6: Status of remaining 16 schemes (16 wards)

No. of wards	Reasons for works remained incomplete
8 ⁹	Only boring work done, however, same failed ¹⁰ .
4 ¹¹	Only boring work done and the same was functional, however, remaining works viz. pipe laying, motor pump, house service connection, staging etc. were not done.
4 ¹²	Partial pipe laying as well as house service connection work was done, however, installation of motor pump, staging was not done.

(Source: Scheme records of test-checked GPs)

Thus, even after incurring an expenditure of ₹1.26 crore, water supply could not start in these 16 wards due to partial completion of work, depriving 3,742 households¹³ of tap water connection under HGNJ yojana (*Appendix-3.5*).

• ***Service delivery of water supply not provided to Schools and Aaganwadi centres***

PRD issued directions (December 2020) to DPROs that all Government Schools and Aaganwadi centres situated in the concerned wards may be mandatorily provided with water supply under HGNJ yojana by WIMC.

During the course of Audit, status of water service connections to 339 government institutions (Schools, Aaganwadi centres, etc.) were also verified. In this course, it was observed that no water connection was available in 159 out of the aforesaid 339 institutions. Further, out of 180 institutions where water connections were established, no water supply was actually available in 28 institutions.

Service delivery of arsenic free water supply not ensured in multi-village PWS

The Multi-village water supply scheme was initially launched in January 2013 by PH Division, Bhagalpur East at an agreement value of ₹90.03 crore¹⁴, with a plan to provide water through public stand posts using a surface water source for coverage of arsenic affected 70 wards of Sultanganj & Nathnagar blocks of Bhagalpur district. On this work, an expenditure of ₹30.76 crore was incurred till October 2017. However, due to slow progress, the scheme was rescinded by PHED in October 2017.

Subsequently, a revised scheme was undertaken in June 2019 by PH Division, Bhagalpur East with an aim to provide tap water connections to 10,370 households of 70 wards, at an agreement cost of ₹18.75 crore (between December 2019 and February 2020). In addition, the division also executed an

⁹ GP Bara- Ward no. 1,2,6,9,11 and 13; GP Jethian-Ward no. 4 and 7.

¹⁰ As these areas are categorised as water scarce and the water level was very low, thus, even after conducting the boring, water was not found.

¹¹ GP Uttari Kajoor- Ward no. 6,8 and 9; GP Jethian-Ward no. 3.

¹² GP Jethian-Ward no. 1,8,9 and 10.

¹³ Households of 13 wards only. Data of household in three wards (6, 8, and 9 of Uttari Kajoor) was not provided to audit.

¹⁴ F₂-15/2012-23: ₹71.28 crore (January 2013), SBD-50/2019-20: ₹3.61 crore (December 2019), SBD-51/2019-20: ₹4.04 (December 2019), SBD-66/2019-20: ₹4.02 crore (February 2020), SBD-67/2019-20: ₹4.19 crore (February 2020), SBD-68/2019-20: ₹2.89 crore (February 2020).

agreement valuing ₹45.35 crore for completion of pending work of surface water source. The scope of work of these schemes was completion of the pending surface water components, construction of an Elevated Service Reservoir (ESR), laying of distribution pipelines and household connections.

Later on, the PHED modified (June 2020) the scope of work by adding water supply through ground water source also due to delay in completion of surface water source, through the construction of high yield tubewells and installation of motor pumps, but provision of arsenic mitigation measures were not included in the scheme, despite the fact that these 70 wards were arsenic affected.

In compliance with the revised scope of work, PH Division completed the necessary works by July 2022, ensuring piped water supply to 10,370 households across 70 wards in the Sultanganj and Nathnagar blocks of Bhagalpur district, at a cost of ₹16.05 crore. However, due to absence of provision for the same, these supply schemes were started without arsenic mitigation measures being put in place. Further, works related to development of surface water source remained incomplete even after incurring an expenditure of ₹15.41 crore (as of November 2023).

During JPV (October 2023) by Audit, a water quality test was conducted in the Regional Water Testing Laboratory, Bhagalpur and it was found that arsenic contamination was more than desirable limit at three ground water sources¹⁵ from which water was being supplied to 39 wards with 6,430 household connections. Hence, supply of arsenic free water could not be ensured despite incurring an expenditure of ₹62.22 crore and 10,370 households were still deprived of arsenic free tap water.

3.3.2.2 Service delivery of water supply not ensured in PRD wards

As per *HGNJ yojana* guideline (June 2017) issued by PRD, the Scheme was to be implemented at the district level (for non-quality affected rural ward) under the supervision of the District Water and Sanitation Committee (DWSC), headed by the District Magistrate, with the District Panchayati Raj Officer (DPRO) also a member. This Committee was responsible for the implementation of this scheme and was to monitor progress of work, organise social awareness and capacity building programmes, etc. At the ward level, PRD was to implement *HGNJ yojana* in rural wards through WIMCs of GPs.

In this context, Audit observed that 152 number of works remained incomplete in 152 test-checked rural wards during 2016-17 to 2022-23 due to various reasons as detailed in **Appendix 3.6** and summarised in **Table 3.7**.

¹⁵ Permissible limit: 0.01 mg/l, Test Results - Rannuchak site: 0.012 mg/l (SBD-51), Hardaspur-Gosaidaspur site: 0.012 mg/l (SBD -66) and Sahpur-Raghopur site: 0.034 mg/l (SBD-68).

