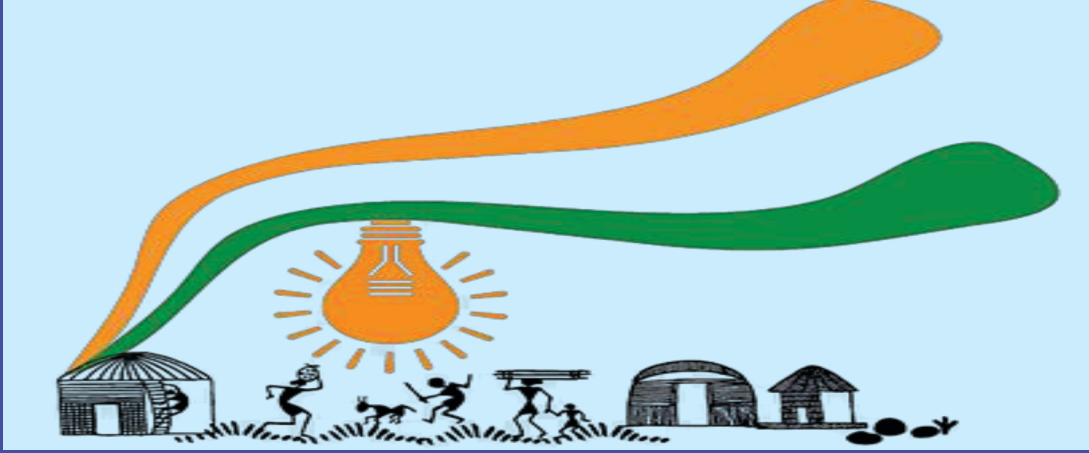




सत्यमेव जयते

Report of the Comptroller and Auditor General of India

Performance Audit on Implementation of Deendayal Upadhyaya Gram Jyoti Yojana and Pradhan Mantri Sahaj Bijli Har Ghar Yojana by Electricity Distribution Companies of Madhya Pradesh for the year ended 31 March 2022



SUPREME AUDIT INSTITUTION OF INDIA

लोकहितार्थं सत्यनिष्ठा

Dedicated to Truth in Public Interest



Government of Madhya Pradesh

Report No. 4 of the year 2024

**Report of the
Comptroller and Auditor General of India**

**Performance Audit on
Implementation of Deendayal Upadhyaya Gram Jyoti
Yojana and Pradhan Mantri Sahaj Bijli Har Ghar Yojana
by Electricity Distribution Companies of Madhya Pradesh
for the year ended 31 March 2022**

Government of Madhya Pradesh
Report No. 4 of the year 2024

Table of Contents

Content	Reference to	
	Paragraph(s)	Page (s)
Preface		v
Executive summary		vii-ix
Chapter – I		
Introduction		
Rural Electrification	1.1	1
Deendayal Upadhyaya Gram Jyoti Yojana	1.2	1
Pradhan Mantri Sahaj Bijli Har Ghar Yojana	1.3	2
Funding pattern for the Schemes	1.4	2
Activities to be undertaken by the DISCOMs for implementation of the Schemes	1.5	3
Status of the implementation of the Schemes in Madhya Pradesh	1.6	4
Audit objectives	1.7	6
Audit Criteria	1.8	6
Audit Scope and Methodology	1.9	6
Selection of projects	1.10	6
Entry and Exit Conference	1.11	7
Audit findings	1.12	7
Acknowledgement	1.13	7
Chapter – II		
Implementation of DDUGJY		
Status of implementation of the Scheme	2.1	10
Formulation of Detailed Project Reports (DPRs)	2.2	10
Deficiencies in the preparation of Detailed Project Report	2.2.1	11
Deficient planning for consumer and DTR meterisation	2.2.2	12
Execution of works under DDUGJY	2.3	13
Execution of work not in conformity with the Detailed Project Reports	2.3.1	14
Higher expenditure due to non-incorporating appropriate clause in the award	2.3.2	14
Failure to impose liquidated damages	2.3.3	15
Delay in execution of the projects	2.3.4	16
Failure to realise additional grant	2.3.5	16
Closure and approval of the projects	2.4	18
Discrepancies in the data of beneficiaries and the closure reports	2.4.1	18
Quality Assurance and Monitoring	2.5	19
Deficiencies in Monitoring of the projects	2.5.1	19
Non-rectification of defects pointed out by the REC Quality Monitor	2.5.2	21
Differences in various components as per Dashboard and records of the DISCOMs	2.5.3	22
Chapter – III		
Implementation of SAUBHAGYA		
Brief description of the Scheme	3.1	24
Formulation of Detailed Project Reports (DPRs)	3.2	25

Execution of the projects		3.3	26
Award of work without due process		3.3.1	26
Deficient execution of Contract		3.3.2	27
Extra expenditure on the execution of work of providing new service connections		3.3.3	28
Excess procurement of material		3.3.4	29
Creation of infrastructure without any connection		3.3.5	29
Avoidable expenditure in the installation of the solar power pack		3.3.6	30
Not providing the material as per the specification prescribed in the Scheme guidelines		3.3.7	30
Non-adherence to the guidelines of the Scheme for installation of the solar power pack		3.3.8	31
Receipt of cash award on an incorrect basis		3.3.9	32
Receipt of the additional grant on an incorrect basis		3.3.10	33
Non-pursuance of Reports of REC Quality Monitor		3.3.11	33
Closure and approval of the projects		3.4	34
Claim for excess beneficiaries in comparison to the executed quantity		3.4.1	35
Financial Management		3.5	35
Failure in obtaining Government support for the portion of ‘own fund’		3.5.1	36
Avoidable payment of additional charges due to deficient loan arrangement		3.5.2	36
Monitoring Management		3.6	37
Deficiencies in Monitoring of the projects		3.6.1	37
Non-rectification of defects pointed out by REC Quality Monitor		3.6.2	39
Differences in various components as per Dashboard and records of the DISCOMs		3.6.3	40
Chapter – IV			
Beneficiary Survey			
Audit findings		1 to 7	41
Chapter – V			
Post Scheme Analysis			
Conclusion			47
Recommendations			47
Appendices			
1.1	Statement showing details of physical components executed in DISCOMs under DDUGJY and SAUBHAGYA	1.6	49
2.1	Statement showing work execution details of DDUGJY Scheme in 13 sampled projects	2.1	50
2.2	Statement showing deficient planning of metering of DTRs and consumers under DDUGJY Scheme	2.2.2	51
2.3	Statement showing details of approved villages in DPR but not taken up for execution	2.3.1	52
3.1	Statement showing details of financial and physical components executed in 13 selected projects under SAUBHAGYA	3.1	53

3.2	Statement showing details of execution of works without tendering in DISCOMs	3.3.1	54
3.3	Statement showing details of installation of inappropriate capacity of solar power pack	3.3.8	55
4.1	Format of survey form for beneficiary survey	Chapter IV	56

Preface

This Report of the Comptroller and Auditor General of India for the year ending 31 March 2022 has been prepared for submission to the Governor of Madhya Pradesh under Article 151 of the Constitution of India, for being laid before the Legislature of the State.

The Report contains significant results of the Performance Audit of 'Implementation of Deendayal Upadhyaya Gram Jyoti Yojana and Pradhan Mantri Sahaj Bijli Har Ghar Yojana by Electricity Distribution Companies of Madhya Pradesh', covering the period 2014-15 to 2021-22 for DDUGJY and 2017-18 to 2021-22 for SAUBHAGYA (implementation period of the schemes).

The instances mentioned in this Report are among those which came to notice in the course of test audit.

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



Executive Summary

Executive Summary

Power is a critical infrastructure element for the growth of an economy. The availability of reliable, quality and affordable power is vital for rapid growth in agriculture, industry and the overall economic development of a state. For this, an efficient, resilient and financially healthy power sector is an essential requirement for the growth of a state and the economic empowerment of the common man. Rural electrification is considered the key to accelerating the rural economy. The demand for electricity in rural areas is increasing day by day due to an increase in customer base, changes in lifestyle, and consumption patterns which require continual strengthening and augmentation of the distribution network to ensure reliable and quality power supply.

Under the Indian Constitution, electricity is a concurrent subject. As per Electricity Act 2003, it is the duty of a distribution licensee to develop and maintain an efficient, coordinated and economical distribution system in the mandated area of supply as well as to supply the electricity in accordance with the provisions contained in the Act. However, the poor financial health of the power distribution companies (DISCOMs) resulted in under-investment in the distribution network and poor upkeep and maintenance of assets, particularly in rural areas. As such, there had been different schemes to support DISCOMs to augment and strengthen the distribution networks and provide universal electrification.

The Ministry of Power (MoP), GoI launched (December 2014) Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) subsuming the targets laid down under the erstwhile Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) as a separate rural electrification sub-component by carrying forward the approved outlay for the RGGVY to the DDUGJY with additional objectives, viz. separation of agriculture and non-agriculture feeders; and strengthening and augmentation of sub-transmission and distribution infrastructure in rural areas, including metering at distribution transformers, and the feeder and consumers' end.

The GoI also launched (October 2017) Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA) to achieve universal household electrification in the country. The scope of the Scheme included providing last-mile connectivity and electricity connections to all un-electrified households in rural areas, Solar Photovoltaic based standalone system for un-electrified households located in remote and inaccessible villages/habitations, where grid extension is not feasible or cost-effective, and providing last mile connectivity and electricity connections to all remaining economically poor un-electrified households in urban areas.

The above two Schemes involved an expenditure of ₹ 4,694.95 crore for the creation of power distribution infrastructure and providing new electricity connections to 19.33 lakh households. All the DISCOMs / State Government certified (July/September/October 2018) that they had achieved 100 *per cent* electrification. Considering the huge financial amount involved and the larger social objective of the Schemes, the implementation of these Schemes has been examined in this Performance Audit.

The Audit examined the system of assessing the requirement of infrastructure works, execution of projects under the Schemes and mechanism of monitoring the execution and quality of works. Of the 50 projects under the Schemes, 13 projects were sampled for detailed scrutiny.

DDUGJY

The DISCOMs were to formulate the project-wise DPRs based on the detailed field survey for sanction of projects from GoI and execute the works as per the approved DPRs. However, the DISCOMs prepared the DPRs without any field survey. Resultantly, huge variations occurred in various components of the works executed against the sanctioned quantities.

The DPRs were prepared at rates other than SOR. The nine sampled projects of MPMKVVCL and MPPaKVVCL were overvalued to the tune of ₹ 25.94 crore and the four sampled projects of MPPoKVVCL were undervalued by ₹ 2.73 crore.

Metering of the supply of power is considered essential for energy accounting and in identifying high-loss pockets and initiating remedial measures for the reduction of losses. Against the requirement of metering for 89,310 DTRs and 2,83,777 unmetered consumers, the DISCOMs planned for metering of 2,400 DTRs (three *per cent*) and 1,02,614 consumers (36 *per cent*) only. However, no DTR and only 25,982 unmetered consumers (25 *per cent*) were meterised.

For strengthening the power distribution system, against the augmentation of 86 substations approved under the Scheme, only 55 substations were augmented. Importantly, MPMKVVCL augmented 17 of these substations for ₹ 7.12 crore on its own thereby losing a grant of ₹ 4.27 crore under the Scheme.

Timely completion of the project is essential so that the beneficiaries are connected to the grid at the earliest. However, it was noticed that four projects which were awarded on a turnkey basis were delayed by two to 22 months. In three projects, the MPMKVVCL descope the work of turnkey contractors but did not recover the liquidated damages of ₹ 6.51 crore.

The DISCOMs were required to bring down the AT&C losses in the range of 15.50 to 23.00 *per cent* by 2020-21 and as an incentive additional grant (15 *per cent* of project cost) of ₹ 102.96 crore was to be received. However, AT&C losses remained high in the range of 18.51 to 47.34 *per cent* in the year 2020-21 and the DISCOMs could not avail of additional grants.

Variations were noticed in the details of projects completed, details as submitted and approved in the project Closure Report and details as available in the Scheme dashboard.

MPMKVVCL and MPPoKVVCL awarded Project Management Agency (PMA) works at consultancy fees of 1.5 *per cent* and 0.60 *per cent* of the project cost respectively, which was much higher than the approved PMA cost of 0.50 *per cent*. As such, the cost to the tune of ₹ 0.31 crore in sampled nine projects was borne by the MPMKVVCL and MPPoKVVCL. Further, MPPaKVVCL and MPPoKVVCL did not assign the work of monitoring and coordination of the bidding process of projects, project planning and implementation, MIS and updating of the web portal to PMAs in contradiction of the guidelines issued by the REC.

It is recommended that the DISCOMs should plan the works based on detailed field surveys and should implement the Scheme as per the approved plan. The GoMP and the DISCOMs should establish an effective system for ensuring quality work execution and project monitoring in adherence to the Scheme guidelines. Also, delays in the execution of works should be avoided and the DISCOMs should levy the LD as per the terms of the contracts.

SAUBHAGYA

The DISCOMs were to formulate the project-wise DPRs based on the detailed field survey for sanction of projects from GoI and execute the works as per the approved DPRs. However, the DISCOMs prepared the DPRs without any field survey, at rates other than SOR. Resultantly, the 13 sampled projects were valued higher by ₹ 30.66 crore. The DPRs of all 50 projects were submitted with delay.

Despite assurance from GoMP to provide for ‘own fund’ of 10 *per cent* of the cost of the Scheme, it was observed that the MPPoKVVCL availed a loan for this and had to incur avoidable interest of ₹ 24.65 crore up to March 2022.

Audit also noticed deficiencies at the stage of award of work as 4,080 LoAs to the tune of ₹ 50.62 crore for the electrification of 1,38,054 households without inviting bids and five LOAs were issued for the electrification of 860 households on the date of completion of work or thereafter. The work orders included the supply of material also, which was at a rate higher than the SOR.

For providing new connections, the audit noticed that MPPoKVVCL included additional items/items with higher specifications at a higher rate and incurred an expenditure of ₹ 3,514.90/ ₹ 4,461.38 per connection against the ceiling of ₹ 3,000 per connection under the Scheme, thereby incurring an extra expenditure of ₹ 11.45 crore in four projects. Besides, the DISCOMs procured materials of ₹ 27.60 crore above the requirement, which remained unutilised.

To provide power connection to unelectrified HHs located in remote and inaccessible areas, a solar power pack with adequate capacity and battery bank were to be installed. Considering the solar radiation available in the State, solar power packs of 250 WP were to be provided whereas the DISCOMs installed 2,964 solar power packs of 200 WP only.

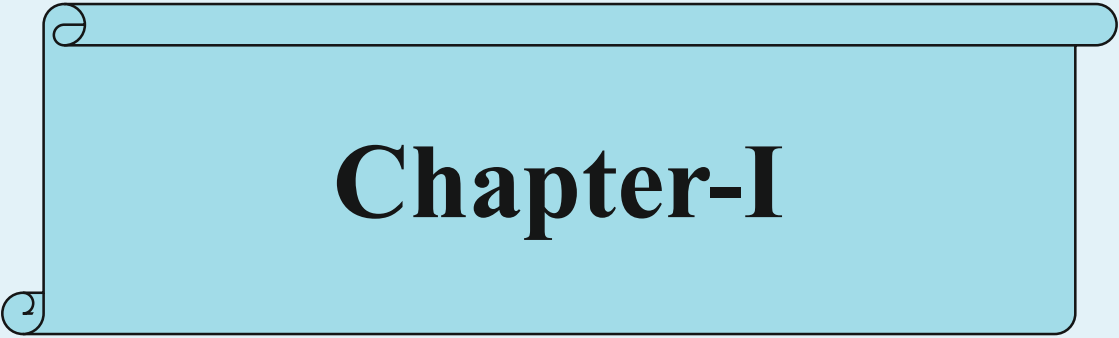
The DISCOMs declared the completion of the Scheme at an early date to claim cash award (MPMKVVCL and MPPaKVVCL ₹ 100.50 crore each) and an additional grant of ₹ 110.54 crore, though as per the records, some works under the Scheme were carried out after the declared completion dates of the Scheme.

The Project Management Agencies were to be engaged for management and timely completion of Projects. The MPMKVVCL and MPPoKVVCL did not engage any PMA whereas MPPaKVVCL appointed PMA at a belated stage (25 February 2019) whereas the works were completed by 31 March 2019.

There was a delay of more than 16 months in the submission of closure reports. In 11 projects, the DISCOMs provided connections to 3.30 lakh beneficiaries but lodged claims for 4.16 lakh beneficiaries thus raising excess claims of ₹ 24.06 crore.

It is recommended that the DISCOMs should prepare DPRs only after the detailed field survey and based on the latest SOR to avoid huge variations during execution. They should avail funds from the State Government for a portion of 'own funds' instead of going for loans. The DISCOMs should adhere to the tendering process and procure the material as per the field requirements and avoid lodging incorrect declarations on the achievement of electrification targets. The GoMP and DISCOMs should establish an effective system for ensuring quality work execution and project monitoring in adherence to the Scheme guidelines.

With the implementation of these Schemes, the DISCOMs / State Government could achieve universal electrification in the State and the people at large benefitted. However, as it was noticed, there continue to be many deficiencies in the metering of households as well as DTRs in addition to other inefficiencies leading to a substantial increase in provisional billing i.e. billing on an estimation basis. Hence, unless the DISCOMs manage to realise optimum revenue from all its consumers including the newly added consumers through these Schemes, the DISCOMs will not be able to control the ever-burgeoning AT&C losses.



Chapter-I

Chapter-I

Introduction

1.1 Rural Electrification

Electricity is an essential requirement for all facets of our life and it has been recognized as a basic human need. It is the key to accelerating economic growth, employment generation, poverty elimination and human development. Rural Electrification is viewed as the key to accelerating rural development. Electricity is an essential infrastructure for agriculture, small and medium industries, khadi and village industries, cold chains, health care, education, information technology and so on. The Rural Electrification Policy of 2006 stipulated that the key development objective of the power sector is the supply of electricity to all areas including rural areas as mandated in Section 6 of the Electricity Act of 2003. Both the Central Government and State Governments are to jointly endeavour in achieving this objective at the earliest. The demand for electricity in rural areas is increasing day by day due to an increase in customer base, changes in lifestyle, and consumption patterns which require continual strengthening and augmentation of the distribution network. However, the poor financial health of the power distribution companies (DISCOMs) has resulted in under-investment in the distribution network leading to poor upkeep and maintenance of assets, particularly in rural areas. Therefore, strengthening and augmentation of sub-transmission & distribution infrastructure are also considered necessary to ensure reliable and quality power supply in rural areas.

Accordingly, the Government of India (GoI) launched various Schemes for the electrification of villages from time to time. In December 2014, GoI launched a Scheme namely Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) for strengthening rural infrastructure subsuming the erstwhile Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) which had the objective of electrification of the villages having a population of 100 and above. Subsequently, in 2017, GoI launched another Scheme namely Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA) for providing electricity connections to all rural households and urban poor households.

The Performance Audit (PA) has been conducted to review the implementation of the DDUGJY and SAUBHAGYA in the State of Madhya Pradesh. The brief introduction of these Schemes consisting of the Scheme objectives, funding pattern, and the details of infrastructure created have been discussed in this chapter along with the Audit Objectives, Audit Criteria, and Audit Methodology including the sample selection details.

1.2 Deendayal Upadhyaya Gram Jyoti Yojana

To address the problem of inadequate and unreliable power supply in rural areas and to strengthen the distribution network in rural areas, GoI in December 2014 launched the “Deendayal Upadhyaya Gram Jyoti Yojana” (DDUGJY) Scheme for rural electrification. To achieve the objective, the Scheme was formulated to execute the following components:

- Separation of agriculture and non-agriculture feeders facilitating judicious rostering of supply to agricultural & non-agricultural consumers in the rural areas;
- Strengthening and augmentation of sub-transmission & distribution (ST&D) infrastructure in rural areas, including metering at distribution transformers (DTRs), feeders, and consumer ends; and
- Completing the outlay of rural electrification laid down under Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) for the 12th and 13th Plans by subsuming RGGVY in

DDUGJY. The RGGVY was formulated to cover the electrification of unelectrified villages with a population of 100 and above.

