CHAPTER-II
ECONOMIC SECTOR

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ECONOMIC SECTOR

2.1 Introduction

The findings based on audit of the State Government departments/ offices under Economic Sector feature in this chapter.

During 2023-24, against a total budget provision of ₹65,699.66 crore, 18 departments incurred an expenditure of ₹54,713.95 crore. **Table 2.1.1** gives Department-wise details of budget provision and expenditure incurred there against by 18 departments under Economic Sector.

Table 2.1.1: Department-wise budget provision and expenditure during 2023-24

(₹ in crore)

Sl. No.	Department	Grant No. and Name	Budget provision		Expenditure	
			Revenue	Capital	Revenue	Capital
1.	Agriculture	48 – Agriculture	2287.44	171.16	1845.41	116.24
		67 – Horticulture	131.91	1.36	75.07	0.14
2.	Finance	Public Debt and Servicing of Debt	11065.37	19915.93	10389.17	20645.07
		10 – Other Fiscal Services	4.03	-	2.58	-
		Public Service Commission	28.20	1.12	21.14	0.73
		5 – Sales Tax & other taxes	733.23	74.40	388.86	48.43
		13 – Treasury & Accounts Administration	130.57	15.45	99.42	2.53
		66 – Compensation and Assignment to LBs and PRIs	1002.77	-	333.23	-
		7 – Stamps and Registration	49.98	2.58	20.89	1.20
		8 – Excise and prohibition	96.99	2.59	74.07	1.76
		68 - Loans to Government Servants *etc.*	-	0.01	-	-
3.	Fishery	54 – Fisheries	116.81	58.21	101.52	10.47
4.	Water Resources	63 – Water Resources	390.65	1154.34	362.64	927.64
5.	Forest and Environment	55 – Environment and Forest	975.16	84.68	728.82	29.24
6.	Handloom, Textiles and Sericulture	59 – Village and Small Industries, Sericulture and Weaving	353.90	23.86	224.66	4.03
7.	Industries and Commerce	58 – Industries & Commerce	469.25	2954.95	139.71	2719.37
		60 – Cottage Industries	77.26		54.28	
8.	Irrigation	49 – Irrigation	609.70	423.53	509.33	316.12
9.	Mines and Minerals	61 – Mines and Minerals	19.49	5.18	14.83	2.12
10.	Power	62 – Power (Electricity)	750.89	2892.08	735.88	2363.47
11.	Public Works (R)	64 – Roads and Bridges	1496.99	10784.32	930.55	6866.96
12.	Science and Technology	69 – Science, Technology and Climate Change	50.46	74.72	24.16	42.78
13.	Soil Conservation	51 – Soil and Water Conservation	182.92	44.07	168.36	39.79
14.	Transport	9 – Transport Services	516.40	360.05	382.19	326.38
15.	Tourism	65- Tourism	42.08	59.78	31.52	32.34
16.	Animal Husbandry and Veterinary	52 – Animal Husbandry & Veterinary	480.48	84.53	318.98	20.64
		53 – Dairy Development	45.72	13.92	28.88	2.48
17.	Information Technology	75 – Information and Technology	118.80	0.26	53.87	-
18.	Public Works Building and National Highway	17 – Administrative and Functional Buildings	406.50	3766.58	220.91	1846.08
		21 – Guest Houses, Government Hostels	87.67	6.18	63.84	1.67
		33 – Residential buildings	1.73	0.47	1.50	-
Total			**22723.35**	**42976.31**	**18346.27**	**36367.68**
Grand Total (includes charged):			**65,699.66**		**54,713.95**	

Source: Appropriation Accounts 2023-24.

2.1.1 Planning and conduct of Audit

During 2023-24, out of 697 auditable entities under Economic Sector (excluding State Public Sector Enterprises), we audited 71 entities based on risk analysis involving an expenditure of ₹15,870.46 crore (including expenditure of earlier years). This Chapter contains four Compliance Audit Paragraphs.

Compliance Audit Paragraphs

Public Works (Building & NH) Department

2.2.1 Extra cost burden

Irregular award of consultancy for the work of "Proposed Swahid Smarak Khetra at Pachim Boragaon", resulted in an extra cost burden of ₹71.60 lakh.