Table 3.7: Details of test-checked PRD where works remained incomplete

Sl. No.	Name of district	No. of wards incomplete	Reasons for incomplete work
1	Aurangabad	61	Non-utilisation of funds by WIMCs despite their availability, lack of funds, siphoning off of funds by WIMCs.
2	Darbhanga	28	Lack of funds, work left incomplete by WIMCs, siphoning off of funds by WIMCs, works being abandoned by contractors ¹⁶ .
3	Gaya	41	Non-transfer of funds, siphoning off of funds, work left incomplete by the WIMCs.
4	Gopalganj	3	Works left incomplete by the WIMCs due to land dispute, boring failure, electricity connection issues, etc.
5	Jamui	5	
6	Madhubani	2	Misutilisation of funds, work left incomplete by the WIMCs despite availability of funds.
7	Saran	1	Work left incomplete by the WIMCs despite availability of funds.
8	West Champaran	11	
	Total	152	

Thus, audit findings revealed that 152 water supply works under *HGNJ yojana* remained incomplete across test-checked rural wards due to serious lapses such as fund misutilisation, siphoning off of funds, lack of fund transfers, and non-adherence to implementation guidelines by WIMCs. These issues indicated weak financial oversight, poor monitoring by DWSCs and DPROs, and systemic deficiencies in scheme execution at the grassroots level.

PHED accepted (June 2025) the audit observation and replied that all the schemes under PRD have been transferred to PHED and the work is in progress.

3.3.2.3 Incomplete HGNJ yojana in urban areas

Mukhyamantri Sahri Peyjal Nishay scheme under *HGNJ yojana* was to be executed in 3,370 urban wards by UD&HD of 143 cities of Bihar by ULBs and BUIDCO and to be completed by the year 2019-20.

However, Audit noted that 37 test-checked schemes for coverage of 232 wards remained incomplete (March 2023) even after lapse of two to seven years from the date of approval of schemes (*viz.* 2015-16 to 2020-21), and after incurring an expenditure of ₹554.63 crore. The reasons for non-completion included contractors abandoning the work (14 wards), water source not found (eight wards) and non-commencement of works in 76 wards due to delayed/ non-execution of agreements with contractor. As a result of non-completion of these schemes, 1,51,557 urban households were deprived of the benefits of piped water supply. Besides, the aim of the Government to cover 100 *per cent* targeted households under the *HGNJ yojana* also could not be achieved. Details of these incomplete schemes are depicted in *Appendix 3.7*.

¹⁶ The work was allocated to contractor despite it being prohibited under the schemes to be executed by PRD.

3.3.3 Non-functional schemes under HGNJ yojana in rural and urban areas

As per HGNJ yojana guidelines, in case of projects executed by PHED in rural wards, after completion of work, O&M (including repairs) was to be taken up by the contractors for a period of five years. Further, in case of water supply schemes taken up by WIMC in rural areas, the O&M of the schemes was to be carried out by the WIMCs themselves. In case of urban wards, O&M of schemes under HGNJ yojana was to be carried out by the contractors for a period of five years after completion of the scheme.

For continuous operation of the schemes and uninterrupted water supply, regular O&M of the schemes was required. However, in test-checked rural and urban areas, audit noted that a number of schemes were non-functional due to lack of O&M as discussed in the succeeding paragraphs.

- **PHED Schemes:** During test-check, it was observed that in two PH Divisions, (Jhanjharpur and Madhubani), the concerned Executive Engineers reported (September and October 2023) that water supply in 28 wards of six schemes (completed at an expenditure of ₹3.91 crore) was interrupted within two to three years from the date of completion (February 2020 to July 2021) due to various reasons such as boring failure, blockage of pipes, damage to pipelines *etc.*, as indicated in **Table 3.8**.

Table 3.8: Details of wards covered under PWS where water supply interrupted

Sl. no.	Name of Division (period of reporting of interruption of scheme)	Name of the PWS	Period of completion of the scheme	Expenditure incurred (₹ in lakh)	Wards where water supply was interrupted	Reasons	Period of last O&M paid
1	Jhanjharpur (September 2023)	Araria Sangram	October 2020	27.18	9, 12, 13, 14	Water supply discontinued due to damage of pipeline	January 2023
2	Jhanjharpur (September 2023)	Babubarhi	February 2020	39.47	3, 5		October 2022
3	Jhanjharpur (September 2023)	Siswa Barhi	February 2021	131.20	2, 3, 9		May 2023
4	Madhubani (October 2023)	Madhwapur	February 2020	28.32	2, 3, 4, 6, 7, 8, 9, 10	Boring failure	No payment of O&M
5	Madhubani (October 2023)	Pandaul East	May 2020	20.84	2, 3, 4, 5, 6, 7	Boring failure	June 2022
6	Madhubani (October 2023)	Basopatti East	July 2021	143.79	3, 4, 5, 6, 10	Blockade in pipeline (partially interrupted)	May 2023
	Total			390.80	28		

(Source: Scheme records of test-checked PH Divisions)

The period for which the O&M for these schemes was provided was calculated by Audit based on the payments made for the same by the concerned EEs. In this regard it was noticed that while in one case (Madhwapur) there was no evidence of any O&M being conducted, in other cases, the period of last O&M

was limited to within two to three years of the completion of the schemes, impacting their regular functioning.