The Ministry of Power (MoP), GoI, appointed (December 2014) REC Limited (formerly known as Rural Electrification Corporation Limited-REC) as the Nodal Agency for the implementation of the Scheme.

The REC formulated detailed guidelines for project formulation, execution, quality assurance, and monitoring to achieve the objective of the successful implementation of the Scheme. The Scheme was to be implemented by the DISCOMs in the State.

1.3 Pradhan Mantri Sahaj Bijli Har Ghar Yojana

The GoI launched (October 2017) another Scheme namely Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA) to electrify all the remaining un-electrified households in rural areas as well as in urban areas with an objective of universal household electrification in the country on the premise that urban un-electrified households were economically poor. To achieve the objective, the Scheme was formulated to execute the following components:

- Providing last-mile connectivity and electricity connections to all un-electrified households in rural areas;
- Providing Solar Photo Voltaic-based standalone system for un-electrified households in remote and inaccessible villages/households; and
- Providing last mile connectivity and electricity connections to all remaining economically poor un-electrified households in urban areas. Non-poor urban households were excluded from this Scheme.

As per the Scheme guidelines, REC was the Nodal Agency for monitoring the project execution. This Scheme was to be implemented by the DISCOMs in the State.

1.4 Funding pattern for the Schemes

The funding mechanism of DDUGJY and SAUBHAGYA is depicted in **Table 1.1** below:

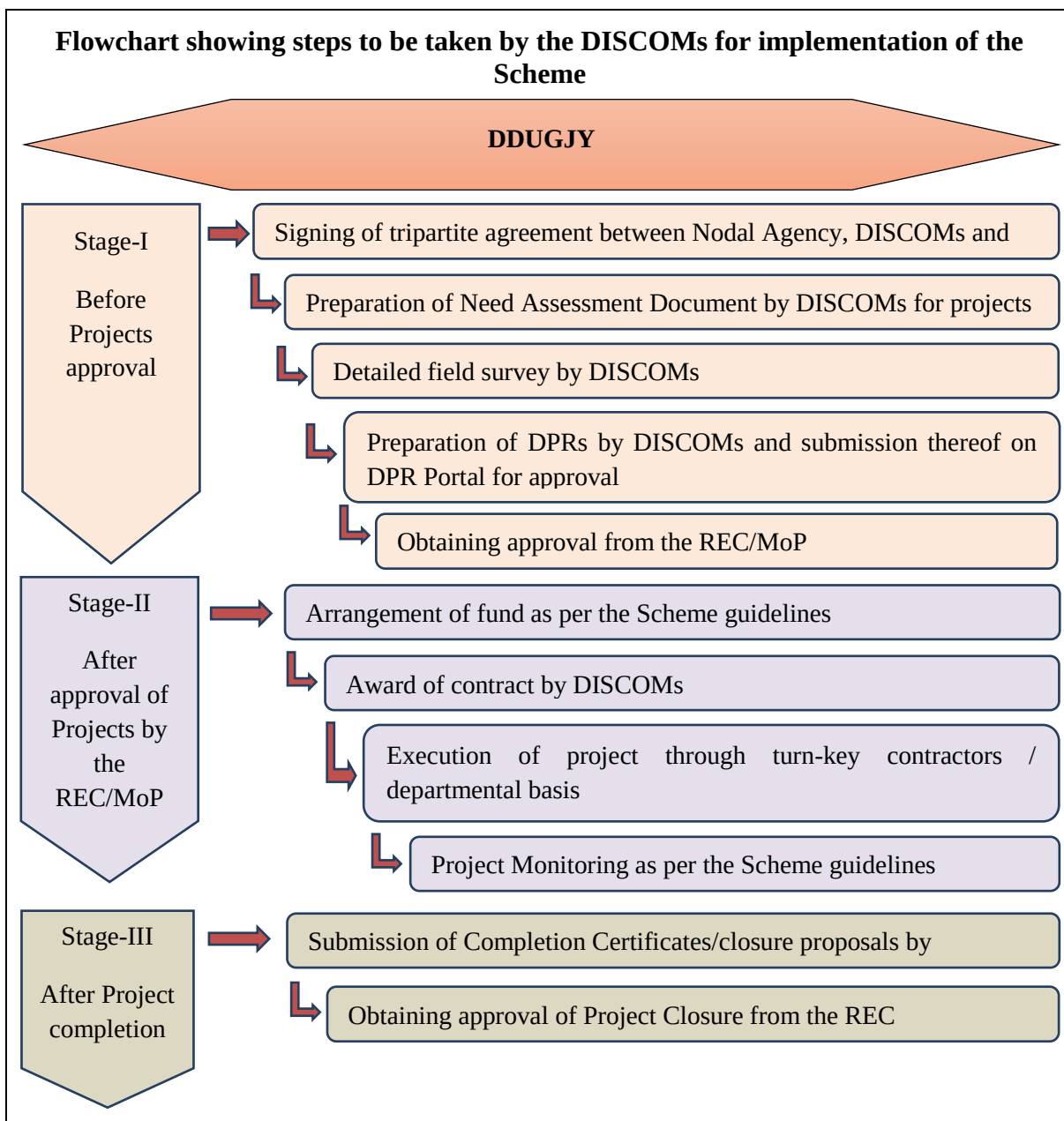
Table 1.1: Funding Mechanism

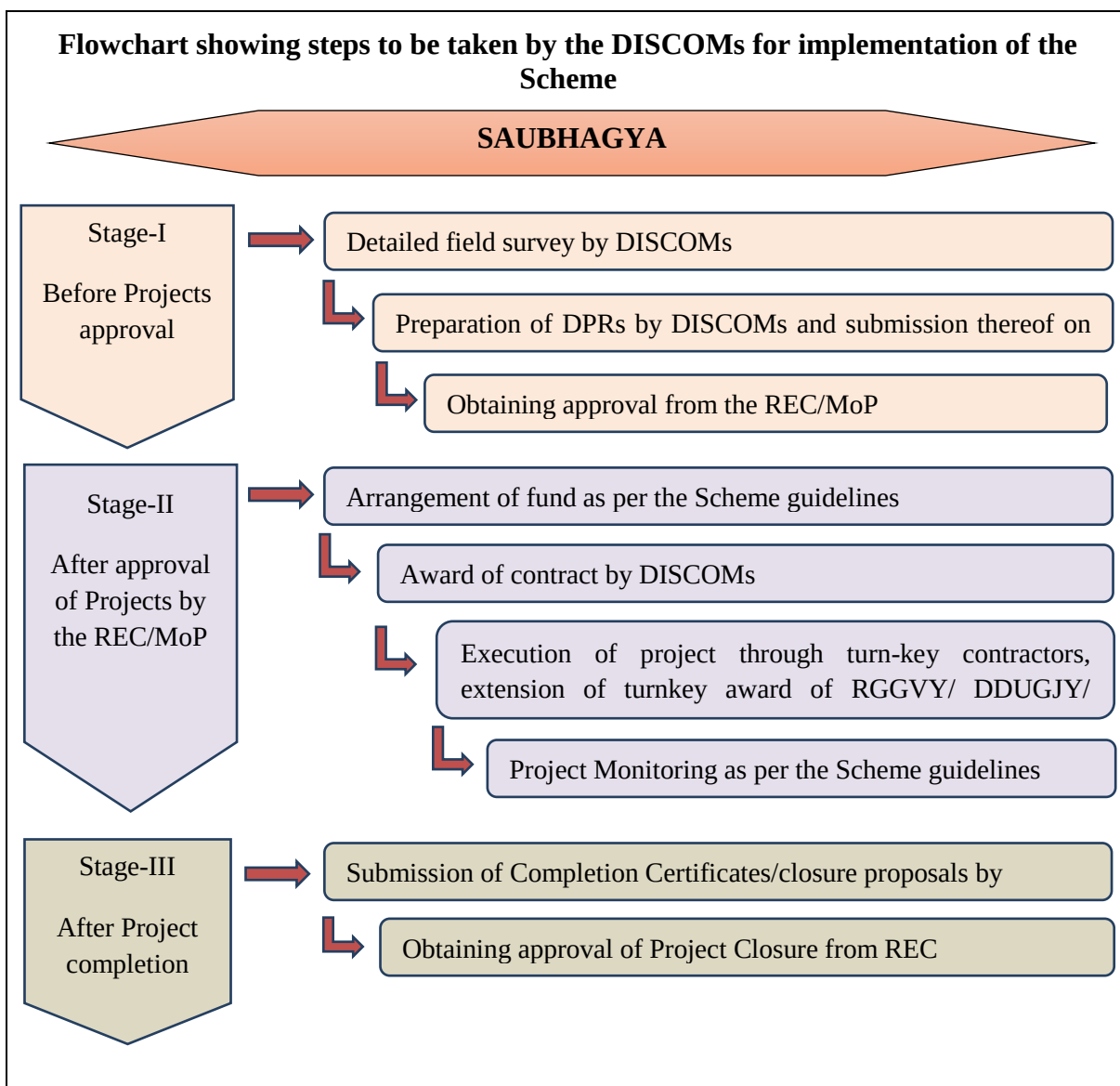
Sl. No.	Agency	Nature of support	Quantum of support (percentage of project cost)
1.	Govt of India	Grant	60
2.	State/DISCOMs	Own Fund	10
3.	Lender (FIs/ Banks)	Loan	30
4.	Additional Grant from GoI on achievement of prescribed milestones	Grant	50 per cent of the total loan component (30 per cent) i.e. 15 per cent

(Source: Scheme guidelines of the DDUGJY and SAUBHAGYA)

1.5 Activities to be undertaken by the DISCOMs for implementation of the Schemes

For the implementation of the Schemes, the role and obligations of the DISCOM(s) are depicted in the flow charts below:





1.6 Status of the implementation of the Schemes in Madhya Pradesh

As per the guidelines of the Schemes, the DISCOMs were required to formulate the project and execute the Scheme in conformity with the guidelines of the Scheme. In Madhya Pradesh, there are three DISCOMs namely:

- Madhya Pradesh Madhya Kshetra Vidyut Vitran Company Limited, Bhopal (MPMKVVCL),
- Madhya Pradesh Paschim Kshetra Vidyut Vitran Company Limited, Indore (MPPaKVVCL) and
- Madhya Pradesh Poorv Kshetra Vidyut Vitran Company Limited, Jabalpur (MPPoKVVCL).

Madhya Pradesh Power Management Company Limited (MPPMCL) is the holding company of all three DISCOMs. These DISCOMs along with their holding company are owned by the Government of Madhya Pradesh (GoMP) and work under the administrative control of the Energy Department (Department), GoMP. The DISCOM-wise bifurcation of the number of the projects and their sanctioned cost is detailed in **Table 1.2** below:

Table 1.2: DISCOM-wise details of the number of the projects and their sanctioned cost (₹ in crore)

Sl. No.	Name of the DISCOM	DDUGJY			SAUBHAGYA			Total Sanctioned cost	Total Expenditure
		No. of projects	Sanctioned cost	Actual Expenditure	No. of projects	Sanctioned cost	Actual Expenditure		
1.	MPMKVVCL	16	957.02	927.73	16	547.62	482.15	1,504.64	1,409.88
2.	MPPaKVVCL	14	930.00	951.67	14	325.28	308.07	1,255.28	1,259.74
3.	MPPoKVVCL	20	964.00	1,007.33	20	998.38	1,018.00	1,962.38	2,025.33
Total		50	2,851.02	2,886.73	50	1,871.28	1,808.22	4,722.30	4,694.95

(Source: Sanction orders issued by the REC.)

The DISCOMs obtained the above sanction through DDUGJY and SAUBHAGYA for the creation of various infrastructures and providing connections to the households in conformity with the provisions of the guidelines of these Schemes. The DISCOM-wise details of the infrastructure created in DDUGJY and SAUBHAGYA are shown in **Appendix 1.1**. The summarised consolidated position of the infrastructure created during the implementation period of both Schemes (2014-15 to 2021-22 for DDUGJY and 2017-18 to 2021-22 for SAUBHAGYA) in Madhya Pradesh is shown in **Table 1.3** below:

Table 1.3: Details of Infrastructure created during the implementation period

Sl. No.	Name of the Component	Unit	DDUGJY	SAUBHAGYA	Total
1.	New Substation	Nos.	145	-	145
2.	Augmentation of Substation	Nos.	314	-	314
3.	11 Kilo Volt (KV) line	Circuit Kilometer (Ckm).	21,112	12,599	33,711
4.	Distribution Transformers (DTRs)	Nos.	24,612	15,204	39,816
5.	Low Tension (LT) lines	Ckm.	26,418	21,156	47,574
6.	Metering of unmetered consumers	Nos.	1,80,966	-	1,80,966
7.	Replacement of defective meters	Nos.	2,37,515	-	2,37,515
8.	Household connections	Nos.	2,95,604	16,36,915	19,32,519

(Source: Approved closure reports of the DISCOMs.)

Thus, 145 new substations, 33,711 Ckm of new 11 KV lines, 47,574 Ckm of LT lines and 39,816 new DTRs were added in the infrastructure of the DISCOMs. Further, 1,80,966 meters were installed for unmetered consumers and 2,37,515 defective meters were replaced. SAUBHAGYA guidelines stipulated that 47.75 lakh households were unelectrified in Madhya Pradesh. However, DISCOMs in its reply (March 2022) stated that the subject figure was tentative. The DISCOMs had provided 16,36,915 household connections (including 57,994 urban poor connections) under SAUBHAGYA and the rural household connections increased from 50.01 lakh in April 2015 to 77.09 lakh in March 2022. Finally, GoMP certified that DISCOMs¹ have achieved the target of 100 per cent household electrification by 22 October 2018.

¹ MPMKVVCL-30 September 2018, MPPaKVVCL-28 July 2018 and MPPoKVVCL-22 October 2018.

1.7 Audit objectives

The Performance Audit of the Schemes was conducted to assess whether:

- The system for assessing the requirement of infrastructural works and formulation of DPRs was adequate;
- The execution of the projects was economical, efficient and effective;
- The mechanism for monitoring the execution and quality of executed works was adequate; and
- The objectives of the Scheme were met efficiently and effectively.

1.8 Audit Criteria

Audit findings were benchmarked against the following criteria:

- Scheme guidelines issued by MoP and REC;
- Rural Electrification Policy 2006;
- Tripartite agreement among REC, State Government and DISCOMs;
- Sanctions orders of DPRs;
- Instructions/circulars/orders issued by MoP and REC regarding the Schemes;
- Approved DPRs; and
- Contract Agreements

1.9 Audit Scope and Methodology

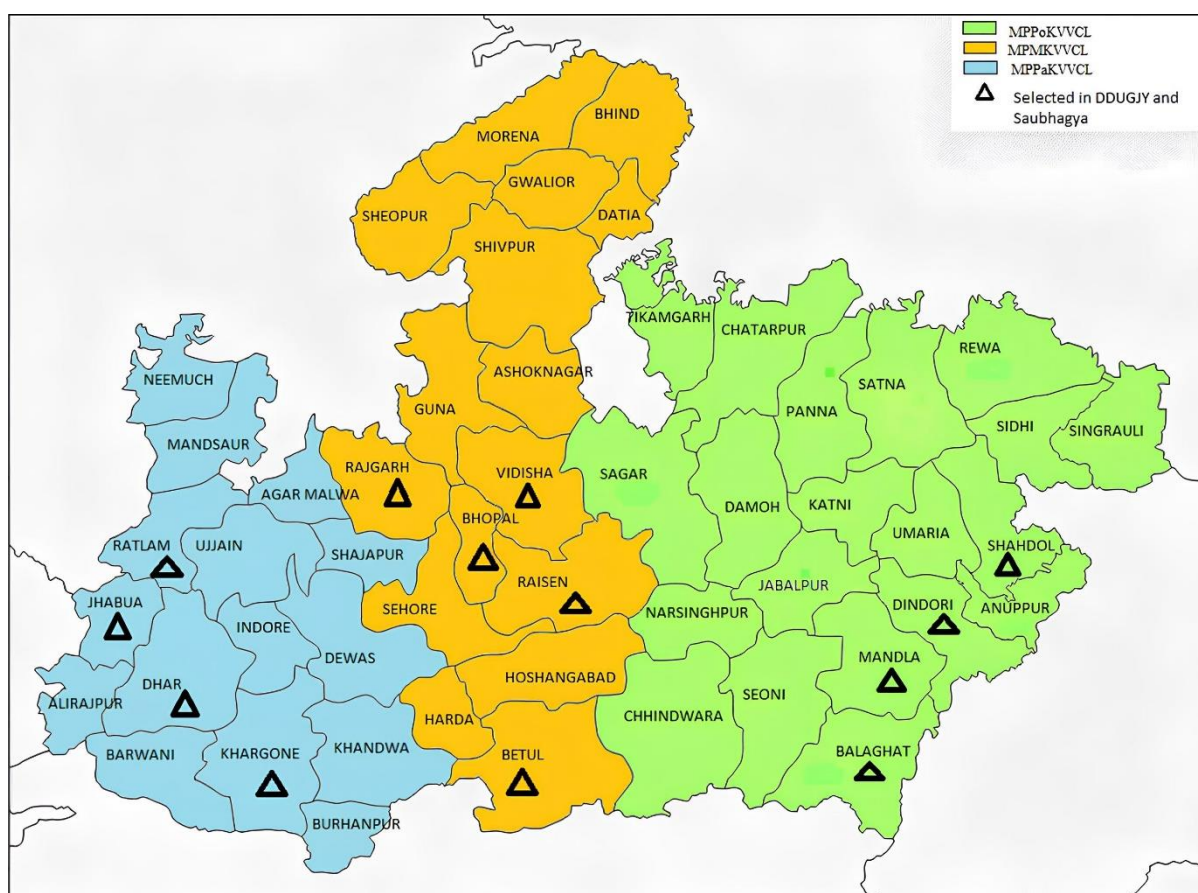
The Performance Audit was conducted in all three DISCOMs to analyse the implementation of the Scheme in conformity with the intended objectives and stipulated provisions of the Scheme. The audit was conducted during the period from April 2022 to August 2022 and covered the entire implementation period of both the Schemes (i.e. 2014-15 to 2021-22 for DDUGJY and 2017-18 to 2021-22 for SAUBHAGYA) including the project closure.

To assess the implementation of the Schemes, the records of the Department of the State Government, the Headquarters Office(s) of the DISCOMs and the records of 13 sampled projects were reviewed.

1.10 Selection of projects

For the purpose of the audit, 50 Projects of the DISCOMs were divided into 'High risk' and 'Other' categories, wherein the top 5 *per cent* Projects, in expenditure terms, were considered 'High risk'. All of the 'High risk' projects (3 projects) and 20 *per cent* of 'Other' projects (10 projects) which were randomly sampled were selected for Audit. Thus, a total of 25 *per cent* of total Projects, i.e. 13 Projects² out of 50 Projects were selected. Details of sampled projects are depicted below in **Chart 1.1**:

² MPMKVVCL: 5 projects; MPPaKVVCL: 4 projects; and MPPoKVVCL: 4 projects.

Chart 1.1: Details of sampled projects in three DISCOMs

1.11 Entry and Exit Conference

An Entry conference was held on 22 April 2022 to brief the Audit Objective, Scope, Methodology, etc., to the Department, GoMP and the management of the DISCOMs before the commencement of the audit. Replies to the audit findings from the Management of the three DISCOMs were received in July/August 2023. The Exit conference was held on 22 June 2023 to discuss the draft Performance Audit report. Government and Management responses have been considered while finalising the Report.