Rule 466 (1) of Assam Financial Rules (AFR), 1939 provides that every public officer should exert the same vigilance in respect of public expenditure and public funds generally as a person of ordinary prudence would exercise in respect of expenditure and the custody of his own money.

The Executive Engineer (EE), PWD[69], Dispur prepared (August 2020) an estimate of ₹47.50 crore for "Proposed Swahid Smarak Khetra at Pachim Boragaon, Guwahati" including consultancy (₹1.55 crore) and contingency, based on APWD SoR (2013-14). AA and ES for ₹47.50 crore were accorded in October 2020 by the Chief Engineer (CE), PWD (Building). The work was awarded (December 2020) to M/s Sunrise Enterprise[70], at a restricted cost of ₹41.82 crore[71] (against quoted of ₹44.94 crore, 16.12 *per cent* above) with complete target of December 2021.

A revised[72] estimate of ₹94.66 crore was prepared (February 2023) due to change in scope[73] and the AA was accorded in November 2023. The contract value was enhanced (December 2023) to ₹80.18 crore with extension of time up to May 2025 for completion of the work. As of May 2025, expenditure of ₹79.67 crore was incurred with physical progress of 99.50 *per cent*.

Audit scrutiny revealed that consultancy services were tendered separately in September 2020 and awarded in November 2020 to M/s Topubratta Dutta Architects

[69] Permanent Capital Construction (PCC) Division

[70] L1 among three bidders

[71]

NIT Value (civil, water supply, sanitary, electrical work)	₹38,69,99,312
GST Amount @ 7% (proportionate)	₹2,70,89,952
Contingency @ 1% (proportionate)	₹41,40,893
Total	**₹41,82,30,157**

[72] The revised estimates was prepared based on the contractor's quoted rates for existing items, rates of CPWD DSR 2021[72] and analysed rates for supplementary items.

[73] Change in scope of construction of statue, entrance gate, food stall/cafeteria with toilet block, boundary wall, cycling track, site development, landscaping, electrification, wall sculpture, *etc*.

at ₹124.85 lakh (reduced from ₹147.50 lakh based on the undertaking furnished during bid evaluation meeting held in November 2020 to reduce the quoted price). However, the project estimate had already been prepared and approved in October 2020 with the consultants assistance, prior to the award of the consultancy contract. Upto May 2025, the consultant was paid ₹105.36 lakh against 4th Running Account Bill.

The Request for Proposal (RFP) for the Consultancy Service included both technical and financial proposals. As per the RFP, the technical score was to be evaluated on applicant's experience, experience of key personnel, methodology and work plan, *etc*., and the applicant with a minimum score of 70 points or more out of 100, would be eligible for evaluation of financial proposal. Further, as per clause 3.2 of RFP, in case of less than two pre-qualified applicants, the authority may pre-qualify the applicants with technical score less than 70. The financial score was to be determined as 100 x FM/F, where F was the financial proposal of the concerned applicant and FM was the lowest financial proposal. The final rankings were determined based on the combination of technical and financial score in the ratio of 0.7 and 0.3. The applicant having the highest combined score would be selected.

Records showed that three applicants *viz*., Topubratta Dutta Architects, Aesthetic Creation and Integra Ventures submitted their proposals and technical score of the three bidders, as per the technical evaluation, were 93, 34.49 and 51.76 respectively. As the technical bid of Aesthetic Creation was found non-responsive, the financial bids of Topubratta Dutta Architects (₹147.50 lakh) and Integra Ventures (₹53.25 lakh) were evaluated.

Topubratta Dutta Architects was given a combined score of 75.23 against the Integra Venture's 66.23. By virtue of receiving higher score, Topubratta Dutta Architects was awarded the consultancy services. However, Audit observed discrepancies in the evaluation of bids of Topubratta Dutta Architects and Integra Ventures, as detailed below:

(i) Clause 2.3.3 (g) of RFP stipulated that any firm engaged by the Authority to provide goods, works, or services for a project, along with its Associates, would be disqualified from participating as a consultant for the same project. Audit observed that Topubratta Dutta Architects was involved (August 2020) for preparation of estimate prior to initiation (September 2020) of tendering process.