Audit further noticed that, to overcome the issue of non-functionality of two schemes mentioned at Sl. No. 4 and 5, estimates for installation of tubewell were prepared by the concerned EEs and sent for approval. However, as of November 2023, no approval was accorded by PHED.

- **PRD schemes:** Based on information available on *Nischaysoft* portal of PRD¹⁷ and status of schemes made available by GPs/wards concerned, Audit observed that in 134 wards, 134 number of schemes remained non-functional since three to 36 months after occurrence of major/minor faults viz., failure of boring, burnt motor, damaged pipeline, damaged water tank, electricity fault, lack of interest of wards members to operate the scheme, *etc.* Thus due to lack of proper maintenance, these schemes had become non-operational, despite incurring an expenditure of ₹15.84 crore (*Appendix 3.8*).

Since, PRD schemes are transferred to PHED. Hence, PHED accepted the audit observation and replied (June 2025) that schemes are being made functional through onboarded contractors.

- **ULBs schemes:** In two wards of ULB, Jhajharpur, water supply schemes for 1,036 households were to be implemented by BUIDCO, under an agreement executed with the contractor (May 2019). However, provision of O&M for the project was not made in the agreement. This scheme was completed in the two wards, during the period May 2019 to May 2020 after incurring an expenditure of ₹2.05 crore. BUIDCO subsequently handed over (January 2021) this scheme to ULB, Jhajharpur for operation and maintenance however, audit noted that (as of August 2023), the project remained non-functional due to non-availability of a pump operator.

On this being pointed out, Executive Officer, ULB, Jhajharpur stated (November 2023) that in the absence of any directions from UD&HD, provision of O&M including pump operator was not made for this scheme.

Hence, due to lack of coordination among stakeholders, the scheme remained non-functional depriving 1,036 households of the benefits of pipe water supply under *HGNJ yojana*.

3.3.4 Contract Management under *HGNJ yojana*

In addition to above mentioned deficiencies, audit also noticed irregularities in award of contracts, non-adherence to clauses of contracts *etc.*, as discussed in the succeeding paragraphs.

¹⁷ PRD had maintained a website (prdNischaysoft.bih.nic.in) where physical and financial progress of Mukhyamantri Gramin Peyjal Nischay scheme under HGNJ yojana was reflected and water control module thereunder showed a physical inspection of HGNJ done by a Technical Assistant (TA).

3.3.4.1 Non-adherence to clauses of agreement leading to undue advantage to Contractors

As per clause 12 of the Model Bidding Document issued (June 2019) by PHED, under *HGNJ yojana*, any additional quantity of items under the work to be executed, were to form a part of the contract as if originally provided and were to be carried out by the contractor on the same conditions, in all respects, including the prices/rates on which the contractor agreed to do the main work.

Scrutiny of records in two test-checked PH divisions showed that seven agreements with a value of ₹12.64 crore were finalised for taking up water supply schemes to benefit 8,393 households in 2019-20. The scope of these agreements included components related to supply of all materials, labour, tools *etc.* However subsequently, based on the actual requirement of works, supplementary agreements were executed (during the period 2020-21 to 2022-23) by these divisions at a cost of ₹3.45 crore for taking up additional quantity of same items *viz.* providing house connection for each household including supplying all materials, labours, tools *etc.* for 3,860 more number of households. Audit scrutiny revealed that in seven agreements, the two divisions concerned had taken higher rates in the supplementary agreement as compared to the primary agreement and made payments accordingly. Details are given in Table 3.9.

Table 3.9: Details of difference in rate of HSC as per primary and supplementary agreement

Sl. No.	Name of PH Divisions	Agreement no. (primary agreement value)	Year of primary agreement (no. of households)	Year of supplementary agreement (no. of households)	Rate per HSC as per primary agreement	Rate per HSC in supplementary agreement (cost of supplementary agreement)	Difference in rate of item (Column 7-6)	Quantity executed in supplementary agreement (no. of HSC)	Excess payment made (Column 9*8) (₹ in lakh)
1	2	3	4	5	6	7	8	9	10
1	Bhagalpur West	SBD-67 & 68 (₹4.59 crore ¹⁸)	2019-20 (2,478 + 1,607)	2022-23 (2,010 + 1,150)	2,123	2,365 (₹1.81 crore + ₹0.67 crore)	242	3,160 (1,150 + 2,010)	7.65
2	Madhubani	SBD-55 (₹1.72 crore)	2019-20 (822)	2020-21 (150)	1,000	1,931 (₹0.18 crore)	931	150	1.40
		SBD-56 (₹1.67 crore)	2019-20 (736)	2020-21 (225)	1,000	1,931 (₹0.20 crore)	931	225	2.09
		SBD-15 (₹1.35 crore)	2019-20 (850)	2021-22 (90)	1,425	2,123 (₹0.07 crore)	698	90	0.63
		SBD-30 (₹1.68 crore)	2019-20 (975)	2020-21 (85)	2,050	2,123 (₹0.22 crore)	73	85	0.06
		SBD-35 (₹1.63 crore)	2019-20 (925)	2020-21 (150)	1,400	2,123 (₹0.30 crore)	723	150	1.08
	Total	₹12.64 crore	8,393	3,860		₹3.45 crore		3,860	12.91

(Source: Scheme records of test-checked PH Divisions)

¹⁸ SBD-67 (₹2.37 crore) & SBD-68 (₹2.22 crore).

Thus, the divisions concerned not only violated the conditions of the agreement but also incurred excess expenditure of ₹ 12.91 lakh as payment to the contractors in seven works in two PH divisions.