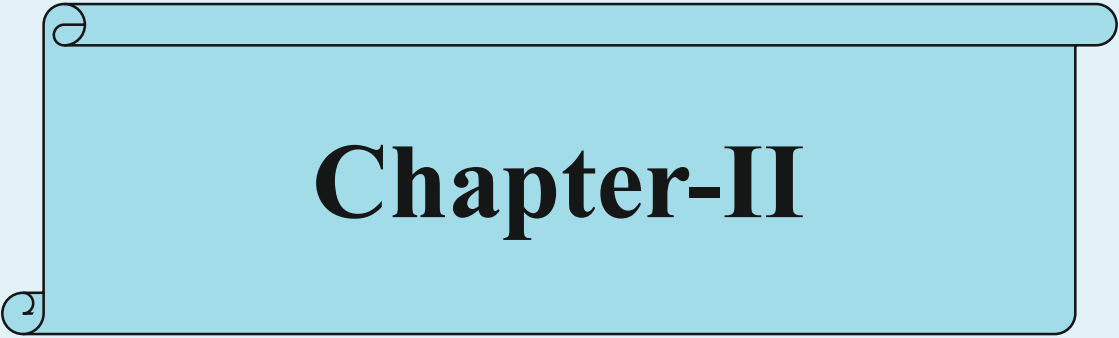
1.12 Audit findings

Audit findings in respect of this Performance Audit are classified and discussed in the following chapters viz:

- Chapter II: Implementation of DDUGJY
- Chapter III: Implementation of SAUBHAGYA
- Chapter IV: Beneficiary Survey
- Chapter V: Post Scheme Analysis

1.13 Acknowledgement

Audit acknowledges the cooperation and assistance extended by the Energy Department of GoMP and the Management of DISCOMs in facilitating the conduct of Performance Audit.



Chapter-II

Chapter-II

Implementation of DDUGJY

Summary

To address the problem of inadequate and unreliable power supply and to strengthen the distribution network in rural areas, the Government of India (GoI) launched the Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) for rural electrification. The audit analysed the project formulation and its execution in conformity with the Scheme Guidelines and noticed the deficiencies in the formulation of Detailed Project Reports (DPRs), award as well as execution of the works, financial compliances, monitoring, and closure of the Scheme. Significant issues highlighted in the chapter are given below:

- DISCOMs had prepared DPRs without any field survey. As a result, huge variations ranging between (-100) to 4,368 *per cent* were observed in work execution as against the sanctioned quantity of DPRs.
- There were delays in the award of the projects ranging from 10 months to 18 months, and in the completion of projects ranging from two months to 22 months.
- While executing the works, Scheme provisions/ LoA were not adhered to. Consequently, extra expenditure to the tune of ₹ 0.63 crore was incurred by the DISCOMs.
- DISCOMs did not frame any strategy to achieve the milestones. As a result, the DISCOMs failed to avail additional grant of ₹ 102.96 crore.

Based on the audit findings discussed in this chapter, a summary of the conclusion is given below:

- DPRs were not prepared based on a detailed field survey.
- The electrification of villages was not in conformity with the DPRs.
- Project implementation was beset with delays in the award of contracts and completion of works.
- Works were not executed in compliance with the provisions of the Scheme guidelines and LoA.
- Milestones, as envisaged under the Scheme, were not achieved by the DISCOMs.

2.1 Status of implementation of the Scheme

The Scheme was implemented by formulating 50 projects in three DISCOMs. A brief status of work executed in the 13 sampled projects is given in **Appendix 2.1**.

For implementing the Scheme, the DISCOMs formulated project-wise DPRs and received a sanction of ₹ 2,851.02 crore for strengthening the infrastructure and providing electricity access to households. Against the sanction of ₹ 2,851.02 crore, the DISCOMs incurred an expenditure of ₹ 2,886.73 crore in 50 projects. Further, in 13 projects sampled for detailed scrutiny, against the sanction of ₹ 755.73 crore, the DISCOMs incurred an expenditure of ₹ 747.00 crore. DISCOM-wise details of the sanctioned amount and executed amount are given in **Table 2.1** below:

Table: 2.1: Details of Sanctioned and executed amount

(₹ in crore)

Sl. No.	Name of the DISCOM	Total projects			Sampled projects		
		No. of projects	Sanctioned Amount	Actual amount incurred	No. of projects	Sanctioned Amount	Actual amount incurred
1.	MPMKVVCL	16	957.02	927.73	5	336.44	320.65
2.	MPPaKVVCL	14	930.00	951.67	4	330.92	333.58
3.	MPPoKVVCL	20	964.00	1,007.33	4	88.37	92.77
	TOTAL	50	2,851.02	2,886.73	13	755.73	747.00

(Source: Sanction orders issued by the REC and Information as provided by the DISCOMs and compiled by the Audit.)

Audit analysed the project formulation and its execution in conformity with the guidelines of the Scheme and noticed the deficiencies related to formulation of DPRs, award as well as execution of the work, financial compliances and monitoring. These issues have been discussed in succeeding **paragraphs 2.2 to 2.6**.

2.2 Formulation of Detailed Project Reports (DPRs)

The DISCOMs were to identify the need for the creation of infrastructure and prepare the DPRs. As per the Scheme guidelines, the DPRs were to be prepared district/circle/zone-wise and recommended by the State Level Standing Committee¹ (SLSC). DPRs were to be submitted to the REC for obtaining approval from the Monitoring Committee of the MoP, GoI.

The date-wise details of the submission of DPRs and the approval of REC in respect of the sampled projects of DISCOMs are summarised in **Table 2.2** below:

Table: 2.2: Details of submission of DPRs and approval of REC for sample projects

Sl. No.	Name of the DISCOM	Name of the projects	Date of submission of DPRs	Date of approval by REC
1.	MPMKVVCL	Betul, Bhopal, Raisen, Rajgarh and Vidisha	26.05.2015	30.07.2015
2.	MPPaKVVCL	Dhar, Jhabua, Khargone and Ratlam	25.05.2015	30.07.2015
3.	MPPoKVVCL	Balaghat, Dindori, Mandla and Shahdol	26.05.2015	30.07.2015

(Source: Information provided by the DISCOMs and Sanction orders issued by the REC.)

¹ State Level Standing Committee consisting of Chief Secretary (as Chairman), Secretaries of Energy, Finance, Revenue, Forest, Rural Development, Panchayati Raj and Home departments, Chief General Manager (REC) and Managing Directors of the three DISCOMs.

Audit reviewed these DPRs in light of the provisions specified in the Scheme guidelines and noticed various deficiencies in the formulation of the DPRs as follows:

2.2.1 Deficiencies in the preparation of Detailed Project Report

- Detailed field survey is the basic process of primary data collection to assess the actual requirement of infrastructure to be created on-site in any project. The Scheme guidelines also provided for the preparation of DPRs based on detailed field surveys. However, it was observed that DISCOMs did not conduct detailed field surveys for the preparation of DPRs. Resultantly, for various components of works, there were extreme variations between the actual executed quantity and the sanctioned quantity in DPRs as depicted in **Table 2.3** below:

Table: 2.3: Details of variation between sanctioned and executed quantities

Sl. No.	Name of the DISCOM	Name of sampled project	Variation in the quantity of various components				
			11 KV line (in %)	DTRs (in %)	LT line (in %)	Consumer metering (in %)	New service connections (in %)
1.	MPMKVVCL	Betul	4368	-37	65	-76	-79
2.		Bhopal	6	-32	70	-100	24
3.		Raisen	18	77	399	-75	NA*
4.		Rajgarh	12	-6	204	-100	-84
5.		Vidisha	-25	97	335	-100	NA*
6.	MPPaKVVCL	Dhar	5	57	-4	-62	0
7.		Jhabua	-13	-34	152	-82	NA*
8.		Khargone	-26	-30	28	NA	-73
9.		Ratlam	-18	-16	22	-30	0
10.	MPPoKVVCL	Balaghat	-16	11	57	-10	0
11.		Dindori	248	7	9	-45	0
12.		Mandla	-10	-16	21	-46	95
13.		Shahdol	145	35	89	-26	759

* Item was not incorporated in the DPRs, thus the comparison was not possible.

(Source: Information as provided by the DISCOMs and compiled by the Audit.)

So, there were huge variations, ranging between (-100) to 4,368 per cent in various components of the works executed against the quantity sanctioned in DPRs.

- MoP, GoI directed (April 2015) that the District Development Coordination and Monitoring Committee (DISHA²) would review and monitor the implementation of all Central Schemes in the power sector. The objective was to actively engage public representatives throughout the life cycle of the project right from its formulation to execution and monitoring. However, Audit noticed that in 10 sampled projects³ out of 13, the DISCOMs did not engage/ consult DISHA at the time of formulation of the DPRs.
- As per the Scheme guidelines, the DPRs were required to be prepared based on the latest applicable Schedule of Rates (SoR) i.e. 2014-15. However, Audit noticed that the rates of

² District Electricity Committee renamed (26 July 2016) as DISHA.

³ Bhopal, Vidisha, Raisen, Rajgarh, Jhabua, Khargone, Ratlam, Dhar, Shahdol and Balaghat.

some of the major components⁴ included in the DPRs were not in conformity with the latest SoR. Consequently, DPRs in all nine sampled projects⁵ of MPMKVVCL and MPPaKVVCL have been overvalued to the tune of ₹ 25.94 crore and the DPRs in all four sampled projects⁶ of MPPoKVVCL have been undervalued by ₹ 2.73 crore. This led to incorrect sanctions in these projects besides the estimated value of the tenders being overvalued/undervalued.

In the Exit conference (June 2023) the Department stated that the DPRs were prepared in a short period and the quantities were measured based on desk assessment. MPPaKVVCL and MPPoKVVCL in their reply (July 2023) stated that inputs from the public representatives were taken, though these were not on records whereas MPMKVVCL stated (August 2023) that it got the DPRs approved from DISHA. Further, MPPaKVVCL stated that the rates taken in preparation of DPRs were for cost estimation and did not have any significant impact on the project formulation.

The MPPaKVVCL and MPPoKVVCL assured to incorporate all the components envisaged under the upcoming scheme in conformity with the latest SoR.

The reply of DISCOMs is not acceptable as in contradiction with the Scheme guidelines, the DISCOMs had not conducted field surveys and DPRs were prepared without consultation with DISHA. In case of MPMKVVCL, approval of DISHA was obtained but only after submission of DPRs to REC. Besides, non-adherence to the latest SoR led to incorrect estimation and sanctions of the projects.

2.2.2 Deficient planning for consumer and DTR meterisation

Para 2.1 of Chapter-I of DDUGJY guidelines stipulates strengthening and augmenting the sub-transmission & distribution (ST&D) infrastructure in rural areas, including metering at DTRs and consumers' end. This would facilitate in building a mechanism for energy accounting and in identifying high-loss pockets and initiating remedial measures toward the reduction of losses. The Scheme guidelines further stipulated that the installation of meters in distribution transformers and at the consumers' end is important to ensure seamless accounting and auditing of energy at all levels in the distribution system. During the review of the DPRs of the sampled projects, Audit noticed that provision for the work of metering of DTRs and consumer metering for unmetered consumers was inadequate.

Against the requirement of metering for 89,310 DTRs and 2,83,777 unmetered consumers, 13 sampled projects of the DISCOMs planned for metering only 2,400 DTRs⁷ (three per cent) and 1,02,614 consumers⁸ (36 per cent) (**Appendix 2.2**). Further, as against the planned metering for 2,400 DTRs and 1,02,614 unmetered consumers, no DTR was meterised and only 25,982 unmetered consumers (25 per cent) were meterised. Thus, 89,310 DTRs and 2,57,795 consumers (91 per cent) remained unmetered even after the completion of the Scheme.

MPPaKVVCL and MPMKVVCL replied (July/August 2023) that no meterisation of DTRs and less meterisation of consumers was due to fund constraints under the Scheme.

⁴ New Substation, Aug. of S/s, 33 kv line, 11 KV line, LT line and DTRs.

⁵ Bhopal, Vidisha, Raisen, Rajgarh, Betul, Jhabua, Khargone, Ratlam and Dhar.

⁶ Shahdol, Balaghat, Mandla and Dindori.

⁷ In five projects-Betul, Bhopal, Raisen, Rajgarh and Vidisha.

⁸ In nine projects- Betul, Bhopal, Raisen, Vidisha, Jhabua, Balaghat, Dindori, Mandla and Shahdol.

Reply is not acceptable as a 60 *per cent* grant from the GoI was available under the Scheme for meterisation.

Conclusion: The absence of a detailed field survey led to quantity variations ranging from (-100) to 4,368 *per cent* in different components of the works executed against the sanctioned DPRs. The DPRs were prepared without considering the requirement of meterisation and the valuations did not conform with the latest SoR.

Recommendation: DISCOMs should prepare DPRs only after the detailed field survey to avoid huge variations in execution. All the components envisaged under the Scheme should be incorporated into the DPRs and valuations should be in conformity with the latest SoR.

2.3 Execution of works under DDUGJY

As per the Scheme guidelines, the projects were required to be awarded within six months from the date of communication of approval from the REC. These projects were to be awarded and executed on a turn-key basis and completed within 24 months from the date of issue of the Letter of Award (LoA). The date-wise details of the award of the sampled projects are summarised in **Table 2.4** below:

Table: 2.4: Details of the award of the sampled projects

Sl. No.	Name of the DISCOM	Name of the Project	Date of approval of the project	Scheduled date of awarding of project	Date of Tender	Date of LoA	Delay in the issuance of LoA (in months)
1.	MPMKVVCL	Bhopal	30.07.2015	31.01.2016	10.08.2016	28.12.2016	11
2.		Vidisha			10.08.2016	18.01.2017	11
3.		Raisen			10.08.2016	28.12.2016	11
4.		Rajgarh			04.01.2017	27.07.2017	18
5.		Betul-I			10.08.2016	28.12.2016	11
6.		Betul-II			04.01.2017	18.05.2017	16
7.	MPPaKVVCL	Jhabua			14.12.2016	23.01.2017	12
8.		Khargone			08.08.2016	14.12.2016	10
9.		Ratlam			08.08.2016	24.11.2016	10
10.		Dhar			14.12.2016	21.01.2017	12
11.	MPPoKVVCL	Shahdol			10.08.2016	27.03.2017	14
12.		Mandla			30.01.2017	25.04.2017	15
13.		Balaghat			28.03.2017	30.06.2017	17
14.		Dindori			30.01.2017	02.05.2017	15

(Source: Information as provided by the DISCOMs and compiled by Audit.)

From the above, it can be seen that there was a delay in the award of the projects ranging from 10 months to 18 months. Audit noticed that this delay was mainly due to a delay in the finalisation of bid documents. Besides, retendering had to be carried out in some of the projects due to the receipt of higher prices during the initial bidding.

In the Exit conference (June 2023) the Department clarified that initially it was decided to execute the works through the partial Turnkey Contract (TKC) mode. Subsequently, it was decided to execute these works through fully TKC mode. This dilemma led to delays in the execution of projects under the DDUGJY.

The audit reviewed the award and execution of the projects in DISCOMs. The deficiencies noticed in this regard have been discussed in the succeeding **paragraphs 2.3.1 to 2.3.5**.

2.3.1 Execution of work not in conformity with the Detailed Project Reports

- Audit noticed that although 6703 villages were included in DPRs for electrification, 3,193 villages were not taken up by the DISCOMs for electrification in 10 out of 13 projects (Appendix 2.3). Further, 1,059 villages that were not included in the DPRs were covered under the Scheme in 10 projects.
- For the work of system strengthening, the augmentation of 86 substations was proposed in the DPRs of 13 sampled projects. However, during the execution of the works, only 55 substations were augmented in 13 projects under the Scheme. Further, in MPMKVVCL 17 substations⁹, which were included in DPRs, were augmented by the DISCOM through its own funds at a cost of ₹ 7.12 crore. As a result, the MPMKVVCL could not avail ₹ 4.27 crore as a grant under the Scheme.
- For the work of system strengthening, the feeder separation work of 381 feeders was approved in the DPRs for the 13 sampled projects. However, during the execution, only 361 feeders were constructed in 13 projects under the Scheme. Of these, 55 feeders were not planned in the DPRs. Further, nine feeders of Rajgarh project which were included in DPRs were constructed by the MPMKVVCL through their own funds at a cost of ₹ 0.93 crore. Thus, the DISCOMs could not avail ₹ 0.56 crore as a grant under the Scheme.

It was indicated in the project closure report that the above works for electrification were executed as per the actual requirement. However, village-wise/work-wise justification for the deviations was not maintained by the DISCOMs.

In the Exit conference (June 2023) Department stated that the leftover villages were covered subsequently under SAUBHAGYA. MPPaKVVCL and MPMKVVCL replied (July/August 2023) that after the launch of the SAUBHAGYA, BOQ of DDUGJY was reoriented with curtailment of some non-critical work and increased the scope of works required under the SAUBHAGYA. Further, Feeders incorporated under the DPR were completed under other scheme and feeders which was not part of the DPR were separated due to site requirement.

The DISCOMs' contention that curtailment of scope of work for execution of work envisaged under other Scheme is not acceptable as DDUGJY and SAUBHAGYA were distinct Schemes, where the former was meant for system strengthening and the latter was meant for household electrification and 60 per cent grant was available for both the Schemes.

2.3.2 Higher expenditure due to non-incorporating appropriate clause in the award

For the departmental execution of works in DDUGJY, the works were to be awarded as per the terms and conditions of the Rate Contract Award¹⁰ (RCA) finalised by the Corporate Office of the MPMKVVCL. The RCA finalised by the Corporate Office prudently stipulated that payment

⁹ In Raisen- Beekalpur, Gadarwara, Gurariya, Semaria, Umraoganj and Piparia-puaria.
In Betul- Chandu, Jamdehi and Prabhat-pattan.

In Rajgarh- Aasareta, Gulawata, Limachauhan, Radhanagar, Khuri, Lasudiyabhama Aandalheda and Kodkya.
¹⁰ RCAs were finalised for Labour and Transport rates only.

for the supply of material was to be made at the actual purchase price of the contractor or SoR, whichever is lower.

Audit noticed that while circulating the RCA, CGM (Procurement) Corporate office, MPMKVVCL incorrectly stipulated that the payment of material would be made as per the SoR.

As a result, in the Betul circle of MPMKVVCL, the works were awarded to the contractors as per the circulated RCA terms i.e. payment of material to be made as per the SoR. During the review of the bills of contractors viz. purchase invoices of XLPE cables, PCC poles, and meter boxes, it was noticed that the purchase price of the contractors was less than the awarded rates/SoR. Thus, the MPMKVVCL had to incur a higher expenditure of ₹ 0.63 crore on these materials.

MPMKVVCL replied (August 2023) that the clause of the payment for the supply of material at lower rates between the actual price and SoR rates was applicable for minor materials and not for major materials. The reply is not acceptable as the RCA finalised by the Corporate office provided for payment at lower of the actual price or SoR even in case of major material. Not following the same resulted in higher expenditure.

2.3.3 Failure to impose liquidated damages

Audit noticed instances of non-levy of liquidated damages in respect of turnkey contracts. Besides some leftover works were executed through contractors by supplying them with the materials departmentally. It was noticed that although there were delays in the completion of leftover works the liquidated damages were not levied.

- **Turnkey works:** As per the conditions of the tender document, the employer reserved the right to de-scope the awarded works in the case when the contractor failed to complete the work within the agreed scheduled timeline. It was also stipulated that liquidated damages (LD) at the rate of 0.5 *per cent* per week, subject to a maximum of five *per cent*, were required to be imposed in case of delay.

Audit noticed that the MPMKVVCL de-scoped the works of turnkey contractors in respect of three projects for slow progress. The project-wise details of awarded work and de-scoped works are depicted in **Table 2.5** below:

Table: 2.5: Details of awarded and de-scoped works

(₹ in crore)					
Sl. No.	Name of Project	Amount of work awarded to Turnkey contractor	Amount of work de-scoped	Per cent of work de-scoped	LD not/short imposed
1.	Raisen	26.58	5.01	18.85	1.33
2.	Rajgarh	98.75	14.24	14.32	3.84
3.	Bhopal	30.83	7.44	24.14	1.34
Total					6.51

(Source: Information as provided by the DISCOMs and compiled by the Audit.)