On this being pointed out (January 2025), the CE stated (March 2025) that due to urgency the EE, PWD, PCC Division sought technical assistance from M/s Topubratta Dutta Architects, an empanelled architectural consultancy firm of PWD (B) for preparation of the estimates. It was stated that the firm had sufficient experience and voluntarily assisted in preparing the estimates. No payment was made, and no appointment letter was issued, as the assistance was provided on an honorary basis.

Thus, the engagement of Topubratta Dutta Architects in the preparation of the DPR, even on an honorary basis, constituted a prior association with the project. Therefore, as per clause 2.3.3 of the RFP, the firm should have been disqualified from participating in the subsequent bidding process for consultancy services of the project.

(ii) Out of maximum eligibility of 10 points against the criterion of firm's experience for (i) similar works and (ii) eligible and relevant assignment, the score sheets for Topubratta Dutta Architects and Integra Ventures depicted as 7.60 and 3 points respectively though both the applicants fulfilled the criterion of five projects with cost of ₹17.84 crore as per clause 3.1.5 of RFP. The similar and eligible works for Integra Ventures was shown as 'Nil' in the evaluation sheet though the firm furnished the details of required five projects.

In reply, the CE stated (March 2025) that Integra Ventures submitted information of five non-Government projects and as per the clause of the standard bid documents (SBD), only Government projects were considered for evaluation. As such, Integra Ventures score was shown as 'Nil' in the evaluation sheet with reference to similar and eligible works. The reply is not tenable as Integra Ventures submitted information of five Government projects out of which three were awarded by the Public Works (Building) Department itself. Thus, the score of Integra Ventures should not have been less than that of Topubratta Dutta Architects.

(iii) Out of maximum eligibility of 15 points against the criterion of qualification and experience of key personnel, Topubratta Dutta Architects and Integra Ventures obtained scores of 15 and 12.20 points respectively. It was also noticed that the evaluation committee did not consider the information on the 'Structural Engineer' submitted by Integra Ventures though the same was furnished as per the requirement.

The CE stated (March 2025) that the documents submitted by Integra Ventures for 'Structural Engineer' did not support the minimum merit as per SBD document. As such, marks for 'Structural Engineer' were considered 'Nil' for Integra Ventures. The reply is not tenable because the bid document furnished by Integra Ventures supported the minimum merit for 'Structural Engineer' and hence qualified in technical evaluation in minimum merit criteria as per RFP clause.

(iv) Out of maximum eligibility of 35 points against the criterion of experience of key personnel in eligible and relevant work, Topubratta Dutta Architects and Integra Ventures obtained scores of 32.40 and 16.56 points respectively though Integra Ventures furnished information satisfying all the experience criteria of different key personnel.

The CE stated (March 2025) that though Integra Ventures submitted the information of key personnel for eligible and relevant works, their years of experience were less in comparison to the years of experience of key personnel of Topubratta Dutta Architects. It was also stated that the key personnel of Integra Ventures had experience in non-Government projects only. The reply is not tenable as the bid document furnished by Integra Ventures showed that all the key personnel of Integra Ventures fulfilled the minimum required criteria as per RFP clause.

(v) Out of maximum eligibility of 40 points against concept proposal, methodology, work plan and 3D walk through presentation, Topubratta Dutta Architects and Integra Ventures obtained scores of 38 and 20 respectively. It was noticed that for methodology and work plan, no point was awarded to Integra Ventures though for concept proposal, Integra Ventures obtained 14.60 out of 20 points.

In reply, the CE stated (March 2025) that Integra Ventures did not submit methodology & work plan and therefore received no marks in those components. However, this response appears to be contradictory and raised the question as to how the firm was awarded 14.6 out of 20 marks in the concept proposal component if it did not submit the two key components.

Based on the tender documents furnished to Audit, a revised scoring sheet was prepared by Audit (***Appendix 2.1***). As per Audit assessment, M/s Integra ventures obtained score of 79.14 against the incorrect awarded score of 66.23. Accordingly, M/s Integra ventures should have been declared the successful bidder as their score was higher than the score of 75.23 awarded to M/s Topubratta Dutta Architects.

From the above, it was evident that the integrity of the bidding process and the required rationality as well as transparency in awarding the work to the consultant was compromised and fraught with the risk of favouritism to the selected consultant.