In reply, PHED stated (June 2025) that the provision for retrofitting was not included in the primary agreement but was incorporated in the supplementary agreement, which led to an increase in rates.

The reply of the department is not acceptable, as items of work included in the supplementary agreement remained the same as the primary agreement and there was no mention of house service connections with retrofitting.

3.3.4.2 Excess and irregular payment to contractors

As per Clause 2.1 of the Model Bidding Document issued by PHED (June 2019) payment for any item of work should be made only if it was completed as per specifications, terms of contract and the directions of the Engineer-in-Charge (EIC). Further, as per clause 6 of the Model Bidding Document, the EIC should determine the measurement and ascertain the value of work in accordance with the contract. All measurements and levels should be taken jointly by the EIC or his authorised representative and by the contractor or his authorised representative.

Audit noticed that five test-checked PH divisions made payments of ₹2.31 crore for works that had actually not been executed in 14 cases during 2018-19 and 2019-20 (as detailed in *Appendix-3.9*).

- In Sherghati division, the total executed value of work was ₹41.59 lakh as seen from final measurement of work (May 2023) entered in the MB, however, payment of ₹69.45 lakh was made to the contractor by the Division. It was noticed that during the period February 2020 to November 2021, extra payments were made before finalisation of final measurement as actual work executed (based on the final measurement) was lesser than the amount for which payments were made, leading to excess payment of ₹ 27.86 lakh.

In reply, PHED accepted the reply and stated (June 2025) that process for recovery of excess amount would be carried out.

- Three water supply schemes were taken up in Sherghati PH division during 2019-20, which included a provision of 15 motors of 3 HP motors, with discharge capacity of 2.5 to 3 litre per second (lps). Audit noticed that against the provision of 3 HP motors in the agreement, only 1 HP or 2 HP motors¹⁹ were installed by the contractor. However, EIC concerned made payment of total cost of ₹14.04 lakh (January 2021 to April 2022) for installation of 15 numbers of 3 HP motors as against only ₹ 9.40 lakh²⁰ due for installation of 1 or 2 HP motors, leading to excess payment of ₹4.64 lakh to the contractor.

¹⁹ 2 HP motors:-14; 1 HP motor:-1.

²⁰ 2 HP; 14 motors @ ₹ 64,403 each (₹ 9,01,642) + and 1 HP; 01 motor @ ₹ 37,903 = ₹ 9,39,545.

In reply, the PHED stated (June 2025) that payment was made as per provisions in the agreement. Reply was not in consonance with audit observations as the division made payment in excess of agreement provision.

- In Gaya division, piped water supply project was taken up for six wards under an agreement finalised in the year 2019-20. This agreement had a money value of ₹2.21 crore which also included O&M cost of ₹0.87 crore. It was noticed that payment of O&M was made (February 2022) with approval of EE, PH Division, Gaya for seven wards *i.e.*, one ward (Ward No. 11) more than the ones for which work was executed, leading to excess payment of ₹4.86 lakh to the contractor.
- PH division, Khagaria executed seven agreements during 2019-20 for implementation of schemes under *HGNJ yojana* in 23 wards with capacity of 16 klph IRP. The division made a payment of ₹2.07 crore on account of installation of 23 IRPs of 16 klph. However, upon third party verification of the IRPs installed, it was reported that the capacity of these was only 12 klph as against the stipulated 16 klph. Thus, against payment due of ₹ 1.61 crore for the installed IRPs of 12 klph, the division made a payment of ₹ 2.07 crore resulting in an excess payment of ₹46 lakh.
- In Bhagalpur East Division, the District Magistrate, Bhagalpur informed (July 2020) Executive Engineer, PH Division (East), Bhagalpur that Ward Nos. 7 & 8 of Babutola Kamlakund panchayat of Gopalpur block and Ward Nos. 8, 9, 10, 11 & 12 of Punama Pratapnagar panchayat of Naugachhia block were eroded and accordingly target for coverage of Wards under *HGNJ yojana* should be revised. Audit noticed that, before this communication, two agreements under *HGNJ yojana* had been executed (September 2019) for the eroded wards of Punama Pratapnagar GP. Though, DM, Bhagalpur declared that these wards had eroded (July 2020), the PH Division, Bhagalpur East continuously made payment (up to September 2023) on construction of components of the water supply scheme (household connections, installation of IRP, staging for overhead tank, chlorinator *etc.*) and O&M under these wards.

The EE of concerned PH Divisions was responsible for taking measurement of actual work done, based on which payment was to be made. However, EE failed to fulfil their responsibility as payment was made without execution of work. During the period February 2021 to September 2023, payment of ₹1.47 crore was made by the PH division despite the fact that these wards had been eroded²¹.

PHED replied (June 2025) that after the erosion of work site, concerned work was executed at the migrated place and payment was made to the contractor accordingly. The reply of the Department that schemes were executed at new

²¹ Payment made to the contract against agreement number 75/2019-20: ₹ 26.88 lakh (after erosion of ward number 12) and against the agreement number 76/2019-20: ₹ 120.31 lakh (after erosion of ward number 8,9,10,11).

places was not acceptable as the work of boring and distribution system had already been carried out by the contractor (April 2020 and July 2020) at the original site. Further, as per their MBs, no boring work was executed at any new scheme sites and execution of balance work was also shown in the MB of the original site.