From the above, it can be seen that MPMKVVCL de-scoped the work by 14 to 24 *per cent*. Also, after de-scoping the work, MPMKVVCL had to perform the leftover work on their own. However, MPMKVVCL failed to invoke the contract clause mentioned above by citing the contractors' fault for the slow progress. As a result, the DISCOMs did not impose liquidated

damages in the one¹¹ project and short-imposed in two¹² projects as per the clause of the LoA. Thus, the MPMKVVCL extended the undue benefit of ₹ 6.51 crore in these three projects.

MPMKVVCL replied (August 2023) that de-scoping was done as per the convenience of the Management due to the execution of the SAUBHAGYA. The reply is not acceptable as in these cases the progress of work remained slow even after many notices and at last MPMKVVCL had to de-scope the work and complete the leftover work on its own.

2.3.4 Delay in execution of the projects

Para 9 of the DDUGJY guidelines and Para 13 of the LoA issued to the Turnkey contractor (TKC) stipulated the projects were to be completed within 24 months from the date of issuance of the LoA/LoI. Audit noticed that four projects out of a total of 13 sampled projects were completed with a delay of two months to 22 months as detailed in **Table 2.6** below:

Table: 2.6: Details of delay in execution of the projects

Sl. No.	Name of the DISCOMs	Name of the project	Date of LoAs	Scheduled Date of completion of the project	Date of actual Completion	Delay in completion of Project (in months)	Reasons for delay
1.	MPMKVVCL	Betul	28.12.16	27.12.2018	31.01.2020	13	Poor performance of the TKC
2.		Vidisha	18.01.17	17.01.2019	31.03.2019	2	Poor performance of the TKC
3.	MPPaKVVCL	Khargone	14.12.16	13.12.2018	30.09.2020	22	Poor performance of the TKC and Right of way
4.	MPPoKVVCL	Balaghat	30.06.17	23.05.2019	31.03.2021	22	Poor performance of the TKC

(Source: Information as provided by the DISCOMs and compiled by the Audit.)

Thus, delay in the completion of the project resulted in non-adherence to the provisions of the Scheme/LoA and deprivation of benefits for the beneficiaries covered under the Scheme.

MPMKVVCL replied (August 2023) that the projects could not be completed due to poor performance of the contractor, local interference and Covid-19. The MPPaKVVCL and MPPoKVVCL replied (July 2023) that the projects were delayed due to poor management of the TKC and LD was imposed on the TKC. The fact remains that the DISCOMs did not effectively supervise the execution of the projects which resulted in delays. Resultantly, the consumers were deprived from benefits of the Scheme for the period of delay.

2.3.5 Failure to realise additional grant

Para 1.4 and 14.1 of Chapter IV on fund disbursement guidelines of the Scheme provided for an additional grant from GoI (conversion of 50 per cent of loan component i.e. 15 per cent of the total fund). To avail this additional grant, the DISCOMs were required to (i) timely complete the

¹¹ Raisen.

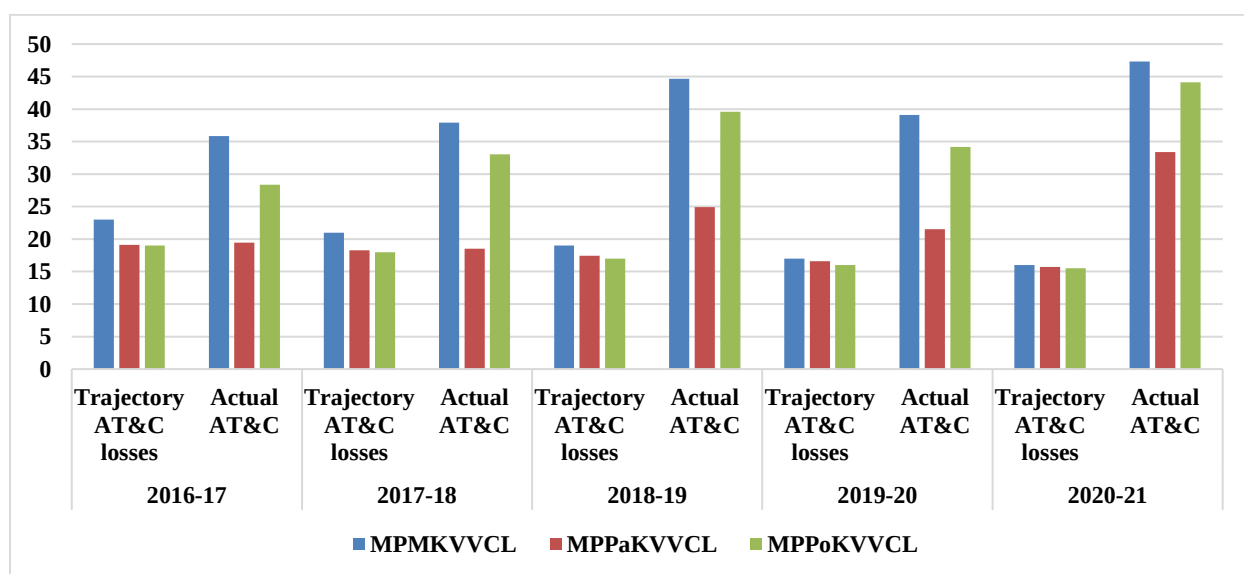
¹² Rajgarh and Bhopal.

Scheme as per laid down milestones; (ii) achieve a reduction in Aggregate Technical and Commercial losses (AT&C) losses as per the trajectory finalised by MoP; and (iii) receive the admissible revenue subsidy from State Government upfront.

Audit noticed that the DISCOMs failed to achieve these milestones as discussed below:

- Out of 13 sampled projects, four projects¹³ were completed with a delay of 2 to 22 months as discussed in **paragraph 2.3.4**.
- The DISCOMs were required to bring down AT&C losses¹⁴ in the range of 15.50 to 23.00 *per cent* by 2020-21. However, Audit noticed that the DISCOMs failed to bring down the AT&C losses which remained in the range of 18.51 to 47.34 *per cent* are shown in following **Chart**:

Chart showing trajectory AT&C losses and actual achievement there against



- The DISCOMs did not approach the State Government for the release of upfront revenue subsidy.

Audit observed that the DISCOMs did not frame any strategy to achieve the milestones to avail additional grants available under the Scheme, which indicates the lackadaisical approach of the DISCOMs. As a result, the DISCOMs failed to avail additional grant of ₹ 102.96 crore in 13 sampled projects.

In the Exit conference (June 2023) the Department stated that one of the milestones to get the additional grant was the release of upfront subsidy by the GoMP. As GoMP had not released the upfront subsidy, additional grants could not be received by the DISCOMs.

The fact, however, remains that no co-ordinated efforts were made by the State Government and Management of DISCOMs to achieve the Scheme targets.

Conclusion: Villages electrification was carried out without adhering the provisions of the Scheme and the terms and conditions of the LoA. Due to the inaction of the DISCOMs, the

¹³ Betul, Vidisha, Khargone and Balaghat.

¹⁴ Trajectory was fixed by the MoP.

execution of the project was delayed and the contractors were not levied the LD despite their fault.

Recommendation: Villages should be electrified in conformity with the provisions of the Scheme with adherence to the terms and conditions of the LoA. DISCOMs should make necessary efforts to avoid delays in the execution of the projects and should ensure the levy of LD as per the terms of the contract.

2.4 Closure and approval of the projects

Para 13 of chapter IV of fund disbursement guidelines of DDUGJY stipulated that a closure report shall be furnished by the DISCOMs regarding the release of the final tranche of the grant component. Also, Para 15.1 stipulated that DISCOMs were required to submit the closure reports within one year from the project completion date. Audit observed that the DISCOMs submitted the closure reports to REC with delay in 10 out of 13 sampled projects without any reasons on the record. The details of the delay in the submission of closure reports are given in **Table 2.7** below:

Table: 2.7: Details of the delay in the submission of closure reports

Sl. No.	Name of the DISCOM	Name of projects	Date of physical completion of the work	Target date of submission of closure report	Actual date of submission of closure report	Delay in submission of closure report (in months)
1	2	3	4	5	6	7
1.	MPMKVVCL	Betul	31.01.2020	30.01.2021	19.08.2020	-
2.		Bhopal	27.12.2018	26.12.2019	30.07.2020	7
3.		Raisen	27.12.2018	26.12.2019	30.07.2020	7
4.		Rajgarh	26.07.2019	25.07.2020	15.02.2021	7
5.		Vidisha	31.03.2019	30.03.2020	15.02.2021	11
6.	MPPaKVVCL	Dhar	11.12.2018	10.12.2019	19.12.2020	12
7.		Jhabua	22.01.2019	21.01.2020	04.12.2020	11
8.		Khargone	30.09.2020	29.09.2021	03.08.2021	-
9.		Ratlam	02.03.2018	01.03.2019	04.12.2020	21
10.	MPPoKVVCL	Balaghat	31.03.2021	30.03.2022	28.12.2021	-
11.		Dindori	30.12.2018	29.12.2019	28.05.2021	17
12.		Mandla	31.12.2018	30.12.2019	03.06.2021	17
13.		Shahdol	31.12.2018	30.12.2019	03.06.2021	17

(Source: DDUGJY guidelines and Information as provided by the DISCOMs and compiled by the Audit.)

From the above, it may be seen that in the ten delayed cases, the delay ranged between seven to 21 months. The delay in submission of closure reports of 10 projects led to a delay in processing of claim for final instalment of ₹ 28.91 crore by REC which had not been received so far (March 2022).

In the Exit conference (June 2023) the Department accepted the observation and took note of the same.

2.4.1 Discrepancies in the data of beneficiaries and the closure reports

The scope of the DDUGJY *inter alia* consists of providing new service connections to beneficiaries and replacement of defective meters/ installation of meters to unmetered consumers. The DISCOMs have executed new service connections/ metering work in the

Scheme. In MPPoKVVCL, Audit noticed the discrepancies in the data of beneficiaries provided to the Audit and the closure reports submitted to the REC. The details of the discrepancies are summarised in **Table 2.8** below:

Table: 2.8: Details of the discrepancies in the beneficiaries data

Sl. No.	Name of the DISCOM	Name of the projects	New service connection		Consumer metering	
			No. of beneficiaries as per data provided	No. of beneficiaries as per closure reports	No. of beneficiaries as per data provided	No. of beneficiaries as per closure reports
1.	MPPoKVVCL	Balaghat	-	-	59,940	64,345
2.		Shahdol	650	1,521	10,933	17,990
Total			650	1,521	70,873	82,335

(Source: Information as provided by the DISCOMs and compiled by the Audit.)

From the above, it can be seen that there were 871 (1,521-650) beneficiaries depicted in the closure report higher than the number of beneficiaries as provided to Audit in case of new service connections in Shahdol project. Further, there were 11,462 (82,335-70,873) beneficiaries depicted in the closure reports higher than the number of beneficiaries as provided to Audit in the case of installation/ replacement of meters in Balaghat and Shahdol projects. Thus, there was an excess claim for 12,333 beneficiaries to the tune of ₹ 2.55 crore before the REC.

In the Exit conference (June 2023) the Department stated that reconciliation would be made, and the outcome would be intimated to the Audit. However, the same were awaited (August 2023).

Conclusion: The DISCOMs submitted the closure reports with delay, and there were discrepancies in the data maintained by the MPPoKVVCL.

Recommendation: The MPPoKVVCL should reconcile the data prior to submission closure report to the REC and the DISCOMs should adhere to the timelines.

2.5 Quality Assurance and Monitoring

As per the Quality Monitoring guidelines of the Scheme, the DISCOMs shall formulate a comprehensive Quality Assurance (QA) and Inspection Plan to build Quality Infrastructure under DDUGJY works. The QA and Inspection Plan shall be an integral part of the contract agreement with the turnkey contractor or equipment supplier/vendor and erection agency, as the case may be, in case of partial turnkey and departmental execution of works. The DISCOMs were to ensure that the quality of material/equipment supplied at the site and field execution of works under the project is as per the QA& Inspection Plan.

Audit reviewed the compliance of the quality assurance guidelines and monitoring of the projects in the Scheme. The issues in this regard have been discussed in succeeding **paragraphs 2.5.1, 2.5.2 and 2.5.3.**

Quality issues

2.5.1 Deficiencies in Monitoring of the Projects

Various authorities were set up to monitor the Scheme at various levels in conformity with the guidelines, viz:

- State Level Standing Committee¹⁵ (SLSC) to monitor progress, quality control and resolve issues relating to the implementation of sanctioned projects and finalization of closure reports.
- District Development Coordination and Monitoring Committees (DISHA) for monitoring the planning and execution of the projects.
- Appointment of a Project Management Agency (PMA) to assist DISCOMs in project management and its implementation.

In this regard, Audit made the following observations on monitoring by these authorities as summarised in **Table 2.9** below:

Table 2.9: Details of observations on monitoring

Sl. No.	Monitoring level	Audit observations
1.	State-Level Standing Committee It was constituted in April 2015 for DDUGJY. The SLSC was responsible for recommending DPRs to REC, to monitor the progress of projects, quality control and resolution of problems arising during the implementation of projects along with the finalization of closure reports.	➤ The order constituting the committee was silent on the frequency at which the committee had to convene the meetings. Thus, the SLSC met only four times between April 2015 and March 2021. The meetings were conducted to approve the DPRs (18 June 2015), approval of Standard Bidding Document (25 June 2016), departmental execution of works (11 September 2018) and approval of the variation in the executed parameters (25 June 2019). ➤ DISCOMs submitted to SLSC that the detailed field survey was conducted, however, the DISCOMs did not conduct the detailed field survey and the same was not verified by the SLSC. ➤ SLSC did not monitor the progress of works, quality control, resolution of other issues relating to the implementation of sanctioned projects, timely finalization and submission of closure reports, etc., wherein there were deficiencies which are pointed out in this Report in paragraph 2.3, 2.4 and 2.5. The Government did not furnish any reply in this regard (August 2023).
2.	District Development Coordination and Monitoring Committees at District Level At the district level, DISHA committees ¹⁶ were constituted with the Member of Parliament from the district as the Chairperson. For the projects being carried out in the district, these Committees were to be involved right from the formulation	➤ DISHA was not involved in the formulation of the DPRs. ➤ DISHA was required to meet at least every quarter at the district level. During 2015-16 to 2020-21, it was noticed that only a total of 66 meetings were held as against 312 meetings required in the sampled thirteen districts coming under the jurisdiction of the respective DISCOMs. ➤ Progress and quality assurance of the works executed under DDUGJY were not discussed in DISHA. Audit also did not find any efforts by the DISCOMs for holding meetings and discussions over the Scheme's progress.

¹⁵ State Level Standing Committee consisting of Chief Secretary (as chairman), Secretaries of Energy, Finance, Revenue, Forest, Rural Development, Panchayati Raj and Home department, Chief General Manager (REC) and Managing Directors of the three DISCOMs.

¹⁶ Members include, viz. District Collector/District Commissioner, all member of the State Legislative Assembly from the District, one representative from the State Government, all Mayors of Municipalities, chairpersons of Zila Panchayat etc.

Sl. No.	Monitoring level	Audit observations
	to execution and monitor the projects.	MPPaKVVCL replied (July 2023) that the inputs from the public representation were taken though they are not on records. MPPoKVVCL replied (July 2023) that DISHA was apprised with the DPR. MPMKVVCL replied (August 2023) that DPRs were approved by DISHA. MPPaKVVCL and MPPoKVVCL replied (July 2023) that the meeting of DISHA was held based on the availability of the members and issues raised by the members were addressed by the DISCOM. The DISCOMs' contention is not verifiable as relevant records have not been maintained by the DISCOMs. Further, DPRs of MPMKVVCL were submitted to REC without approval of DISHA.
3.	Project Management Agency Para 11 of Project formulation and implementation of DDUGJY guidelines provided that the Project Management Agency (PMA) shall be appointed by the DISCOMs to assist them in project management and ensure timely implementation of the project. A hundred <i>per cent</i> grant (up to 0.5 <i>per cent</i> of the cost of works) was to be provided by the GoI towards expenditure incurred on PMA. DISCOMs can select a PMA from a pool of CPSUs on a nomination basis or through open bidding. The guidelines further provided that monitoring and coordination of the bidding process, project planning, and implementation, quality monitoring, MIS, and updating of the web portal should be mandatorily awarded to the PMA.	➤ MPMKVVCL and MPPoKVVCL had awarded PMA work at consultancy fees of 1.5 <i>per cent</i> and 0.60 <i>per cent</i> of the project cost respectively, which was much higher than the approved PMA cost of 0.50 <i>per cent</i>. As a result, the PMA's consultancy fees to the tune of ₹ 0.31 crore in sampled nine projects was borne by the MPMKVVCL and MPPoKVVCL itself. ➤ In MPPaKVVCL and MPPoKVVCL tenders floated for the appointment of PMA did not include the work of monitoring and coordination of the bidding process of projects, project planning and implementation, and MIS and updating of a web portal in contradiction of the guidelines issued by the REC. Accordingly, the works were awarded to the PMAs without incorporating these issues. Due to this, the role of PMAs was deficient to that extent in the execution of the Scheme. This is also reflected in the substandard maintenance of MIS as mentioned in the succeeding paragraph 2.5.3. Regarding consultancy fees, MPPoKVVCL replied (July 2023) that payment made to PMA as consultancy was less than the sanctioned cost. Reply is not acceptable as excess value of the PMA to the extent of 0.10 <i>per cent</i> of the project cost was borne by the MPPoKVVCL. MPMKVVCL accepted the audit observation. Regarding the non-inclusion of different works of PMA in the tenders, MPPaKVVCL accepted the audit observation and replied (July 2023) that mandatory works were considered to be part of the DISCOM itself. The fact remains that DISCOMs did not abide by the Scheme guidelines.

(Source: DDUGJY guidelines and Information as provided by the DISCOMs and compiled by the Audit.)

2.5.2 Non-rectification of defects pointed out by the REC Quality Monitor

In compliance with Quality Monitoring guidelines, REC appointed REC Quality Monitor (RQM) to ensure the quality of works carried out under the DDUGJY Scheme.

Audit noticed that RQM pointed¹⁷ out 6891 defects on asset creation (2085 critical, 4038 major and 768 minor defects) in 334 villages in 13 sampled projects. However, despite a lapse of 18 months¹⁸ from the completion of the Scheme (14 months from issuance of report), 764 defects (154 critical, 302 major and 308 minor defects) in 226 villages were yet to be rectified

¹⁷ Inspection report taken from REC Sakshya Portal.

¹⁸ Last project under DDUGJY was Balaghat project which was completed on 31 March 2021.

(September 2022). Reasons for the pendency of these defects were not available in the records provided to Audit.

Thus, huge defects pointed out by the RQMs substantiate the fact that the substandard works to the extent of the defects pointed out by RQM were executed in negation to the quality monitoring guidelines of the Scheme. Also, since the defects were yet to be rectified by the respective DISCOMs, the quality of the infrastructure created remains substandard.

In the Exit conference (June 2023) the Department informed that defects were rectified by the DISCOMs and were reconciled with the REC and relevant records would be furnished to the audit. However, the same were awaited (August 2023).

2.5.3 Differences in various components as per Dashboard and records of the DISCOMs

The progress of implementation of the DDUGJY was being reflected in the Dashboards of MoP based on the information updated/ provided by the DISCOMs. All the works under DDUGJY of DISCOMs had been completed by June 2020¹⁹. Thus, the progress of the works as per the closure reports should have been reflected on the portal of MoP.