The contract was wrongly awarded to M/s Topubratta Dutta Architects, while M/s Integra ventures was the highest-scoring bidder. This irregular evaluation led to the acceptance of a significantly higher financial bid of ₹124.85 lakh, instead of the competitive bid of ₹53.25 lakh submitted by M/s Integra ventures, which resulted in extra cost burden of ₹71.60 lakh.

In reply, GoA stated (July 2025) that no consultant was engaged by the EE, PCC Division for preparation of estimate and the estimate was prepared by in-house technical personnel of office of the EE, PCC Division and accordingly the AA was accorded. As such the restriction as mentioned in the clause 2.3.3 (g) was not applicable in this case.

The reply contradicts the statement (March 2025) of CE that due to urgency, the EE, PWD, PCC Division sought technical assistance from M/s Topubratta Dutta Architects, an empanelled architectural consultancy firm of PWD (B) for preparation of the estimates. Moreover, the assertion of GoA was factually incorrect as the signature of M/s Topubratta Dutta Architects on the body of the estimate indicated their involvement in preparation of estimate making Clause 2.3.3 (g) applicable in this case.

GoA also stated (July 2025) that the combined evaluation score of Topubratta Dutta Architects and Integra Ventures of 75.23 and 66.23 respectively were found to be correct and hence, awarding the consultancy services to the H1 bidder (Topubratta Dutta Architects) was justified.

The Department's reply is untenable as it contradicts earlier admissions by the CE and ignores documentary proof of the consultant's role in estimate preparation. The firm's prior association violated clause 2.3.3 (g) of the RFP, making them ineligible to participate. Further, the evaluation process was flawed, with Integra Ventures being unfairly marked, despite meeting eligibility norms. Audit's recalculated scoring established Integra Ventures as the highest-ranked bidder. Thus, awarding the consultancy to M/s Topubratta Dutta Architects not only breached procurement rules but also imposed an avoidable financial burden of ₹71.60 lakh on the exchequer.

Public Works (Roads) Department

2.2.2 Undue financial benefit to the contractor

Finalisation of tender based on altered item rates instead of the rates actually quoted by the contractor resulted in undue financial benefit of ₹1.25 crore to the contractor.

Rule 466 (1) of Assam Financial Rules (AFR) stipulates that every public officer should exert the same vigilance in respect of public expenditure and public funds generally as a person of ordinary prudence would exercise in respect of expenditure and the custody of his own money.

Executive Engineer (EE), Sorbhog-Jania Territorial Roads Division[74] prepared (October 2020) estimate of the work - 'Widening and strengthening of Katajhar to Kahitama Pather Road' under Central Road and Infrastructure Fund (CRIF) 2020-21 for ₹31.45 crore based on APWD SoR[75] for State Highway and Major District Roads 2018-19. GoA, PWD (Roads) accorded (13 November 2020) administrative approval (AA) and the Chief Engineer (CE), PWD (Border Roads and NEC Works), Assam accorded (30 December 2020) the technical sanction (TS) to the work for ₹31.45 crore (revised to ₹34.56 crore on 04 December 2024).

The scope of the work *inter alia* included widening and strengthening of road to 5.50 m with bituminous surface and extra widening with Interlocking Precast Blocks

[74] Now renamed as Bhawanipur-Sorbhog & Pakabetbari TRD, Barpeta Road.
[75] Assam Public Works Department Schedule of Rates.

(ICBP) on either side of the road. The estimated cost of ICBP was ₹2.76 crore[76] and that of Bituminous Concrete (BC) was ₹2.49 crore[77].

As per the tender documents, online bid was invited (October 2020) before accordance of AA and TS to expedite the tendering process. Six bidders participated in the tendering process, of which, four were found technically qualified. On evaluation of financial bids, M/s Macrocosm Builders was found as the lowest bidder with the quoted price of ₹27.09 crore, which was 10 *per cent* below the estimated cost of ₹30.10 crore put to tender. The work was awarded (25 February 2021) to M/s Macrocosm Builders for ₹27.09 crore (enhanced to ₹34.56 crore through working estimates) with the stipulation to complete the work by February 2023. The contractor was granted extension of time up to July 2025 and the work was completed on 11 April 2025. The contractor submitted the final bill of ₹34.02 crore against which, ₹31.61 crore has been paid up to Running Account Bill IV and an amount of ₹2.41 crore is pending for payment as of July 2025.