Moreover, the Panchayat *Sachiv* of the concerned GP informed (December 2023) Audit that complete population of eroded ward had migrated to the municipal area of Naugachhiya and this municipal area is not under the jurisdiction of PHED.

3.3.4.3 Non-adherence to rates fixed by PHED

PHED had fixed rates (July 2018) of different components to be used in water supply schemes under HGNJ *yojana*, including rates of different diameters of pipes.

Two surface water schemes that were stand-post based, had been initiated for 300 wards in January 2013 and August 2015 by PH Division, Bhagalpur West and PH Division, Bhagalpur East, respectively. Subsequently, PHED decided (August 2018) to complete these schemes under *HGNJ yojana*, as tap water schemes. Accordingly, divisions revised (December 2018) the estimate for the schemes, with inclusion of distribution network pipe and house connections. Audit scrutiny of the revised estimates revealed that three types of HDPE pipes of 50mm, 63mm and 75mm diameter were utilised in the distribution network. Further it was seen that while the rates fixed by PHED were followed by the divisions in the revised estimates, this was not the case for one component related to 75mm diameter pipe, where rates used were higher than those fixed by PHED. The divisions executed agreements, based on the higher rate for the 75 mm pipe and made the payments accordingly as detailed in **Table 3.10**.

Table 3.10: Excess payment due to difference in the rate of HDPE pipe

Name of PH Division	Agreement No./ Year	Name of item (unit)	Rate in the estimates (in ₹/ per metre)	Rate fixed by the PHED (in ₹/ per metre)	Diff-erence in rate (in ₹/ per metre)	Executed quantity (metre)	Excess payment (₹ in lakh)
Bhagalpur East	SBD-03/ 2018-19	75 mm HDPE Pipe (m)	247.88	239.81	8.07	2,35,950	19.04
Bhagalpur West	SBD-50, 66, 67 and 68/2019-20	75 mm HDPE Pipe (m)	249.81	239.81	10.00	31,370	3.14
Total							22.18

(Source: Scheme records of test-checked PH Divisions)

Thus, non-adherence to the model estimate of PHED, led to an excess payment of ₹22.18 lakh to the contractor by the concerned test-checked PH Divisions.

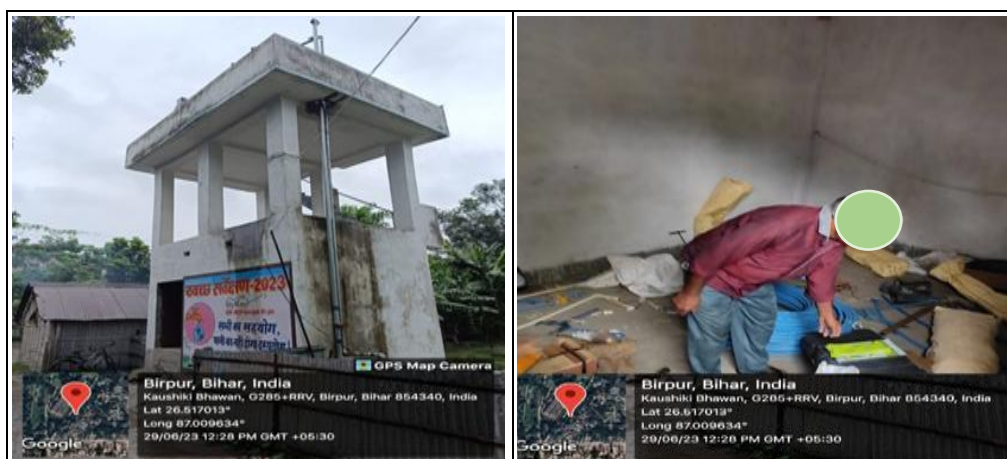
PHED replied (June 2025) that the rate of 75mm HDPE pipe was approved by the competent authority. The reply was not acceptable as no supporting document was provided and the rate of 75mm pipe was higher than the approved rate of the department.

3.3.4.4 Fraudulent payments made for IRPs without their installation

An Iron Removal Plant (IRP) is an essential component of a water supply scheme, designed to mitigate iron contamination and ensure safe drinking water. UD&HD (October 2016) directed to install IRPs of required capacity for mitigation of iron contaminant in the quality affected urban wards. Water supply schemes in urban wards were to be supervised and monitored by the Executive Officers of ULBs, who were also responsible for maintaining the quality of each component of the system.

HGNJ yojana was being implemented in three schemes of three wards of Birpur and Benipur ULB at an agreement value of ₹1.09 crore²² for coverage of 1,250 households. Audit noted that in one work of Ward No. 4 of Birpur ULB, payment of ₹3.16 lakh was made (May 2019) to the contractor for installation of one IRP as per the details in the MB of this work.

Similarly, in ULB, Benipur, payment of ₹12.60 lakh was made (November 2018 and April 2019) to the contractor for installation of two IRPs in Ward Nos. 8 and 17 of the ULB. However, during JPV conducted by Audit along with the officials of ULBs (June 2023 to September 2023), no IRPs were found installed at the sites in all the three wards.



Water supply scheme (left side) and non-installation of IRP in pump house of water supply scheme (right side) in ward no. 4 of Birpur NP, Supaul

²² Birpur: Ward no.4: ₹21.99 lakh for 250 households; Benipur: Ward no. 8: ₹39.45 lakh for 500 households, Ward no. 17: ₹48.04 lakh for 500 households.