Audit, however, observed that there were variations in the progress reported (June 2020) on the Dashboard and the closure report as shown in **Table 2.10** below:

Table: 2.10: Details of progress reported on Dashboard and closure report

Name of various components	Variation		
	MPMKVVCL	MPPaKVVCL	MPPoKVVCL
1	2	3	4
DTR (in Number)	14 to 67	19 to 319	-18 to 31
LT lines (in KMs)	5 to 232	21 to 319	46 to 149
11 KV line (in KMs)	-645 to 133	-38 to 539	58 to 696
Consumer metering (in number)	-671 to 3,753	-11,379 to 296	-3,132 to -60

(Source: Progress report reflected on Dashboard and Information as provided by the DISCOMs and compiled by the Audit.)

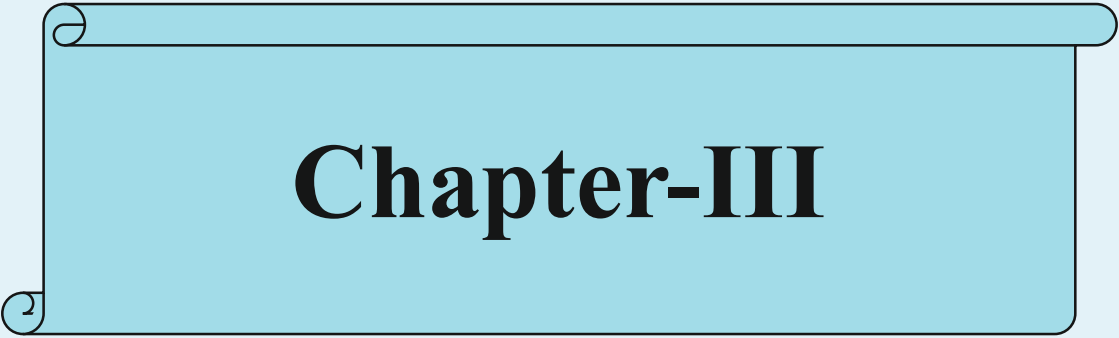
The above variations indicate the DISCOMs' failure in maintaining adequate MIS during the implementation of the DDUGJY Scheme.

In the Exit conference (June 2023) the Department accepted the observation and took note of the same.

Conclusion: The GoMP and the DISCOMs could not ensure effective monitoring mechanisms for the implementation of the projects in conformity with the Scheme guidelines, resultantly, there were huge defects as reported by the RQM on the works executed by the DISCOMs and there were multiple mismatches in figures depicted in the Dashboard *vis-a-vis* the closure report.

Recommendation: The GoMP and DISCOMs should establish an effective system for ensuring quality work execution and project monitoring in adherence to the Scheme guidelines.

¹⁹ Except Khargone and Balaghat project which was completed on 30 September 2020 and 31 March 2021, respectively.



Chapter-III

Chapter-III

Implementation of SAUBHAGYA

Summary

The Government of India (GoI) launched Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA) to ensure last-mile connectivity and electricity connections to all un-electrified Households (HHs) in rural areas and all un-electrified poor HHs in urban areas to achieve the objective of universal household connections. Audit analysed the project formulation and its execution in conformity with the guidelines of the Scheme and noticed the deficiencies in the formulation of Detailed Project Reports (DPRs), award as well as execution of the work, financial compliances, monitoring and closure of the Scheme. Significant issues highlighted in the chapter are given below:

- DISCOMs had prepared DPRs without any field survey. Consequently, 5,09,053 households were electrified as against the 9,77,056 household electrification envisaged under the DPRs.
- The DISCOMs did not adhere to the provisions of the Scheme/ LoA during implementation. Resultantly, extra expenditure to the tune of ₹ 42.74 crore was incurred by the DISCOMs.
- DISCOMs awarded 4,080 orders to the tune of ₹ 50.62 crore for the electrification of 1,38,054 households without inviting bids through tender in contravention of the guidelines.
- MPPoKVVCL had availed loan in excess of ₹ 98.93 crore in contradiction of the Scheme guidelines and had to incur an avoidable interest payment of ₹ 24.65 crore.
- DISCOMs incorrectly declared an early completion of 100 *per cent* household electrification under the Scheme before the REC leading to the receipt of the ineligible cash award and an additional grant of ₹ 250.53 crore.

Based on the audit finding discussed in this chapter, a summary of the conclusion is given below:

- Detailed project reports were not prepared based on a detailed field survey, which led to large number of variations in executed quantity.
- Households were electrified without due tendering process in contravention of the Scheme guidelines.
- The Electrification of the villages was executed without identifying the households for releasing the connections, in contradiction with the provisions of the Scheme guidelines.
- The guidelines for arranging the fund from its own source were not adhered to by MPPoKVVCL, which led to the avoidable burden of the interest.
- The DISCOMs received a cash award and additional grant by an incorrect claim of early completion of the Scheme.

3.1 Brief description of the Scheme

Apart from the Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY), GoI formulated and launched (October 2017) SAUBHAGYA to ensure last mile connectivity and electricity connections to all un-electrified HHs in rural areas and all un-electrified poor HHs in urban areas to achieve the objective of universal household connections. There was also a provision for Solar Photo Voltaic based standalone system for un-electrified HHs in remote or inaccessible villages. The timelines for various activities were as depicted in the **Table 3.1** below:

Table 3.1: Timelines for various activities

Sl. No.	Activity	Timeline
1.	Submission of DPRs by the States	6 November 2017
2.	Approval of the DPRs	15 November 2017
3.	Award of contracts	31 December 2017
4.	Completion of projects for availing additional grant	31 December 2018

(Source: Scheme guidelines of the SAUBHAGYA.)

For implementing SAUBHAGYA, all three DISCOMs formulated DPRs for 50 projects and received the sanction of ₹ 1,871.28 crore for the creation of infrastructure and providing household connections. Against the sanction, the DISCOMs executed the work of ₹ 1,808.22 crore. Further, out of a total of 50 projects, the sanctioned cost and executed cost for the creation of infrastructure and providing household connections in 13 sampled projects were ₹ 526.16 crore and ₹ 495.75 crore, respectively (**Appendix 3.1**). The DISCOMs-wise details of projects have been depicted in **Table 3.2** below:

Table 3.2: Details of total projects and sampled projects

(₹ in crore)

Sl. No.	Name of the DISCOMs	Details of total projects			Details of sampled projects		
		No. of total project	Sanctioned Amount ¹	Actual amount incurred	No. of sampled projects	Sanctioned Amount	Actual amount incurred
1.	MPMKVVCL	16	547.62	482.15	5	143.46	130.24
2.	MPPaKVVCL	14	325.28	308.07	4	165.07	147.98
3.	MPPoKVVCL	20	998.38	1,018.00	4	217.63	217.53
Total		50	1,871.28	1,808.22	13	526.16	495.75

(Source: Sanction orders issued by the REC and Information as provided by the DISCOMs and compiled by the Audit.)

Audit analysed the project formulation and its execution in conformity with the guidelines of the Scheme and noticed the deficiencies in respect of formulation of DPRs, award as well as execution of the work, financial compliances and monitoring. These issues have been discussed in succeeding **paragraphs 3.2 to 3.6**.

¹ REC sanctioned SAUBHAGYA for Madhya Pradesh to total amount of ₹ 1,871.28 crore (₹ 872.64 crore on 31.07.2018 and ₹ 998.64 crore on 09 October 2018) and GoMP distributed the sanction cost between all three DISCOMs.

3.2 Formulation of Detailed Project Reports (DPRs)

As per the SAUBHAGYA guidelines, the DISCOMs were to prepare district-wise DPRs and submit them to REC online through the dedicated web portal. The hard copies of the DPRs duly recommended by the State Level Standing Committee (SLSC)² were also to be submitted to REC for records and reference.

Audit noticed that DISCOMs submitted the DPRs of all 50 projects with a delay of 66 to 74 days against the target date of submission of the DPRs as depicted in **Table 3.3** below:

Table 3.3: Details of delay in submission of DPRs

Sl. No.	Name of DISCOMs	No. of projects	Target date of submission of DPRs	The actual date of submission on the web portal	Delay in the submission of DPRs (in days)	Date of approval of State level committee	Date of approval of DPRs by REC
1.	MPMKVVCL	16	06.11.2017	19.01.2018	74	21.03.2018	31.07.2018
2.	MPPaKVVCL	14	06.11.2017	11.01.2018	66	21.03.2018	31.07.2018
3.	MPPoKVVCL	20	06.11.2017	11.01.2018	66	21.03.2018	31.07.2018

(Source: Scheme guidelines of the SAUBHAGYA and Information as provided by the DISCOMs and compiled by the Audit.)

Further, Audit noticed that the provisions regarding detailed field surveys, consultation of public representatives in the formulation of DPRs and applying the latest Schedule of rates (SoR), were not adhered to as discussed below:

- As per the provisions stipulated in the guidelines, the DISCOMs were required to carry out detailed field surveys for the identification of beneficiaries and village-wise details of households. However, the DISCOMs prepared DPRs without a field survey in violation of the Scheme guidelines. Due to this, the variation in actual execution with the reference to the initial DPRs varied ranging between 1,42,841 to 2,07,780 household connections as shown in **Table 3.4** below:

Table 3.4: Details of electrification of households

Sl. No.	Name of the DISCOMs	No. of sampled projects	Total No. of un-electrified households to be electrified as per initial DPRs	Total No. of un-electrified households to be electrified as per revised DPRs ³	Total No. of households electrified
1.	MPMKVVCL	5	4,26,915	2,02,880	2,07,780
2.	MPPaKVVCL	4	2,30,186	1,46,279	1,42,841
3.	MPPoKVVCL	4	3,19,955	1,55,682	1,58,432
Total		13	9,77,056	5,04,841	5,09,053

(Source: DPRs prepared by the DISCOMs and Information as provided by the DISCOMs and compiled by the Audit.)

- MoP, GoI directed (April 2015) that District Development Coordination and Monitoring Committee (DISHA⁴) has to review and monitor the implementation of all Central Schemes

² State Level Standing Committee consisting of Chief Secretary (as chairman), Secretaries of Energy, Finance, Revenue, Forest, Rural Development, Panchayati Raj and Home department, Chief General Manager (REC) and Managing Directors of the three DISCOMs.

³ The DPRs were revised without field survey. However, while revising the DPRs 1,61,826 households which were being electrified under DDUGJY, were excluded.

⁴ District Electricity Committee was renamed (26 July 2016) as DISHA.

in the power sector to actively engage public representatives throughout the life cycle of the project right from its formulation to execution and monitoring. However, Audit noticed in 13 sampled projects that the DISCOMs did not ensure the engagement of DISHA for the formulation of the DPRs. As a result, public representatives were not consulted, which defeated the very objective of constitution of DISHA.

- The DPRs were to be prepared based on the latest applicable Schedule of Rate (SoR) i.e. 2017-18. However, Audit noticed that the rates of major components⁵ depicted in the DPRs were not in conformity with the rates of the latest SoR. Consequently, the sanctioned amount of 13 sampled projects was valued higher by ₹ 30.66 crore.

MPPaKVVCL replied (July 2023) that the completion schedule of the SAUBHAGYA was very stringent, therefore there was no ample time for conducting the detailed field survey. DPR was just a cost estimation and the SOR rate did not have any significant impact on the project formulation. MPPoKVVCL and MPMKVVCL replied (July/August 2023) that DPRs were submitted while the field survey was underway.

DISCOMs contention on stringent timelines was not acceptable as SAUBHAGYA guidelines were issued on 20 October 2017 and the DISCOMs actually submitted the DPRs in January 2018. Thus, DISCOMs had sufficient time for field surveys. Further, in contradiction to the Scheme guidelines DPRs were prepared with non-adherence to the latest SoR.

Conclusion: Due to the absence of a detailed field survey and not applying the latest SoR, there were differences in the number of households to be electrified at every stage, which was incorrectly submitted for the approval of REC.

Recommendation: DISCOMs should prepare DPRs only after the detailed field survey. The DISCOMs should prepare the DPRs based on the latest SoR to avoid large number of variations.

3.3 Execution of the projects

As per the provisions of the Scheme, for the execution of the projects, the DISCOMs can adopt various modes viz. departmental execution, an extension of turnkey works awarded under RGGVY/DDUGJY or award new works on a turnkey basis. MPMKVVCL and MPPoKVVCL executed the works departmentally whereas MPPaKVVCL adopted all the modes.

3.3.1 Award of work without due process

Para 8.3 of the SAUBHAGYA guidelines stipulated that the works of household electrification sanctioned shall be awarded by the DISCOMs to the contractors through e-tendering. Audit noticed that MPPaKVVCL and MPPoKVVCL did not follow the due process in the award, as discussed below:

- MPPaKVVCL and MPPoKVVCL issued 4,080 LoAs for the electrification of 1,38,054 household connections for ₹ 50.62 crore (**Appendix 3.2**) to the contractors without adopting the process of e-tender or inviting bids without any recorded justification in contravention to the guidelines.

⁵ 11 KV line and DTRs.

- In one project (Dhar) of MPPaKVVCL, five LoAs were issued for the electrification of 860 households on the date of completion of work or thereafter indicating the lapse of the due process in the award of the work.
- Para 1 of chapter IV of SAUBHAGYA guidelines stipulated that the monitoring mechanism as followed in DDUGJY shall be followed. Further, para 11 of Chapter II of DDUGJY guidelines stipulated that the DISCOM could select any Project Management Agency (PMA) from a pool of CPSUs or through open bidding. However, MPPaKVVCL extended (25 February 2019) the existing contract of PMA of DDUGJY for monitoring, supervision and quality control consultancy services for projects executed by TKCs under SAUBHAGYA. This was in contravention of Scheme guidelines which provided only for open competitive bidding for the selection of PMA.

In the Exit conference (June 2023) the Department assured to look into the matter in the light of the audit observation and directed the DISCOMs to ensure that similar instances do not recur in the future. Regarding the appointment of PMA, MPPaKVVCL replied (July 2023) that as the completion schedule was very stringent, there was a time constraint to float a new NIT for PMA, thus the existing award of PMA was extended as per the terms and conditions of the LOA.

The reply is not acceptable as DISCOMs did not adhere to the Scheme guidelines issued by GoI while awarding the works for execution of the SAUBHAGYA.

3.3.2 Deficient execution of Contract

- Corporate office of MPPaKVVCL finalised Rate Contract Award (RCA) for the execution of works under the Scheme and circulated it to circle/division offices for the issue of awards. RCA *inter alia* provided that materials to be supplied by the Contractor would be supplied at SOR. In Rajgarh circle, Audit noticed that 89 LoAs were issued to M/s Shyam Indus Power Solution (P) Ltd. for the execution of works, including the supply of material at a rate higher than SOR. The basis on which these rates were taken was not available on the records produced for Audit. Thus, MPPaKVVCL had to incur the extra expenditure of ₹ 0.82 crore due to the award of works at a higher rate.

MPPaKVVCL replied (August 2023) that the departmental enquiry was initiated and show cause notice also was served to the concerned official. However, the same were awaited (August 2023).

- In the Jhabua project of MPPaKVVCL, an LoA on a turnkey basis was issued (23 January 2017) to the Joint venture of M/s Electromech Engineers, Faridabad and M/s Espan Infrastructure Limited, Delhi (TKC) in DDUGJY for system strengthening works. The MPPaKVVCL extended (01 October 2018) the LoA quantity of TKC of DDUGJY by 26.78 *per cent* valuing ₹ 8.50 crore to execute the SAUBHAGYA Scheme in the Jhabua project.

Audit noticed that while extending the Bill of Quantity (BoQ) of the TKC, MPPaKVVCL included the work of providing connections to 11,000 beneficiaries, which did not exist in the earlier BoQ of the TKC. Thus, the provision for this work was not available in the earlier contract. Further, while extending the work, the rate of providing connection to beneficiaries was arbitrarily fixed at ₹ 2,942 per connection without any rationale.

MPPaKVVCL replied (July 2023) that the rate of providing connections was worked out rationally with due approval of competent authority.

Reply is not acceptable as no rationale /justification of rates for providing connection was available in the records produced to Audit.

3.3.3 **Extra expenditure on the execution of work of providing new service connections**

As per the provisions of the Scheme guidelines, electricity connections were to be provided to un-electrified households through the installation of service line cables, single-phase meters, LED bulbs, and other associated accessories. The Annexure I attached with the SAUBHAGYA had limited the cost of providing the connections to households at ₹ 3,000 per connection.

Audit noticed that MPPoKVVCL issued a circular (06 February 2018) to the field units prescribing the rates for awarding the work of providing connections. This circular contained two types of schedules i.e. first schedule provided for connections using unarmoured cable at the rate of ₹ 3,514.90 per connection whereas the second schedule provided for connections using armoured cable at the rate of ₹ 4,461.38 per connection⁶, although the Scheme had only provided the use of unarmoured cable. However, both of these rates were higher than the rates provided under the Scheme (₹ 3,000 per connection) for which no justification was available on the records. It is also worth mentioning here that the other two DISCOMs restricted themselves within the rate prescribed by MoP, GoI. Audit analysed the reasons for the higher rate and noticed that MPPoKVVCL included additional items/items at a higher rate⁷. Details of the extra expenditure in the four projects is detailed in **Table 3.5** below:

Table 3.5: Details of the extra expenditure in the projects

Sl. No.	Name of the Circle	No. of connections provided	The schedule followed by the Circle	Higher rate against the norms (₹ per connection)	Extra expenditure (₹ in crore)
1.	Shahdol	31,437	Schedule-2	1461.38	4.59
2.	Mandla	20,924	Schedule-2	1461.38	3.06
		13,255	Schedule-1	514.90	0.68
3.	Balaghat	34,995	Schedule-1	514.90	1.80
4.	Dindori	25,617	Schedule-1	514.90	1.32
Total					11.45

(Source: Information as provided by the DISCOMs and compiled by the Audit.)

Thus, MPPoKVVCL had to incur an extra expenditure of ₹ 11.45 crore in four sampled projects on account of providing connections at higher rates.

In the Exit conference (June 2023) the Department stated that the DISCOM bore the extra amount incurred in providing connections and it was not claimed from the REC.

The reply is not acceptable as only MPPoKVVCL bore extra cost on providing connections, unlike the other two DISCOMs.

⁶ Connection through armoured cable was costlier by ₹ 946.48 per connection.

⁷ PVC cable, earthing wire, service line support, sundries items.

3.3.4 Excess procurement of material

For the implementation of the SAUBHAGYA, the DISCOMs were procuring various materials for the execution of the work. For this, the DISCOMs assessed the requirement of materials based on their planned utilization.

Audit noticed that the DISCOMs procured the materials without assessing their actual requirement after a detailed field survey. Resultantly, the following materials to the tune of ₹ 27.60 crore which were procured during 2017-18 to 2018-19 (implementation period of the SAUBHAGYA) remained unutilised (July/August 2022). The details of unutilised materials lying with the DISCOMs are given in **Table 3.6** below:

Table 3.6: Details of unutilised materials

Sl. No.	Name of DISCOMs	Name of the materials	Quantity Procured	Quantity utilised in SAUBHAGYA	Quantity utilised beyond SAUBHAGYA	Balance quantity (As on July/August 2022)	Rate of item (in ₹)	Value of the balance quantity of the material (₹ in crore)
1.	MPMKVVCL	PVC un-armoured cable	17,907	12,570.8	1,815	3,521	8,614	3.03
2.	MPaKVVCL	16 KVA, DTRs	2,000	1,597	-	403	39,294	1.58
		BPL Service Connection Kit	2,00,000	1,92,297	-	7,703	1,470	1.13
3.	MPPoKVVCL	25 KVA DTR	13,861	7,630	1,684	4,547	48,085	21.86
Total								27.60

(Source: Information as provided by the DISCOMs and compiled by the Audit.)