On scrutiny (October – November 2024) of records related to selection of bidder in the office of the CE, PWD (Border Roads and NEC Works), Assam, Audit observed that M/s Macrocosm Builders quoted ₹10,500 per cum for BC and ₹880.96 per sqm for ICBP. The system generated (19 November 2020) *e*-comparative statement was, however, altered to show rates of ₹14,748.86 for BC and ₹480 for ICBP. The altered hard copy of e-comparative statement bearing signatures of five officers[78] from the office of the CE was maintained in the physical file.

Thus, for the L1 bidder, the rate for BC was increased by ₹4,248.86 per cum[79]. Conversely, the rate for ICBP was decreased by ₹400.96 per sqm[80] keeping the total

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76

Item	Unit	Quantity	Rate (₹)	Amount (₹)	Add 12% GST (₹)	Add 1% LC (₹)	Total (₹)
ICBP	sqm	22855.00	805.00	1,83,98,275.00			
Edge Restraint	cum	636.675	9514.20	60,57,453.29			
Total				**2,44,55,728.29**	**29,34,687.39**	**2,44,557.28**	**2,76,34,972.96**

77

Item	Unit	Quantity	Rate(₹)	Amount (₹)	Add 12% GST (₹)	Add 1% LC (₹)	Total (₹)
Bituminous Concrete	cum	2156.80	10226.50	2,20,56,515.20	26,46,781.82	2,20,565.15	2,49,23,862.17

78 (i) Junior Engineer (IBRC Branch), (ii) Assistant Executive Engineer (IBRC Branch), (iii) Executive Engineer (IBRC Branch), (iv) Superintending Engineer (IBRC Branch) and (v) Chief Engineer, PWD (Border Roads and NEC Works), Assam.

79 Manipulated rate of ₹14,748.86 per cum - Quoted rate of ₹10,500 per cum.

80 Quoted rate of ₹880.96 - Manipulated rate ₹480.

quoted amount for those two items unchanged at ₹4.28 crore[81] and overall quoted price at ₹27.09 crore in general. The CE forwarded (21 November 2020) the evaluation report and the altered Comparative Statement to Deputy Secretary (Works), GoA, PWD for placing the same before the Tender Committee, which recommended (27 January 2021) award of the contract to M/s Macrocosm Builders as L_1 bidder.

Audit further observed that after commencement of the work in February 2021, the department modified the estimate twice (March 2022 and December 2024) due to variation in quantities citing the reason of site requirement, replacement of ICBP with BC, new protection works, *etc*. As a result of replacing ICBP with BC, the revised scope of BC increased from 2,156.802 cum to 2,956.969 cum.

As of July 2025, the EE paid ₹31.61 crore to M/s Macrocosm Builders against the final bill value of ₹34.02 crore, including ₹4.36 crore for 2,953.0688 cum of BC at the manipulated rate of ₹14,748.86 per cum. The manipulation of quoted rates in the comparative statement by the officials concerned was to favour the intended bidder as award of contract based on an altered comparative statement extended undue financial benefit of ₹1.25 crore to the contactor as shown below:

Estimated quantity (Cum)	Estimated rate (₹)	Quoted Rate (₹)	Manipulated Rate (₹)	Excess per cum (₹) [Col. 4- Col. 3]	Quantity executed (Cum)	Excess payment (₹) [Col. 6 x Col. 5]
(1)	*(2)*	*(3)*	*(4)*	*(5)*	*(6)*	*(7)*
2,156.802	11,555.95	10,500	14,748.86	₹4,248.86	2,953.0688	1,25,47,175.90

Thus, manipulation in the system generated comparative statement led to an undue financial benefit of ₹1.25 crore to the contractor. Altering the comparative statement without justification violates standard public procurement protocols, compromising transparency and fairness. More importantly, the case exposes the vulnerability of hybrid (online + manual) systems and underscores the need for end-to-end digital procurement platforms with tamper-proof audit trails.

While accepting (15 July 2025) the Audit observation, GoA stated (18 July 2025) that an inquiry on the matter has been initiated and a final report to this effect will be submitted on receipt of the same from the CE.