Water supply scheme (left side) and non-installation of IRP in pump house of water supply scheme (right side) in ward no. 17 of Benipur NP, Darbhanga

Above facts indicated that despite the fact that no IRPs were installed, measurements for installation of the two IRPs (ward no. 8 and 17 of Benipur, ULB and one IRP of Birpur, ULB) were taken by JE of concerned ULBs, and accordingly payments were made. Hence, due to false booking in MB, without ensuring actual installation, fraudulent payment amounting to ₹15.76 lakh was made to the contractors. In addition, 1,250 households under these schemes remained deprived of water supply free of iron contamination.

UD&HD replied (June 2025) that in case of Birpur ULB, IRP has now been installed, however, no reply has been offered against non-installation of IRP in Benipur ULB.

3.4 Operation & Maintenance

The objective of an efficient O&M of water supply system is to provide safe and clean drinking water in adequate quantity and desired quality, and at adequate pressure to ensure water delivery at the tail end of the system. Lack of proper Operation & Maintenance (O&M) of water supply schemes leads to deterioration of useful life of the systems, necessitating premature replacement of components.

3.4.1 O&M of schemes under PHED

After the completion of the rural water supply schemes by PHED through contractors, the responsibility for its operation, maintenance, and upkeep for the next five years was assigned to the same contractors who carried out the construction work of the scheme.

Audit observed the following discrepancies in O&M of the *HGNJ yojana*.

3.4.1.1 Non-payment of O&M of Water Supply Schemes implemented by PHED

As per the gazette notification issued by GoB (August 2021) in case of *HGNJ yojana* schemes executed by PHED, O&M for five years shall commence after

trial run period (three/six months) and after the commissioning of the water supply scheme. Further, payment for O&M was to be made on pro-rata basis (with deductions for non-supply days) based on submission of quarterly invoices & certificate from engineer-in-charge stating satisfactory water supply.

From the statement of financial and physical progress of schemes implemented in 13 test-checked PH divisions²³, it was noted that in total 2,398 wards (696 agreements) payment of O&M was not made by the concerned divisions. Out of 2,398 wards, a test check of O&M status of 99 wards (23 agreements) of six PH divisions was carried out. It was observed that these schemes were completed during the period April 2020 to August 2022 but O&M for these 99 wards had not been paid for 171 to 1,093 days since the completion of the schemes (**Appendix-3.10**).

Further analysis indicated that, in 21 out of 23 agreements, the measurement of O&M for 87 wards was neither entered in the Measurement Book (MB) nor were the required payments made, despite the obligation to do so on a quarterly basis. In the remaining two²⁴ agreements covering 10 wards, O&M costs of ₹10.10 lakh and ₹13.10 lakh for 18 and 24 months, respectively were recorded in the MB however, the corresponding payments were not made.

Five out of 13 test-checked PH divisions²⁵ sought funds from PHED for payment of O&M cost of ₹4.94 crore (**Appendix-3.11**) to the contractor during May 2023 to October 2023. These costs had to be paid for 98 schemes, in which O&M had been carried out during the period 2020-21 to 2023-24. However, funds were not provided by the Department to the divisions concerned. Resultantly, no payment could be made to the contractors despite measurement for O&M in MBs.

Above issues highlight the lack of regular/quarterly payment for O&M activities to the contractor. Non-payment of O&M cost may adversely impact the operation of the schemes.

3.4.1.2 Payment of water quality test under O&M

As per Model estimate issued (March 2019) by the PHED for implementation of HGNJ yojana in rural wards, O&M cost was divided into eight components²⁶. Among eight components, one component was fortnightly water quality testing by the contractor. For this, the contractor was to receive fixed charges of ₹10,000 per year, during the O&M period of the scheme. Further, as per clause 5.2 of the Model Bidding Document issued by PHED (June 2019), the

²³ Except Bhagalpur West and Jamui.

²⁴ PH Division, Darbhanga (SBD-22/19-20); PH Division Sherghati (SBD-09/17-18).

²⁵ Aurangabad, Darbhanga, Gopalganj, Jhanjharpur and Madhubani.

²⁶ (a) Man power cost, (b) Civil structure (steel staging & masonry chamber), (c) Electrical and mechanical item (d) Chlorination including chlorinator (e) Distribution system (f) fortnightly water testing and monitoring cost (g) training for creating water quality awareness programme (h) energy charge.

contractor was to supply water from the scheme to PHED District laboratories to carry out quality checks of water on a sample basis.

Audit scrutiny of records from 12 district laboratories under 15 test-checked PH divisions revealed that, during 2017–18 to 2019–20 water samples from the schemes implemented under *HGNJ yojana* were being collected by JEs of the PH divisions and tested in the respective PH district laboratories. This indicated that contractors did not supply water samples for quality testing, as required.

Audit further observed that in these 15 test-checked divisions, O&M payments were made on a lumpsum basis, without detailing the cost of the individual components. As such, payments for fortnightly water quality testing were also being made to these contractors, despite their failure to supply water samples to PH laboratories for testing. Consequently, in 225 agreements across 15 test-checked divisions (*Appendix-3.12*), irregular payments to the tune of ₹1.93 crore were made to the contractors without ensuring the supply of water samples for quality testing.

3.4.2 Inadequate provision of funds under O&M in PRD

As per PRD guidelines (June 2017), panchayat communities were to hold ownership over assets once created and WIMCs were responsible for the O&M of the completed water supply scheme. User charges were fixed (minimum ₹30 per month) by the PRD and collected from consumers by the Ward Sabha for O&M of the schemes.