In the Exit conference (June 2023) the Department informed that DISCOMs had utilised most of the materials in their regular O&M works, which was not claimed from the REC and relevant records related to utilisation would be submitted to the Audit. Department also cautioned the DISCOMs to ensure that procurement would be done judiciously.

Utilisation of the material could not be verified as DISCOMs had not furnished relevant documents.

3.3.5 Creation of infrastructure without any connection

Para 4 of Chapter II of SAUBHAGYA guidelines stipulated that the additional infrastructure⁸ was to be created wherever the existing infrastructure was insufficient or not available for providing connections under SAUBHAGYA. Accordingly, the REC while sanctioning the DPRs stipulated that the additional infrastructure was to be created for household electrification only as per the projection in the sanction of SAUBHAGYA.

Audit noticed that the DISCOMs had erected 318.65 Circuit Kilometer (ckm) of 11 Kilo Volt lines, 882.56 ckm of LT lines and 439 DTRs at the expenditure of ₹ 30.47 crore in

⁸ DTRs, Lines etc.

586 villages/habitations without serving any connection in nine projects⁹ out of 13 sampled projects. Thus, DISCOMs created infrastructure without adherence to the provisions of the guidelines/ sanction.

MPPaKVVCL replied (July 2023) that infrastructure laid through any of the schemes was for the release of service connections and strengthening of the transmission network was to ensure quality power supply to new connections released. MPMKVVCL replied (August 2023) that the DDUGJY/Saubhagya schemes were running parallelly and in some cases infrastructure work was executed in DDUGJY and connection work in SAUBHAGYA and vice-versa.

Reply is not acceptable as each scheme has a distinct objective. The objective of the SAUBHAGYA was to provide household connections and infrastructure should only be created for providing household connection only.

3.3.6 Avoidable expenditure in the installation of the solar power pack

Para 2.1 of the SAUBHAGYA guidelines stipulated that the off-grid connection was to be provided in the villages, where grid connectivity was not feasible. Para 2.6 of Chapter- II Project formulation and implementation of the SAUBHAGYA guidelines stipulated that in case of un-electrified HHs located in remote and inaccessible areas, solar power packs of 200 to 300 Watt Peak (WP) with battery banks may be provided.

Audit noticed that the Raisen project of MPMKVVCL had installed¹⁰ 414 solar power packs of 50 WP at a cost of ₹ 0.73 crore (at the average rate of ₹ 17,622 per unit). Subsequently, to upgrade these solar packs to 200 WP the Circle awarded¹¹ the work of adding 150 WP power packs to upgrade the battery and other peripheral devices at a cost of ₹ 1.03 crore (at the average rate of ₹ 24,774 per unit). Further, the Audit noticed that the average rate of a fresh 200 WP solar power pack was ₹ 31,348 per unit. Thus, the cost of installation of 200 WP power packs was lower than the total installation cost of 50 WP and 150 WP power packs by ₹ 11,048¹² per unit. As such, due to not opting for a 200 WP power pack at the time of the initial award of work (July/ August 2018), the MPMKVVCL had to incur an avoidable expenditure of ₹ 0.46 crore.

MPMKVVCL replied (August 2023) that there was no clarity regarding the capacity of solar power pack, therefore, 50 WP power pack was installed and later on after receiving communication in the meeting (July 2018), 200 WP was installed, and 50 WP was upgraded with additional 150 WP in order to achieve the targets in time.

The reply is not acceptable as SAUBHAGYA guidelines (October 2017) clearly stipulated the installation of 200-300 WP power packs.

3.3.7 Not providing the material as per the specification prescribed in the Scheme guidelines

Annexure-V of SAUBHAGYA guidelines stipulated the scope of work and specifications of materials to be used in service connection. Audit noticed that the DISCOMs had failed to adhere to the specifications in various materials installed under the SAUBHAGYA. The issues in this regard are discussed below:

⁹ Dhar, Jhabua, Khargone, Ratlam, Betul, Bhopal, Raisen, Rajgarh and Vidisha.

¹⁰ July 2018 to October 2018.

¹¹ October 2018 to February 2019.

¹² (₹ 17,622 + ₹ 24,774) - ₹ 31,348

- Twin Core (unarmoured) cables of size 4.0 mm² were required to be provided in household connection under the SAUBHAGYA. However, inferior Twin Core (unarmoured) cables of size 2.5 mm² were installed to 3,36,282 beneficiaries in 12 sampled¹³ projects of MPMKVVCL, MPPaKVVCL and MPPoKVVCL.
- GI Pipe of 25 mm diameter with 40*3 mm MS flat clamps was required to be provided in household connection under the SAUBHAGYA. However, GI Pipe of 20 mm diameter (lower specification) with 40*3 mm MS flat clamps was installed to 93,705 beneficiaries in four sampled projects¹⁴ of MPPaKVVCL.

As a result, below-specification materials were provided in household connection under the SAUBHAGYA in violation of the Scheme guidelines, thereby compromising the serving life of the infrastructure.

In the Exit conference (June 2023) the Department stated that the specifications followed by the DISCOMs for its regular works were followed in the works executed under SAUBHAGYA.

The reply is not acceptable as DISCOMs did not adhere to the specifications of material prescribed under the Scheme guidelines.

3.3.8 Non-adherence to the guidelines of the Scheme for installation of the solar power pack

- To provide power connection to un electrified HHs located in remote and inaccessible areas, the Scheme guidelines provided for the installation of the solar power pack. To supply adequate electricity to the HHs, electricity power packs of 200 to 300 Watt peak (WP) with battery banks were to be provided under the Scheme. Further, as per the Scheme guidelines, for efficient delivery of power, the WP capacity of the power pack would be considered based on available solar radiation data of the National Renewable Energy Laboratory (NREL) in form of Global Horizontal Irradiance (GHI)¹⁵.

Audit observed that as per the provisions of the GHI, in Madhya Pradesh, a Solar power pack of 250 WP was to be provided based on the India Solar Resource map issued by the NREL. Despite that, the DISCOMs had installed 2,964 solar power packs of 200 WP of ₹ 10.26 crore (**Appendix 3.3**). As a result, households were provided with inadequate power supply than intended under the Scheme.

In the Exit conference (June 2023) the Department accepted the observation and took note of the same.

- The Scheme guidelines provided that the works sanctioned under SAUBHAGYA shall be awarded by the DISCOMs through e-tendering. However, Ratlam and Raisen project of the MPPaKVVCL and MPMKVVCL issued Notice Inviting Quotations instead of an e-tender for the supply and installation of 484¹⁶ Solar power packs to the tune of ₹ 1.86 crore.
- Further, para 2.6 of Chapter-II Project Formulation and Implementation of SAUBHAGYA guidelines prescribed the provision of Repair & Maintenance (R&M) for five years of the

¹³ Dhar, Jhabua, Khargone, Ratlam, Betul, Bhopal, Raisen, Rajgarh, Vidisha, Balaghat, Dindori, Mandla.

¹⁴ Dhar, Jhabua, Khargone and Ratlam.

¹⁵ 300 WP for areas with GHI of <5 KWH/M² /day, 250 WP for areas with GHI of >5 to 5.5 KWH/M² /day and 200 WP for areas with GHI of > 5.5 KWH/M² /day.

¹⁶ Ratlam-70 Nos. of ₹ 0.10 crore and Raisen 414-Nos. of ₹ 1.76 crore.

equipment installed for off-grid connection. However, Audit noticed that in two projects of DISCOMs¹⁷, 12/18 months of R&M provision was incorporated in the award instead of provisions of five years of R&M without recorded justification.

In the Exit conference (June 2023) the Department assured that the matter would be looked into in the light of the observation and directed the DISCOMs to ensure that similar instances do not reoccur in future.

3.3.9 Receipt of cash award on an incorrect basis

MoP, GoI launched (24 October 2018) the cash award Scheme for achieving 100 *per cent* household electrification at the DISCOM level in SAUBHAGYA. For this purpose, the States were divided into three categories (i) Special (ii) Other than special (less than 5 lakh unelectrified HHs) and (iii) Other than special (more than 5 lakh HHs). In each category, a cash award of ₹ 100 crore was to be distributed to the first DISCOM achieving the target of 100 *per cent* electrification of households by 30 November 2018. Further, a cash award of ₹ 0.50 crore was also to be distributed among employees of the DISCOM. Out of three DISCOMs in the State, two DISCOMs viz. MPMKVVCL and MPPaKVVCL received cash awards of ₹ 100.50 crore each. Audit reviewed the eligibility of the receipt of the award and noticed the following deficiencies:

- MPMKVVCL was classified under category (iii) with more than 5 lakh un-electrified households and received (26 February 2019) the cash award of ₹ 100.50 crore based on the certificate of achievement of 100 *per cent* electrification of un-electrified households by 30 September 2018. Audit, however, observed that in two out of five sampled projects¹⁸ of MPMKVVCL, 24 LoAs were issued for the electrification of 4,725 households after December 2018 and were completed during January 2019 to October 2019. Hence, the claim of the MPMKVVCL of complete electrification by September 2018 was incorrect.
- Similarly, MPPaKVVCL was classified under category (ii) with un-electrified households less than 5 lakh and received (26 February 2019) the cash award of ₹ 100.50 crore based on the certificate of achievement of 100 *per cent* electrification of un-electrified households by 28 July 2018. Audit observed that in the four sampled projects¹⁹ of MPPaKVVCL that 32 LoAs for the release of 8,985 connections were issued after December 2018 and were completed during February 2019 to June 2019. Hence, the claim of the MPPaKVVCL of complete electrification by July 2018 was incorrect.

Thus, the incorrect declaration of 100 *per cent* electrification of households under SAUBHAGYA before the REC led to the receipt of the ineligible award of ₹ 201.00 crore.

In the Exit conference (June 2023) the Department accepted that some of the connections were provided to the households after declaring 100 *per cent* electrification as the DISCOMs ran a special drive for providing connections to the unconnected and willing households, if any, after the declaration of 100 *per cent* electrification of households.

The fact, however, remains that though 100 *per cent* electrification of households was certified under the Scheme, electrification of Households was pending as on 31 December 2018.

¹⁷ Ratlam of MPPaKVVCL (12 months) and Raisen of MPMKVVCL (18 months).

¹⁸ Vidisha and Rajgarh.

¹⁹ Dhar, Jhabua, Khargone and Ratlam.

3.3.10 Receipt of the additional grant on an incorrect basis

Para 9 of Chapter II (project formulation and implementation) of SAUBHAGYA guidelines stipulated that DISCOMs are required to complete the work of household electrification by 31 March 2019. However, an additional grant of 15 *per cent* of the total cost of the project will be released subject to the achievement of 100 *per cent* household electrification by 31 December 2018. An additional grant of ₹ 110.54 crore²⁰ was approved (29 September 2021) by REC in respect of the three DISCOMs for early completion of work. Of the grant, ₹ 49.53 crore²¹ had been received up to March 2022.

Audit observed that works of electrification of 4,725, 8,985 and 37,834 households of MPMKVVCL, MPPaKVVCL and MPPoKVVCL respectively were pending on 31 December 2018. Thus, the claims made for the additional grant were incorrectly furnished by the respective DISCOMs.

In the Exit conference (June 2023) the Department accepted that some of the connections were provided to the households after declaring 100 *per cent* electrification as the DISCOMs ran a special drive for providing connections to the unconnected and willing households, if any, after the declaration of 100 *per cent* electrification of households.

The fact, however, remains that though 100 *per cent* electrification of households was certified under the Scheme, electrification of Households was pending as on 31 December 2018.

3.3.11 Non-pursuance of Reports of REC Quality Monitor

SAUBHAGYA guideline on quality monitoring stipulated that the REC shall verify the quality of works through the appointment of REC Quality Monitors (RQM). Accordingly, the RQM conducted physical verification in 715 villages of 13 sampled projects.

Audit scrutinised the reports of RQM issued from 27 May 2019 to 22 December 2020 and found that RQM had noticed short execution of electrification of HHs and infrastructure (HT line, LT line, DTR, HT poles, LT Poles) which is summarised in **Table 3.7** below:

Table 3.7: Details of short execution under the scheme

Sl. No.	Name of the DISCOM	No. of Village inspected	Details of short execution of electrification of HHs and infrastructure						
			BPL (in No.)	APL (in No.)	HT line (in ckm)	HT Poles (in No.)	LT line (in ckm)	LT Poles (in No.)	DTRs (in No.)
1.	MPMKVVCL	283	2,349	1,262	35	530	36	606	19
2.	MPPaKVVCL	214	3,567	101	178	1,022	846	1,766	107
3.	MPPoKVVCL	218	3,142	56	83	860	115	1,778	73
Total		715	9,058	1,419	296	2,412	997	4,150	199

(Source: RQM inspection reports obtained from the Sakshya Portal.)

Audit observed that though the REC approved²² the Closure Reports of the DISCOMs but the DISCOMs had not approached REC for reconciliation of the works which were declared as short-executed in the Inspection Reports issued by RQM.

²⁰ MPMKVVCL - ₹ 38.76 crore, MPPaKVVCL - ₹ 17.60 crore and MPPoKVVCL - ₹ 54.18 crore.

²¹ MPMKVVCL - ₹ 22.62 crore, MPPaKVVCL - ₹ 12.79 crore and MPPoKVVCL - ₹ 14.12 crore.

²² 29 September 2021.

While accepting the fact that RQM had pointed out the differences in the infrastructure, MPPaKVVCL, MPPoKVVCL and MPMKVVCL replied (July/August 2023) that the compliance report was submitted to the REC.

The DISCOMs, however, did not furnish the relevant documents in support of the compliance report submitted and its acceptance by REC to Audit.

Conclusion: DISCOMs had not adhered to the Scheme guidelines in the tendering process and materials were procured against the specifications and the due consideration of actual field requirements. Also, an incorrect declaration was made by the DISCOMs regarding the 100 per cent electrification of the villages. The DISCOMs also did not reconcile the deficiencies pointed out by the REC.

Recommendation: DISCOMs should adhere to the Scheme guidelines in tendering process and materials should have been procured as per the specifications and the consideration of field requirements. The DISCOMs should avoid lodging incorrect declarations on the achievement of the electrification targets and the DISCOMs should reconcile the deficiencies with the REC.

3.4 Closure and approval of the projects

As per the para 10.1 of chapter – V of scheme guidelines, the final tranche was to be released after the submission of the closure report to the REC. The closure report needs to be submitted within one year from the project completion date. Audit observed that the DISCOMs submitted the closure report to REC with a delay of 490/492 days as given in **Table 3.8** below:

Table 3.8: Details of delay in submission of Closure Report

Sl. No.	Name of the DISCOMs	No. of projects	Project completion date as per guidelines	Target date of closure submission report	Actual project completion date	Actual date of submission of closure report	Delay in the submission of closure report
1.	MPMKVVCL	16	31.03.2019	31.03.2020	31.03.2019	03.08.2021	490
2.	MPPaKVVCL	14	31.03.2019	31.03.2020	31.03.2019	05.08.2021	492
3.	MPPoKVVCL	20	31.03.2019	31.03.2020	18.03.2019	05.08.2021	492

(Source: Information as provided by the DISCOMs and compiled by the Audit.)

Thus, the DISCOMs delayed the submission of the closure report of the projects ranging from 490 to 492 days. As a result, the approval of the closure report was also delayed and could be obtained only in September 2021. This also delayed the release of the final instalment of ₹ 263.41 crore. Further, ₹ 61.01 crore were still pending release by REC as on 31 March 2022.

MPPaKVVCL, MPPoKVVCL and MPMKVVCL replied (July/August 2023) that final revised closure formats have been provided by the REC in November/December 2020 and the closure report was submitted on 03/05 August 2021 well before the target i.e. 10 August 2021.

Reply is not acceptable as there was abnormal delay vis-à-vis. scheme guidelines in submitting the closure reports.

3.4.1 Claim for excess beneficiaries in comparison to the executed quantity

Audit noticed that the number of beneficiaries as claimed in the closure report was higher than the executed data of the providing connections to the beneficiaries in SAUBHAGYA as summarised in **Table 3.9** below:

Table 3.9: Details of no. of beneficiaries

Sl. No.	Name of the DISCOMs	Name of projects	No. of beneficiaries whose connections were released as per the execution	No. of the beneficiaries claimed in the closure report	Excess number of beneficiaries claimed
1.	MPMKVVCL	Bhopal	7,139	16,550	9,411
2.		Vidisha	37,103	48,724	11,621
3.		Raisen	41,040	46,752	5,712
4.		Rajgarh	53,631	62,478	8,847
5.		Betul	29,797	32,264	2,467
6.	MPPaKVVCL	Dhar	11,010	17,542	6,532
7.		Jhabua	24,276	34,595	10,319
8.	MPPoKVVCL	Balaghat	34,995	44,871	9,876
9.		Shahdol	31,437	44,061	12,624
10.		Mandla	34,179	36,202	2,023
11.		Dindori	25,617	31,761	6,144
Total			3,30,224	4,15,800	85,576

(Source: Information as provided by the DISCOMs and compiled by the Audit.)

From the above, it can be seen that in 11²³ sampled projects, the DISCOMs had provided connections to 3,30,224 beneficiaries but had lodged claims for 4,15,800 beneficiaries in the closure report submitted to the REC. Thus, there was an excess claim for 85,576 beneficiaries in 11 sampled projects to the tune of ₹ 24.06 crore before the REC.

In the Exit conference (June 2023) the Department accepted the audit observation and took note of the same.

Conclusion: The DISCOMs submitted the closure reports with a delay and with an excess claim.

Recommendation: The DISCOMs should submit the correct claim by adhering to the timelines.

3.5 Financial Management

Para 1.1 of chapter V of the fund guidelines of the SAUBHAGYA stipulated funding pattern and financial support as depicted in **Table 3.10** below:

Table 3.10: Funding pattern of SAUBHAGYA

Sl. No.	Agency	Nature of support	Quantum of support (Percentage of project cost)
1.	Govt of India	Grant	60
2.	State/DISCOMs/Utility Contribution	Own Fund	10
3.	Lender (FIs/ Banks)	Loan	30

²³ The summarised list of awards in two projects (Khargone and Ratlam) was not available. Due to this, the executed data of household connection could not be compared with closure report data.

Sl. No.	Agency	Nature of support	Quantum of support (Percentage of project cost)
4.	Additional Grant from GoI on achievement of prescribed milestones	Grant	50 per cent of the total loan component (30 per cent) i.e. 15 per cent

(Source: Scheme guidelines of the SAUBHAGYA.)

Audit reviewed the compliance of the fund guidelines and noticed the issues of non-adherence to the fund guidelines as discussed in the succeeding **paragraphs 3.5.1 and 3.5.2.**

3.5.1 Failure in obtaining Government support for the portion of ‘own fund’

Para 1.1 of the SAUBHAGYA stipulated that the DISCOMs should provide a minimum of 10 per cent portion of the total sanctioned cost in the Scheme as ‘own fund’ which it should arrange from their own source or through Government support.

In MPPoKVVCL 20 projects were sanctioned under SAUBHAGYA Scheme at a total cost of ₹ 989.30 crore. To arrange for the contribution of ‘own fund’ which is 10 per cent of the sanctioned cost, MPPoKVVCL approached (27 July 2018) GoMP and GoMP approved (20 August 2018) to provide the same. MPPoKVVCL also approached REC for 40 per cent of the sanctioned cost as a loan of ₹ 395.72 crore²⁴ against 30 per cent and REC sanctioned (10 September 2018) the same. Audit observed that despite the assurance given by GoMP, instead of securing the 10 per cent from GoMP, MPPoKVVCL had drawn a loan for the 10 per cent ‘own fund’ from the REC. It is worth mentioning here that MPMKVVCL and MPPaKVVCL had sought and secured the ‘own fund’ contribution of 10 per cent from GoMP.

Thus, obtaining a loan for 40 per cent of the sanctioned cost violated the Scheme guidelines which had limited it to 30 per cent. Resultantly, MPPoKVVCL had to avail excess loan of ₹ 98.93 crore and incur avoidable interest of ₹ 24.65 crore up to March 2022.