In the preliminary inquiry report regarding altered hard copy of the e-comparative statement, six incumbents (the then two CEs, one Superintending Engineer, one

81

Item No.	Item of work	Unit	Estimated Quantity	Estimated Rate (₹)	Estimated Amount (₹)	Quoted		Altered	
						Rate (₹)	Amount (₹)	Rate (₹)	Amount (₹)
16	BC	cum	2156.802	11555.95	2,49,23,885.29	10,500.00	2,26,46,421.00	14748.86	3,18,10,370.75
17	ICBP	sqm	22855.00	909.65	2,07,90,050.75	880.96	2,01,34,340.80	480.00	1,09,70,400.00
Total							**4,27,80,761.80**		**4,27,80,770.75**

Executive Engineer, one Assistant Executive Engineer and one Junior Engineer) were named. However, the final inquiry report had not been received (August 2025).

2.2.3 Undue financial benefit to the contractor

Despite the significant reduction in the revised estimate, the Department did not revise the contract price and allowed execution of the work at the original contract price of ₹6.43 crore, which was 91 *per cent* higher than the revised estimate, resulting in an undue financial benefit of ₹3.06 crore

Rule 466 (1) of Assam Financial Rules (AFR), 1939 stipulates that every public officer should exert the same vigilance in respect of public expenditure and public funds generally as a person of ordinary prudence would exercise in respect of expenditure and the custody of his own money.

Further, as per para 10.1.2 read with para 10.1.3 of the Central Vigilance Commission[82] (CVC) publication (August 2002), abnormally low and high rates items quoted by the contractor has are to be identified at the time of award of contract, to prevent undue advantage to the contractor arising from variation in quantities during execution.

Executive Engineer, Baithalangso Road Division, PWD prepared (December 2019) an estimate of ₹6.43 crore for the work of "Improvement and Upgradation of Approach Road (1.20 KM) to Koka Waterfalls by providing Two-lane Road with RCC drain cum footpath, including road furniture and road safety works under Assam Darshan based on Schedule of Rates for State Highway and Major District Roads (SH&MDR) 2018-19. AA was accorded on 8 January 2020 and NIT was floated on 17 January 2020. M/s N N Construction was selected as L1 at ₹5.91 crore on 29 February 2020.

As per the estimates, the drain work constituted the major component of expenditure, accounting for 62.52 *per cent* (₹4.02 crore), of the total estimated cost, of which ₹3.64 crore was earmarked for procurement of 377.01 MT of TMT bars for construction of 200 RM of drain.

After work commenced in June 2020, the Department revised the estimate in July 2020 upon detecting excess quantities of TMT bars provisioned in the original estimate during analysis of bill of quantities (BOQ) *vis-à-vis* the approved drawings. Against the provision of 377.01 MT of TMT bars, the actual requirement as per the approved drawings was only 41.606 MT, leading to an excess provision of 335.40 MT valued at ₹3.24 crore, based on SH&MDR SoR 2018-19.

Consequently, the department revised the working estimate from ₹6.43 crore to ₹3.37 crore, including reduction of ₹2.97 crore under other items and ₹0.40 crore towards TMT bars. However, despite the significant reduction, the Department did

[82] Para 10.1.2 and Para 15 of publications dated August 2002 and November 2002 respectively.

not revise the contract price and allowed execution of the work at the original contract price of ₹6.43 crore, which was 91 *per cent* higher than the revised estimate, resulting in an undue financial benefit of ₹3.06 crore. The work was completed in January 2021 and the entire contract amount of ₹6.43 crore was paid (January 2022) to the contractor.

The estimate was vetted by seven designated engineers, including AEEs, EE and SEs. Despite such multilayered scrutiny, the fundamental error in assessment of quantity remained undetected, reflecting serious lapses in due diligence and technical oversight. Audit noted that the contractors bid showed an anomalous distribution:

- Abnormally low rate for TMT bars (₹0.38 crore against ₹3.64 crore estimated, *i.e.,* 10.35 *per cent*).
- Abnormally high rates for other items (₹5.54 crore against an estimated ₹2.79 crore, *i.e.,* 198.43 *per cent*).