Further, a provision of ₹4,000 per month per ward was also made for O&M of *HGNJ* scheme under funding from the 15th FC grants. Out of this, ₹2,000/- was to be used for maintenance of *HGNJ* scheme and the remaining funds were to be used for remuneration of the pump operator. Besides this, GoB decided (June 2021) to provide ₹24,000 annually to each WIMC for O&M purpose.

The PRD, GoB released funds of ₹69.60 crore²⁷ for O&M under the State Budget for six months only (from April 2022 to September 2022) to DPROs of concerned districts for onward transfer to WIMCs. In addition, audit also noticed that 11 test-checked GPs²⁸ transferred funds of ₹ 33.36 lakh to WIMCs of 147 wards for O&M of Water Supply Scheme during September 2022 to April 2023 from the 15th Finance Commission grants.

After September 2022, there was no arrangement in place to ensure fund release for continuous O&M of completed water supply schemes, including payment of remuneration to pump operators. Further, User Charges to meet the cost of O&M were not realised during the period 2017-18 to 2022-23 by any of the

²⁷ In August 2022 and February 2023.

²⁸ Aurangabad, Obra, Mahuawan: 8 wards: ₹1.92 lakh; Amilona: 14 wards: ₹1.68 lakh; West Champaran, Gaunaha, Belsand: 13 wards: ₹3.12 lakh, Mahai : 14 wards: ₹3.36 lakh; Lauriya, BelwaLakhanpur: 14 wards: ₹4.80 lakh, Dhobni: 14 wards : ₹1.68 lakh; Chhapra, Ekma, Banpura: 15 wards: ₹3.60 lakh, Husepur: 14 wards, ₹3.36 lakh; Gaya, Imamganj, Chakarbandha: 13 wards: ₹3.12 lakh, Dubhal: 14 wards, ₹3.36 lakh; Darbhanga, Keoti, Nanaura: 14 wards: ₹3.36 lakh.

WIMCs of the 48 test-checked GPs and no funds for O&M were released by the Department.

During joint physical verification of 209 scheme sites in 35 GPs (June 2023 to November 2023), it was observed that payment of remuneration to pump operators was made in only 23 *per cent* cases (48 of 209 operators²⁹). Presence of a regular pump operator was essential to ensure uninterrupted water supply and therefore non-release of payments to them, may affect the operations of the water supply schemes in the test-checked wards.

3.4.2.1 Non-availability of electric connection in PRD wards

An Electricity connection was necessary for the operation of motor and other components in water supply schemes. Further, as per PRD directions issued during September 2019, any rural scheme (under *HGNJ yojana*) would be considered functional only after installation of a valid electricity connection. PRD therefore instructed District Magistrates to ensure a valid electricity connection for the pipe water schemes.

During joint physical verification (June 2023 to November 2023) of schemes implemented by WIMCs, it was observed that in 58 of 209 wards, electricity connection had not been made available to 58 schemes, even though the same was essential for making the scheme operational. Details of the same are given in **Table 3.11**.

Table 3.11: Non-availability of electric connections in WIMCs schemes

Sl. No.	Blocks	GPs	Total wards	Remarks (functionality of the scheme)
1	Obra	2	5	2 functional and 3 non-functional
2	Barun	2	5	2 functional and 3 non-functional
3	Rajnagar	1	1	1 functional
4	Phulparas	2	6	6 non-functional
5	Gaunaha	2	10	4 Functional and 6 non-functional
6	Lauriya	2	2	1 Functional and 1 non-functional
7	Ekma	1	3	3 Functional
8	Revilganj	2	3	2 Functional and 1 non-functional
9	Fatehpur	2	12	9 Functional and 3 non-functional
10	Imamganj	2	4	1 Functional and 3 non-functional
11	Hathua	1	1	1 scheme non-functional
12	Gidhour	1	2	2 schemes non-functional
13	Gauradih	1	4	3 Functional and 1 non-functional
			58	

(Source: Joint physical verification of scheme sites)

Out of the 58 wards where electricity connection was not available, water supply schemes in 30 wards were not operational while in the remaining 28 wards, schemes were operational but without a valid electricity connection.

²⁹ Operators of Mukhyamantri Gramin Peyjal Nischay scheme was responsible for operation of scheme viz. put on and off the motors of scheme, daily watch and ward of scheme etc.

3.4.3 Status of O&M in ULBs

For HGNJ yojana schemes taken up in ULBs by UD&HD, a provision was included for O&M for five years by the contractor who executed the water supply schemes. As per guidelines, provision of O&M at the rate of two *per cent* of the estimated cost for five years after completion of the scheme was to be made in the estimate/bill of quantity of the water supply scheme.

Audit findings in this regard are as follows:

3.4.3.1 Non-provision/execution of O&M in ULBs

Based on audit examination, it was noted that in seven test-checked ULBs, O&M was not being done in 107 schemes that had commenced between April 2017 to July 2022. This was despite the fact that a provision for the same was included in the agreement with the contractors. These schemes had been completed (November 2017 to May 2023), however, O&M had not been started³⁰ for these schemes even after lapse of six months to 73 months of completion. (*Appendix-3.13*).