In the Exit conference (June 2023) the Department stated that the MPPoKVVCL had asked for the funds, but GoMP did not release it.

Reply is not acceptable as GoMP approved (20 August 2018) financing 10 per cent of the sanctioned cost. MPMKVVCL and MPPaKVVCL availed it too, unlike MPPoKVVCL.

3.5.2 Avoidable payment of additional charges due to deficient loan arrangement

DISCOMs entered (March 2019) into a loan agreement with the REC for implementation of the SAUBHAGYA. The terms and conditions of the loan agreement stipulated that the principal sum of the term loan, interest and other charges would be secured by way of an exclusive first charge through hypothecation of all future movable properties, stock of material; equipment installed totalling to project cost in SAUBHAGYA. Further, there was a provision of additional interest of 0.25 per cent to be imposed in case the State Government guarantee is not provided. However, REC (09 November 2018) waived off the condition for submission of a Government guarantee in lieu of submission of Mortgage /Hypothecation of 30 per cent of existing assets on loan borrowed for implementation of SAUBHAGYA.

Audit observed that MPPoKVVCL availed this condition of waiver and hypothecated the assets as per the terms and conditions of the waiver, whereas MPMKVVCL and MPPaKVVCL did not avail the alternative condition of waiver by hypothecation of additional assets without any justification

²⁴ ₹ 989.30 crore X 40 per cent.

on records. Consequently, the MPMKVVCL and MPPaKVVCL had paid additional interest to the tune of ₹ 0.72 crore²⁵ up to March 2022 for the loan borrowed for the implementation of SAUBHAGYA.

MPPaKVVCL and MPMKVVCL replied (July/August 2023) that the assets created under SAUBHAGYA were hypothecated with the REC and proposal was submitted to the GoMP for providing guarantee.

Reply is not acceptable as MPPaKVVCL and MPMKVVCL did not hypothecate 30 per cent of existing assets, unlike MPPoKVVCL.

Conclusion: MPPoKVVCL had failed to avail funds from the GoMP for the portion of its own fund and MPMKVVCL and MPPaKVVCL failed to avail the favourable terms of the loan agreement.

Recommendation: MPPoKVVCL should avail funds from the GoMP for the portion of its own fund and MPMKVVCL and MPPaKVVCL should avail the favourable terms of the loan agreement.

3.6 Monitoring Management

For successful implementation of the Scheme, the DISCOMs were required to adhere to the quality monitoring guidelines of the Scheme. Also, DISCOMs shall be solely responsible & accountable for assuring quality in SAUBHAGYA works. Accordingly, DISCOMs shall formulate a comprehensive Quality Assurance (QA) and Inspection Plan to build Quality Infrastructure under SAUBHAGYA works. The QA and Inspection Plan shall be an integral part of the contract agreement with the turnkey contractor or equipment supplier/vendor and erection agency, as the case may be, in case of partial turnkey and departmental execution of works. The DISCOMs were to ensure that the quality of material/equipment supplied at the site and field execution of works under the project is as per the QA& Inspection Plan.

Audit reviewed the compliance of the monitoring guidelines as stipulated in the Scheme and noticed the deficiencies viz. non-appointment of PMA and improper maintenance of data etc, which have been discussed in the succeeding *paragraph 3.6.1*.

Quality issues

3.6.1 Deficiencies in Monitoring of the projects

Various authorities were setup for monitoring the Scheme at various levels in conformity with the guidelines, viz:

- State Level Standing Committee²⁶ (SLSC) to monitor progress, quality control and resolve issues relating to the implementation of sanctioned projects along with finalization of closure reports.
- District Development Coordination and Monitoring Committees (DISHA) for monitoring the planning and execution of the projects.

²⁵ MPPaKVVCL: ₹ 0.72 crore, MPMKVVCL and MPPaKVVCL did not provide the details of additional charges.

²⁶ State Level Standing Committee consisting of Chief Secretary (as chairman), Secretaries of Energy, Finance, Revenue, Forest, Rural Development, Panchayati Raj and Home department, Chief General Manager (REC) and Managing Directors of the three DISCOMs.

- Appointment of a Project Management Agency (PMA) to assist DISCOMs in project management and its implementation.

Audit made the following observations on monitoring by these authorities as summarised in **Table 3.11** below:

Table 3.11: Audit Observations

Sl. No.	Monitoring level	Audit observations
1.	State-Level Standing Committee It was constituted in May 2018 for SAUBHAGYA. The SLSC was responsible for recommending DPRs to REC, to monitor the progress of projects, quality control and resolution of problems arising during the implementation of projects along with the finalization of closure reports.	➤ The order constituting the committee was silent on the frequency at which the committee had to convene the meetings. Thus, the SLSC met only twice (March 2018 and May 2019). The meetings were conducted for approving the DPRs. ➤ DISCOMs submitted to SLSC that the detailed field survey was conducted, however, the DISCOMs did not conduct the detailed field survey and the same was not verified by the SLSC. ➤ SLSC did not discuss the deviation of MPPoKVVCL in respect of arranging the fund for its own contribution for participation as required in the Scheme. ➤ SLSC did not monitor the progress of works, quality control, resolution of other issues relating to the implementation of sanctioned projects, timely finalization and submission of closure reports, etc., wherein there were deficiencies which are pointed out in this Report in paragraph 3.3, 3.4 and 3.6. The Government did not furnish any reply in this regard (August 2023).
2.	District Development Coordination and Monitoring Committees at District Level At the district level, DISHA committees ²⁷ were constituted with a Member of Parliament from the district as the Chairperson for the projects being carried out in the district, these committees were to be involved right from the formulation to execution and monitoring of the projects	➤ DISHA was not involved in the formulation of the DPRs. ➤ DISHA was required to meet at least every quarter at the district level. During October 2017 to March 2019²⁸, it was noticed that only a total of 14 meetings were held as against 78 meetings required to be held in the sampled thirteen districts coming under the jurisdiction of the respective DISCOMs. ➤ Progress and quality assurance of the works executed under SAUBHAGYA were not discussed in DISHA. Audit also did not find any efforts by the DISCOMs for holding meetings and discussion over the progress. MPPaKVVCL and MPPoKVVCL replied (July 2023) that DISHA was not part of the SAUBHAGYA as per MoP guidelines. Reply is not acceptable as Para 1 of Chapter IV of SAUBHAGYA guidelines stipulated that the monitoring mechanism as followed in DDUGJY shall be followed in SAUBHAGYA.
3.	Project Management Agency Para 1 of Chapter IV of Monitoring, Quality Assurance and Evolution of SAUBHAGYA guidelines stipulated that the monitoring mechanism as followed in DDUGJY shall be	➤ MPMKVVCL and MPPoKVVCL did not appoint the PMA and as a result, the critical issues related to planning and execution of the SAUBHAGYA projects viz. assistance in preparation and uploading of DPR, activities related to the award of contract, monitoring, supervision and quality control consultancy etc. were not carried out through the PMA. Audit did not find any reasons on the record for not

²⁷ Members include, viz. District Collector/District Commissioner, all member of the State Legislative Assembly from the District, one representative from the State Government, all Mayors of Municipalities, chairpersons of Zilla Panchayat etc.

²⁸ Implementation period of the projects.

	followed in SAUBHAGYA. In this regard, Para 11 of Project formulation and implementation of DDUGJY guidelines provided that the Project Management Agency (PMA) shall be appointed by the DISCOMs to assist them in project management and ensure timely implementation of the project. A hundred <i>per cent</i> grant (up to 0.5 <i>per cent</i> of the cost of works) was to be provided by the GoI towards expenditure incurred on PMA. DISCOMs can select a PMA from a pool of CPSUs on a nomination basis or through open bidding. The guidelines further provided that monitoring and coordination of the bidding process, project planning, and implementation, quality monitoring, MIS, and updating of the web portal should be mandatorily awarded to the PMA.	appointing the PMA. Non-appointment of PMA led to violation of the terms of the Scheme and led to poor monitoring in nine sampled projects²⁹ executed at a cost of ₹ 347.77 crore. In the Exit conference (June 2023) the Department stated that PMA was not appointed by the MPMKVVCL and MPPoKVVCL in SAUBHAGYA. Instead, retired employees were recruited to monitor the project. Reply is not acceptable as DISCOMs were required to appoint PMA to assist them in project management and ensure timely implementation of the project as stipulated under Scheme guidelines. ➤ Under SAUBHAGYA, MPPaKVVCL appointed PMA at a belated stage (25 February 2019) by extending the existing contract of PMA of DDUGJY for projects executed through DDUGJY contractors and through new awards. These works were completed by 31 March 2019. As such, an extension of the PMA service was irrelevant as the projects under the Scheme started from October 2017 and PMA was to monitor the works from beginning. Thus, the amount of ₹ 0.50 crore³⁰ paid to PMA in the sampled four projects³¹ for monitoring the execution of SAUBHAGYA works was infructuous. Further, MPPaKVVCL did not engage PMA for the works executed departmentally and extension of RGGVY works, to the tune of ₹ 52.43 crore (35.43 <i>per cent</i> of cost of total projects ₹ 147.98 crore). Thus, PMA service was not effectively availed by the MPPaKVVCL MPPaKVVCL replied (July 2023) that even though the PMA was appointed belatedly, the services of the PMA continued to in place as the DDUGJY awards were extended for SAUBHAGYA. Reply is not acceptable as no documentary evidence that PMA had supervised the SAUBHAGYA works was furnished and PMA was appointed at the completion stage of the project. Moreover PMA was not appointed in case of projects executed departmentally and through extension of RGGVY works.
--	---	---

(Source: SAUBHAGYA guidelines and Information as provided by the DISCOMs and compiled by the Audit.)

3.6.2 Non-rectification of defects pointed out by REC Quality Monitor

In compliance with Quality Monitoring guidelines, REC appointed REC Quality Monitoring (RQM) to ensure the quality of works carried out under the SAUBHAGYA. Audit noticed that RQM pointed³² out 17,101 defects (4,208 critical, 11,172 major and 1,721 minor defects) in 715 villages in 13 sampled projects. However, despite a lapse of 42 months after the completion of the Scheme (21 months from issuance of report), 6,584 defects (1,658 critical, 4,314 major and 612 minor defects) in 488 villages were yet to be rectified (September 2022). Reasons for the pendency of these defects were not available in the records.

Thus, large number of defects pointed out by the RQMs substantiate the fact that the substandard works to the extent of the defects pointed out by RQM were executed in violation of the quality

²⁹ Bhopal, Vidisha, Raisen, Rajgarh, Betul, Shahdol, Mandla, Dindori and Balaghat.

³⁰ Dhar - ₹ 0.19 crore + Jhabua- ₹ 0.14 crore + Khargone- ₹ 0.06 crore + Ratlam - ₹ 0.11 crore.

³¹ Dhar, Jhabua, Khargone and Ratlam.

³² Inspection report taken from REC Sakshya Portal.

monitoring guidelines of the Scheme. Also, since the defects were yet to be rectified by the respective DISCOMs, the quality of the infrastructure created continues to remain substandard.

In the Exit conference (June 2023) the Department informed that defects were rectified by the DISCOMs and were reconciled with the REC and relevant records would be furnished to the audit.

The status of the recertification could not be verified as the DISCOMs had not furnished the relevant records.

3.6.3 Differences in various components as per Dashboard and records of the DISCOMs

The progress of implementation of the SAUBHAGYA was being reflected in the Dashboard of MoP based on the information updated/ provided by the DISCOMs. All the works under the SAUBHAGYA of DISCOMs had been completed by March 2019. Thus, the progress of the works as per the closure report should have been reflected on the portal of MoP.

Audit, however, observed that there were variations in the progress reported (March 2019) on the Dashboard and the closure report summarized in **Table 3.12** below:

Table 3.12: Details of variation in Dashboard and Closure report

Sl. No.	Name of various components	Variation (in range)		
		MPMKVVCL	MPPaKVVCL	MPPoKVVCL
1.	Beneficiaries (Nos.)	4,807 to 7,209	(-486) to 34,536	(-2,731) to (-2,228)
2.	DTR (Nos.)	7 to 66	(-76) to 198	(-391) to 147
3.	11 KV line (ckm.)	(-9) to 65	(-184) to 14	120 to 124

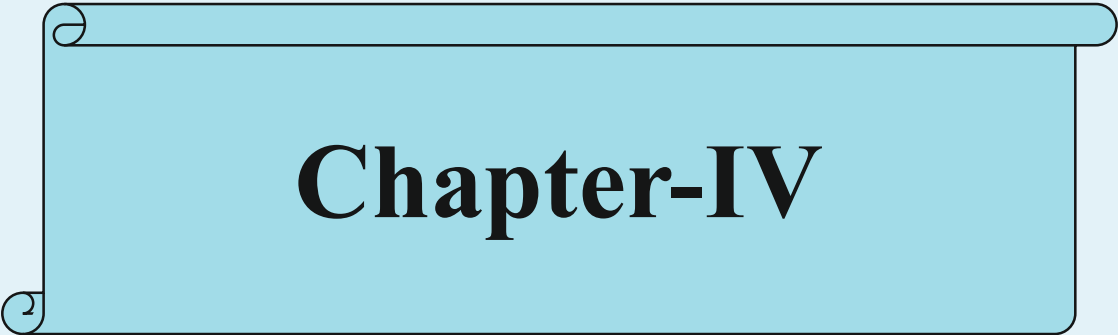
(Source: Progress report reflected on Dashboard and Information as provided by the DISCOMs and compiled by the Audit.)

The above variations indicate the DISCOMs failure in maintaining adequate MIS during the implementation of the SAUBHAGYA.

In the Exit conference (June 2023) the Department accepted the observation and took note of the same.

Conclusion: The GoMP and the DISCOMs could not ensure effective monitoring mechanisms for the implementation of the projects in conformity with the Scheme guidelines, resultantly, there were large number of defects as reported by the RQM on the works executed by the DISCOMs and there were multiple mismatches in figures depicted in the Dashboard vis-a-vis the closure report.

Recommendation: The GoMP and DISCOMs should establish an effective system for ensuring quality work execution and project monitoring in adherence to the Scheme guidelines.



Chapter-IV

Chapter- IV

Beneficiary Survey

Audit surveyed in August-September 2021 with the beneficiaries of the DDUGJY and SAUBHAGYA in the field. For the beneficiary survey, in the 13 sampled districts, 30 blocks and five villages from each block were selected. In each village, the actual numbers of beneficiaries surveyed were subject to the maximum number of 10 selected for the survey. Thus, a total of 1,185 beneficiaries of DDUGJY and SAUBHAGYA were surveyed in 150 villages of 13 sampled districts. Format of questionnaire as shown in **Appendix 4.1**.

Audit Findings

Audit findings based on these 1,185 beneficiaries/ households surveyed (MPMKVVCL-406, MPPaKVVCL-406 and MPPoKVVCL-373) in three DISCOMs are detailed below:

(1) *Non-provision of single-point wiring, LED lamps and accessories in line with technical specifications and construction standards*

As per para 2.4 of SAUBHAGYA guidelines, the electricity connection included the provision of installation of an energy meter and LED lamp.

As per the survey, in the case of 54 beneficiaries/ households, (MPPaKVVCL-23, MPMKVVCL-26, MPPoKVVCL-5) energy meters were not provided and in the case of 332 beneficiaries/ households, (MPPaKVVCL-102, MPMKVVCL-98, MPPoKVVCL-132) LED lamps were not provided.

(2) *Release of electricity connection to poor households under Saubhagya Scheme on payment*

As per SAUBHAGYA Guidelines beneficiaries covered as per the Socio-Economic and Caste Census (SECC) data were to be provided free electricity connection. Households surveyed disclosed that in the case of 13 (MPPaKVVCL-2, MPMKVVCL-2, MPPoKVVCL-9) households falling under the above category, the connections were provided after charging payment in violation of the guidelines.

(3) *Impact on monthly expenditure*

158 beneficiaries/ households (MPPaKVVCL-61, MPMKVVCL-97, MPPoKVVCL-0) stated that there was a reduction in the monthly expenditure due to reduced use of diesel gen-sets, diesel pumps etc.

(4) *Use of consumer durables in the house*

831 beneficiaries/ households (MPPaKVVCL-227, MPMKVVCL-373, MPPoKVVCL-231) stated that after receiving the electricity connection, they were using additional gadgets like TV, fridge, fan etc.

(5) *Increase/decrease in Study hours before and after the electricity connection in the house*

88 beneficiaries/ households (MPPaKVVCL-84, MPMKVVCL-4, MPPoKVVCL-0) stated that they were not able to get the benefit of extended hours of Study in the evening/night due to the non-availability of continuous electricity supply during the night.

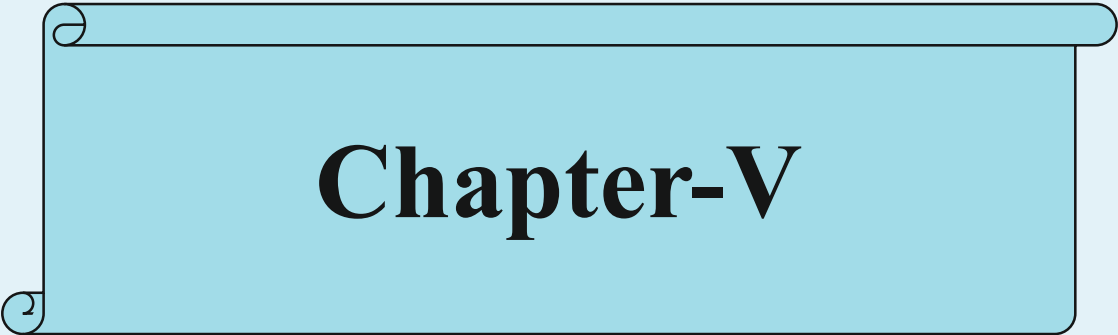
(6) Increase in mobility/ security at night due to the electrification of villages

47 beneficiaries/ Households (MPPaKVVCL-18, MPMKVVCL-29, MPPoKVVCL-0) stated that there was no significant improvement in mobility/security at the night.

(7) Increase/ Decrease in the continuous supply hours and voltage fluctuation

36 beneficiaries/ households (MPPaKVVCL-0, MPMKVVCL-36, MPPoKVVCL-0) reported that the power supply was erratic, the voltage of power fluctuated and 25 (MPPaKVVCL-12, MPMKVVCL-13, MPPoKVVCL-0) households reported that supply of power was less than 12 hours per day.

In the Exit conference (June 2023) Department took note of the same.



Chapter-V

Chapter-V

Post Scheme Analysis

The DDUGJY and SAUBHAGYA focused on the electrification of households and releasing the connections along with the creation and strengthening of infrastructure for the distribution of electricity in rural areas. The overall objective of these Schemes was to provide power to all in rural areas and urban poor households. The implementation period of these Schemes (including the closure of the projects) was from 2015-16 to 2021-22. Audit analysed the growth of the consumer base of rural areas in all three DISCOMs from the beginning of 2015-16 to the end of 2021-22. The position of the rural domestic consumers at the start of 2015-16 and the end of 2021-22 along with the details of consumers added due to DDUGJY and SAUBHAGYA has been depicted in **Table 5.1** below:

Table 5.1: Details of connections served

Sl. No.	Name of the DISCOMs	No. of domestic consumers (rural) as on 1 April 2015	No. of domestic consumers (rural) as on 31 March 2022	Total No. of increase in the domestic consumers (rural) during 2015-16 to 2021-22	Total No. of connections served under DDUGJY	Total No. of connections (rural) served under SAUBHAGYA	Total No. of connections (rural) served under DDUGJY and SAUBHAGYA	Total connection increased due to Schemes (in percentage)
1.	MPMKVVCL	11,68,380	20,69,703	9,01,323	97897	5,73,697	6,71,594	74.51
2.	MPPaKVVCL	17,23,516	23,00,648	5,77,132	1,00,130	2,86,366	3,86,496	66.97
3.	MPPoKVVCL	21,08,680	33,38,299	12,29,619	97,617	7,18,858	8,16,475	66.40
Total		50,00,576	77,08,650	27,08,074	2,95,644	15,78,921¹	18,74,565	69.22

(Source: Information as provided by the DISCOMs and compiled by the Audit.)