Thus, contrary to Paragraphs 10.1.2 and 10.1.3 of the CVC publication (August 2002), the Department did not identify and assess the abnormally low and high rates quoted by the contractor at the time of award of contract, resulting in undue financial benefit to the contractor due to variation in quantities during execution.

Further, the non-selected bidders had quoted rates between ₹3.33 crore and ₹3.71 crore, which was in line with the revised working estimate of ₹3.37 core. However, the award of work to the selected bidder at ₹6.43 crore, which was significantly higher than the revised estimate highlighting discrepancy in the award of work.

In response (July 2024), the Chief Engineer admitted that errors in quantity calculation were detected only during analysis of the Bill of Quantities, corroborating the inadequate due diligence during estimate preparation and accord of technical sanction. However, the reply was silent on the abnormal bid rates and non-revision/retendering after revision of estimates.

Recommendations:

- *The Department may fix responsibility for lapses in due diligence and oversight, which resulted in an undue financial benefit of ₹3.10 crore to the contractor.*
- *The Department may strengthen procurement controls relating to scrutiny of abnormal bid rates and revision of contract price where estimates undergo substantial revision.*

The matter was forwarded to the Government of Assam (May 2024); their reply was awaited as of April 2025.

Water Resources Department

2.2.4 Undue Payment to contractors

Award of work by the Departmental Tender Committee at higher rate based on a modified comparative statement (CS), instead of a system generated statement resulted in undue payment of ₹30.70 lakh to the contractors.

Rule 466 (1) of Assam Financial Rules, 1939 stipulates that every public officer should exert the same vigilance in respect of public expenditure and public funds generally as a person of ordinary prudence would exercise in respect of expenditure and the custody of his own money.

The Chief Engineer (CE), Water Resources Department (WRD), Government of Assam (GoA) invited (30 November 2017) bids for the work "Anti-erosion measures to protect Safarkamar and its adjoining areas from erosion of river Beki" through electronic tendering system (ETS)[83] for ₹395.23 lakh. In response to the notice inviting bids, five bidders participated and two bidders[84] were found (December 2017) to be technically qualified. As per the Tender Summary Reports and Comparative Statement (CS) generated (December 2017) by the ETS, both the bidders quoted same amount of ₹355.68 lakh, which was 10 *per cent* below the estimated cost of ₹395.23 lakh put to tender. Besides, both the bidders quoted same rate for each item of the work.

To finalise the tender, a meeting of the Departmental Tender Committee (DTC) was held in January 2018, wherein the CE, WRD, as Member Secretary of the DTC, placed the CS before the Committee for acceptance of the rate and allotment of the work. Audit, however, observed (January 2023) that though as per the system generated CS, both the bidders quoted aggregate amount of ₹355.68 lakh for the work, a modified CS showing the higher quoted value of ₹386.38 lakh was placed before the DTC for consideration by increasing the rates of all items.

Based on the modified CS, the DTC assessed the position of the bidders and recommended (January 2018) to award the contract at ₹386.38 lakh to both the bidders by dividing the work equally. Accordingly, the Executive Engineer, Barpeta WR Division issued (January 2018) work orders of ₹193.19 lakh each to both the bidders. The work was completed in December 2018 and the contractors were paid total ₹386.38 lakh during December 2018 to November 2019.

Thus, contrary to the prudent use of public fund stipulated under AFR, 1939, the Department awarded the contract at higher rate based on modified comparative statement instead of the system-generated statement, resulted in undue payment of ₹30.70 lakh (₹386.38 lakh *minus* ₹355.68 lakh) to the contactors.

[83] Website https://assamtenders.gov.in.
[84] Shri Pulen Haloi and Shri Rahin Basumatary.

In reply, forwarded to GoA, WRD, the CE stated (28 July 2025) that a departmental inquiry was initiated and show-cause notices under Rule 9 of the Assam Services (Discipline and Appeal) Rules, 1964 were issued to the Assistant Engineers and Tender Assistant, who were involved in the evaluation of the said bid. Besides, ₹15.11 lakh was recovered[85] from one contractor (Shri Pulen Haloi) and recovery from the other contractor (Shri Rahin Basumatary) is under process.

[85] Challan No. 2025/07/2950 dated 14 July 2025.