Further, test-check of 12 schemes of 12 wards was carried out with regard to provision of O&M. In this course it was noted that Nagar Panchayat, Birpur, completed water supply schemes during March 2018 to October 2020 at a cost of ₹7.52 crore, however, no provision for O&M was made in the original agreements. O&M works were subsequently awarded, after a gap of three to five years only in March 2023. Due to this it was noted that water supply service to 3,659 households under Nagar Panchayat Birpur was delayed and started only in April 2023.

In reply, ULB, Gopalganj while accepting the audit observation, stated that separate tenders have been invited for O&M, whereas ULB, Jhanjharpur and Benipur stated that the O&M of the schemes are being carried out. However, Audit found no such records to substantiate the fact that any O&M payments were made or any measurements recorded in case of Benipur ULB. However, no reply was furnished by the Department.

3.4.3.2 Non-availability of electricity connection in water supply schemes in ULBs

In course of the joint physical verification of schemes implemented by ULBs (during June 2023 to July 2023), it was observed that electricity connection for operation of motor was not taken in 27 out of 138 schemes implemented in 25 out of 227 wards of three test-checked ULBs during April 2017 to October 2022. The details are given in **Table 3.12**.

Table 3.12: Non-availability of electric connection in ULBs schemes

Sl. No.	Name of ULBs	Total wards	No. of Schemes
1	Khagaria	3	3
2	Revilganj	15	17
3	Tekari	7	7
	Total	25	27

(Source: records of test-checked units)

³⁰ Except Nagar Panchayat, Birpur where agreement for O&M was executed in March 2023.

These 27 schemes were physically verified and it was observed that three schemes (covering 750 households), were not operational while the other 24 schemes were operational through other/unauthorised sources of electricity.

In reply, UD&HD stated (June 2025) that in Khagaria and Tekari ULBs, electric connections have been taken, however, for schemes under Rivilganj ULB, the Electricity Department has been contacted for providing the connection.

3.4.3.3 Non-collection of user charges under ULBs

As per directions issued (27 October 2016) by UD&HD, expenditure incurred on O&M of schemes was to be met from user charges to be collected from consumers. These user charges were fixed for various categories of consumers, as per the Water User Charge Policy, notified in August 2021 by UD&HD, GoB. Under this Policy, consumers were categorised based on property tax paid by them and purpose of water consumption. User charges were accordingly fixed between ₹40 and ₹150 per month. Further, water meter was to be installed for commercial, industrial and other government institutions and user charges were to be charged accordingly.

Audit observed that in nine test-checked ULBs³¹, user charges amounting to ₹ 4.77 crore (**Appendix 3.14**) for the period from August 2021 to March 2023 was due for realisation from 68,650 consumers by the concerned ULBs. Only two ULBs³² had realised user charges of ₹ 7.89 lakh against a demand of ₹58.70 lakh as detailed in **Table 3.13**.

Table 3.13: Details of User Charges in nine ULBs from August 2021 to March 2023

Sl. No.	Name of ULB	Total Households	Total User charge to be collected (in ₹)	User charges collected by ULBs	Total non-realised user charge (in ₹)
1	Aurangabad	3,770	28,65,200	0	28,65,200
2	Benipur	11,831	86,39,560	0	86,39,560
3	Bettiah	19,364	1,30,16,200	0	1,30,16,200
4	Gopalganj	4,968	37,26,960	0	37,26,960
5	Jhajha	4,585	31,92,200	4,62,960	27,29,240
6	Jhanjharpur	4,399	26,87,640	0	26,87,640
7	Khagaria	9,456	67,65,040	0	67,65,040
8	Revilganj	6,754	40,96,120	0	40,96,120
9	Tekari	3,523	26,77,480	3,26,480	23,51,000
	Total	68,650	4,76,66,400	7,89,440	4,68,76,960

(Source: Records of test-checked units), #Amount of user charge was calculated after completion of the schemes.

Table 3.13 indicated that only two *per cent* of user charges was collected by ULBs and resultantly, funds necessary for O&M of the water supply schemes was not ensured, affecting the upkeep and maintenance of these schemes.

³¹ Khagaria, Tekari, Rivilganj, Bettiah, Benipur, Gopalganj, Jhanjharpur, Aurangabad and Jhajha.

³² Jhajha and Tekari.

In reply, UD&HD stated (June 2025) that in Bettiah, Jhanjharpur, Gopalganj, Jhajha, Khagaria, Tekari and Rivilganj ULBs, user charges have been collected. In remaining ULBs also these charges would be collected.

Conclusion

Audit findings reveal that despite significant expenditure *HGNJ yojana* scheme fell short of achieving piped water supply coverage in both rural and urban areas of Bihar. Unrealistic reporting of ward coverage, incomplete execution of works, absence of proper surveys, poor contract management hampered the scheme implementation. Inadequate provision for execution of O&M, lack of electricity connections, and poor user charge recovery further rendered many schemes non-functional. Consequently, a large number of targeted households and institutions remained deprived of intended benefits of safe and continuous tap water supply, defeating the core objective of the scheme.

Recommendations:

Recommendation 4: The State Government may improve planning and monitoring mechanisms by ensuring proper surveys before scheme execution and adopt a common, real-time reporting system across departments to reflect actual field progress.

Recommendation 5: The State Government may strengthen contract and financial management by ensuring adherence to agreement terms and enhancing oversight to avoid delays, excess payments, and incomplete works.

Recommendation 6: The State Government may support continuous service delivery by ensuring timely O&M funding, resolving electricity supply issues, encouraging user charges collection, and enhancing coordination among implementing agencies and local bodies.