Thus, there were increase in 27,08,074 domestic consumers (rural) during the period from 2015-16 to 2021-22 in DISCOMs primarily due to 18,74,565 connections served in the DDUGJY and SAUBHAGYA, resulting in a significant increase in power consumption in rural areas. Details of the increase in consumer base due to the implementation of the Schemes and consequently increase in power consumption are shown in the following **Chart 5.1** and **Chart 5.2**.

¹ In addition, connections to 57,994 urban poor households were released under the Scheme.

Chart 5.1: Household connections (rural) released under the Schemes

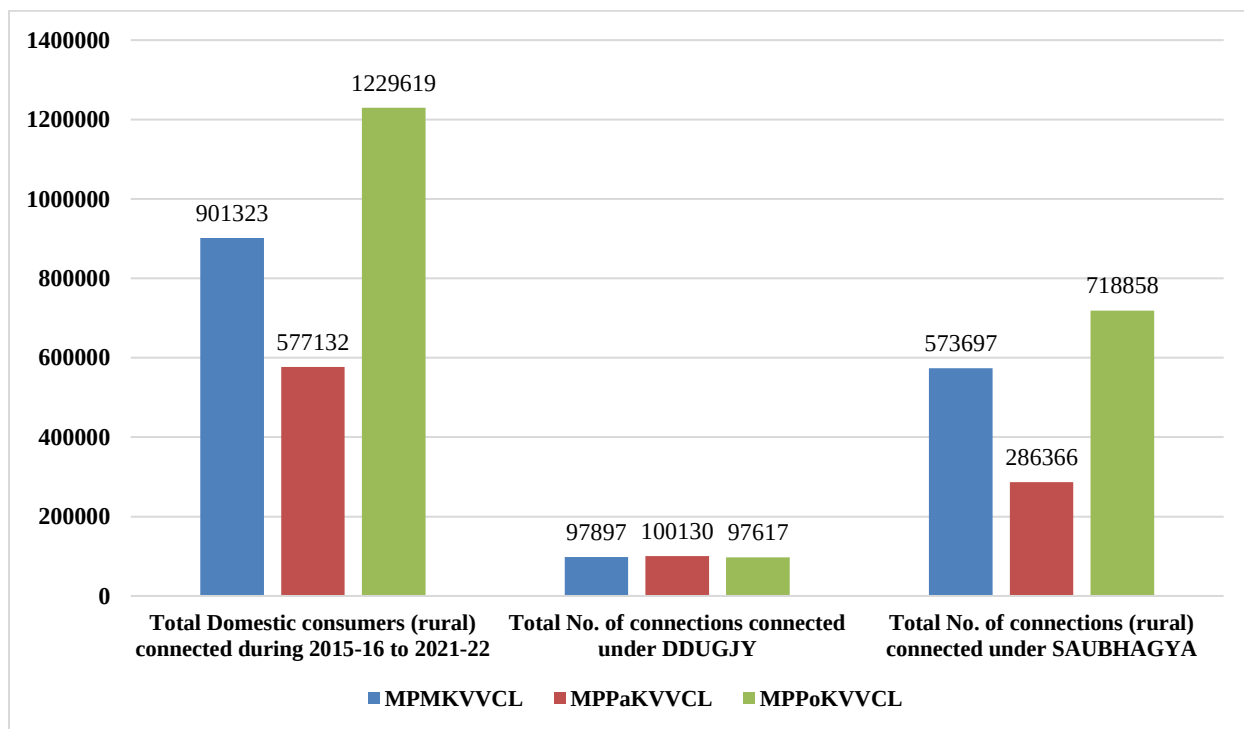
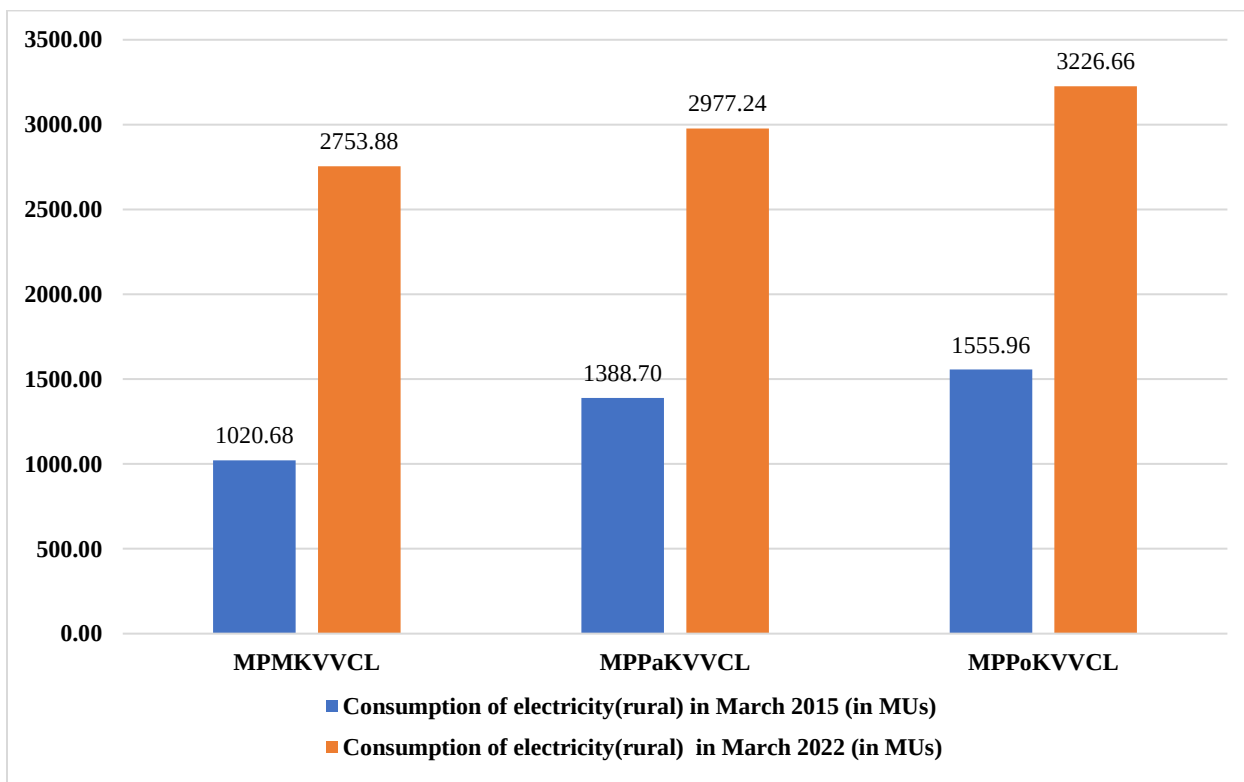
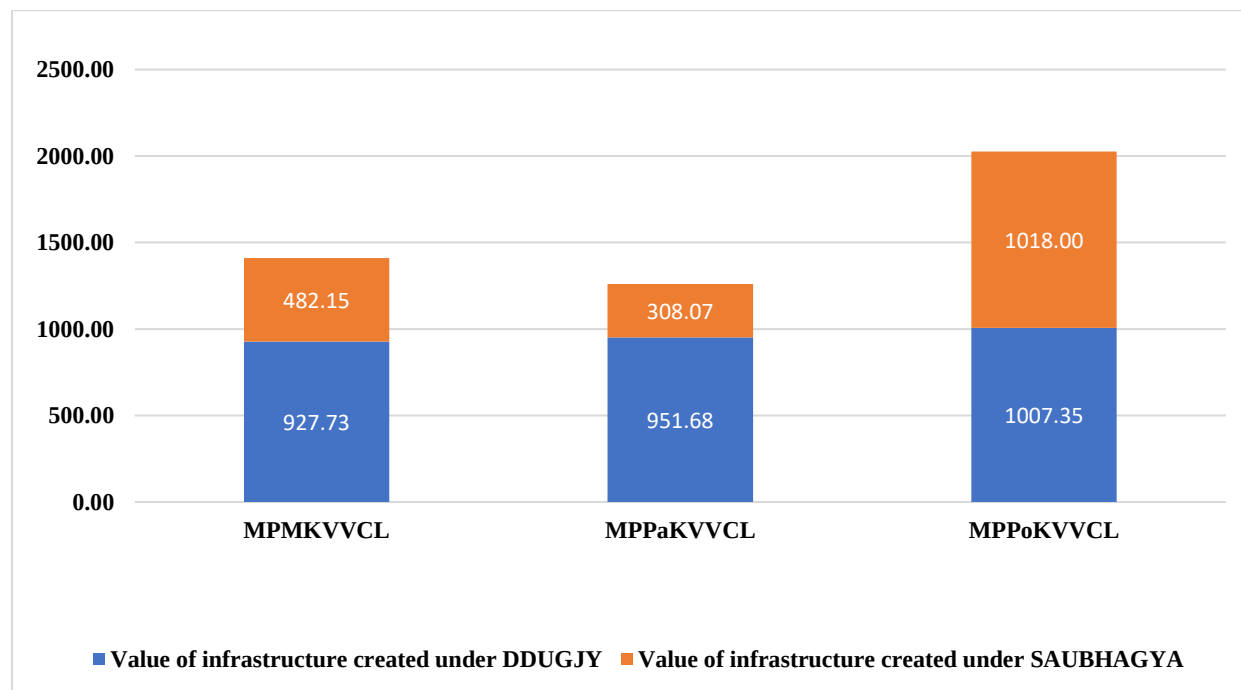


Chart 5.2: Details of the increase in consumption of power in rural areas



Further, the DISCOM-wise details of the total value of assets created to the tune of ₹ 4,694.98 crore in these Schemes have been depicted in the **Chart 5.3**:

Chart 5.3: Value of infrastructure created under the Schemes (₹ in crore)



In Madhya Pradesh total of 19,32,559² household connections were provided under the Schemes and the GoMP had certified that DISCOMs³ has achieved the target of 100 *per cent* household electrification.

For sustainable commercial operations of electricity distribution, the DDUGJY Scheme emphasised metering at the consumer end for all household consumers. Apart from metering at the consumer end and metering arrangement at distribution transformers would facilitate building up a mechanism for proper energy accounting. Audit observed that despite achieving universal electrification, the desired benefit of recording the details of the power supply was not achieved due to the non-capturing of the meter readings of consumers and distribution transformers.

During the implementation of both Schemes, the DISCOMs provided connections to the households by installing meters including 4,18,451 meters, which were installed in addition to the existing unmetered consumers under DDUGJY. The consumers should have been billed as per metered data. Audit noticed that the field units did not maintain the separate data of the beneficiaries of DDUGJY and SAUBHAGYA for monitoring billing. However, a comparison of provisional billing⁴ for the DISCOMs as a percentage of the whole of March 2015 and March 2022

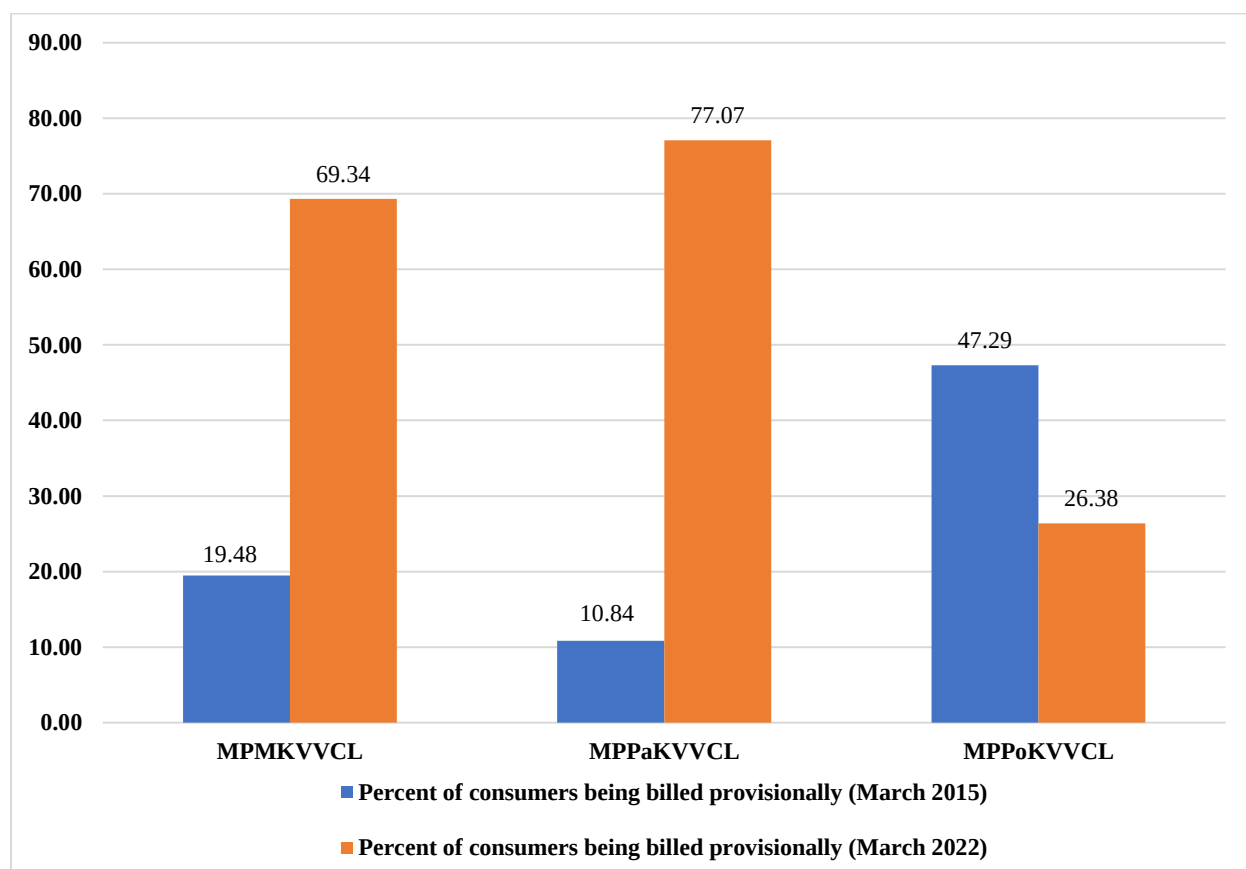
² Including household connections to 57,994 urban poor households released under the Scheme.

³ MPMKVVCL-30 September 2018, MPPaKVVCL-28 July 2018 and MPPoKVVCL-22 October 2022.

⁴ Generation of bill on estimated basis, without reference to the actual consumption as per the meter.

revealed that provisional billing increased substantially in the DISCOMs (except MPPoKVVCL) as depicted in the **Chart 5.4**.

Chart 5.4: Details showing consumers billed provisionally by the DISCOMs



Thus, from the above, it may be seen that 26.38 to 77.07 *per cent of* consumers were being billed provisionally due to billing without a meter reading.

In the Exit conference (June 2023) the Department assured to formulate a plan for the reduction in provisional billing.

Conclusion: There was a substantial increase in infrastructure and consumer base after the implementation of the Schemes due to universal electrification. But due to the systemic lacunae in capturing the meter readings of consumers/ DTRs, efficient revenue realisation could not be ensured.

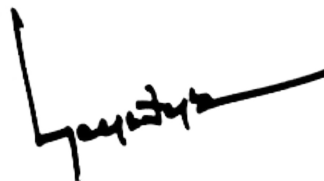
Recommendation: DISCOMs should establish a system for continuous capturing of consumers/ DTRs meter readings to realise optimum revenue for the new connections.



(PRIYA PARIKH)
Accountant General (Audit-II)
Madhya Pradesh

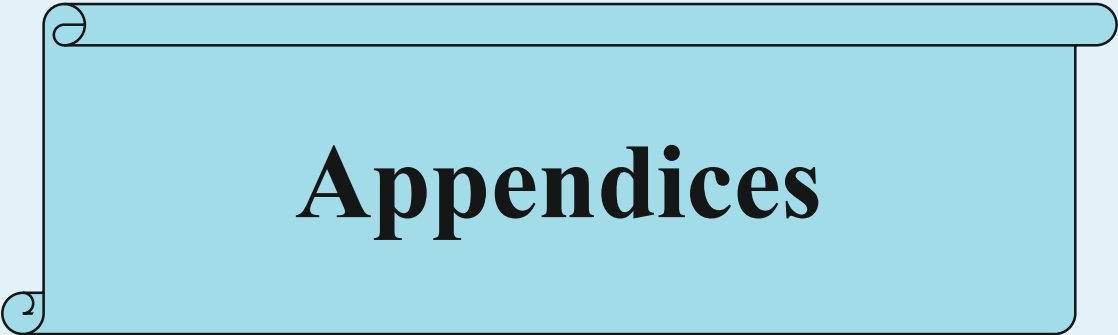
Bhopal
The : 28 August 2024

Countersigned



(GIRISH CHANDRA MURMU)
Comptroller and Auditor General of India

New Delhi
The : 6 September 2024



Appendices

Appendix 1.1

(Referred to in Paragraph 1.6)

Statement showing details of physical components executed in DISCOMs under DDUGJY and SAUBHAGYA

Sl. No.	Name of components	DDUGJY				SAUBHAGYA			
		MPMKVVCL	MPPaKVVCL	MPPoKVVCL	Total	MPMKVVCL	MPPaKVVCL	MPPoKVVCL	Total
1.	No. of New 33/11 KV power substation	23	68	54	145	-	-	-	-
2.	No. of Augmentation/adll PTR	41	159	114	314	-	-	-	-
3.	11 kv line (CKM)	9,163	6,175	5,774	21,112	3,171	2,089	7,339	12,599
4.	No. of DTRs	9,412	6,915	8,285	24,612	4,459	3,115	7,630	15,204
5.	LT line (CKM)	8,262	10,180	7,976	26,418	3,800	6,270	11,086	21,156
6.	No. of metering of unmetered consumers	1,495	1,27,191	52,280	1,80,966	-	-	-	-
7.	No. of replacement of defective meters	4,909	95,849	1,36,757	2,37,515	-	-	-	-
8.	No. of connections released	97,897	1,00,090	97,617	2,95,604	5,92,961	3,01,404	7,42,550	16,36,915

Appendix 2.1

(Referred to in Paragraph 2.1)

Statement showing work execution details of DDUGJY Scheme in 13 sampled projects

Name of selected projects	MPMKVVCL					MPPaKVVCL				MPPoKVVCL				Total
	Betul	Bhopal	Raisen	Rajgarh	Vidisha	Dhar	Jhabua	Khargone	Ratlam	Balaghat	Dindori	Mandla	Shahdol	
Sanctioned cost (₹ in crore)	144.02	30.83	26.58	98.75	36.26	121.45	33.58	115.67	60.22	44.24	15.45	16.15	12.53	755.73
Actual executed cost (₹ in crore)	140.18	30.51	26.20	90.62	33.14	129.36	31.91	111.7	60.61	46.25	16.72	17.41	12.39	747.00
New 33/11 kv Substation (Qty in Nos.)	1	1	1	2	2	5	1	5	4	0	0	0	0	22
Augmentation of 33/11 kva substations (Qty in Nos.)	1	1	1	2	1	6	1	5	4	0	0	0	0	22
Feeder Separation (Qty in Nos.)	5	3	6	4	3	20	7	12	9	6	0	0	2	77
	0	3	0	0	0	19	4	12	9	6	0	0	2	55
	128	9	25	13	17	116	23	17	17	6	5	5	0	381
	100	3	10	4	3	114	30	32	50	6	5	4	0	361
11 KV line (Qty in CKM)	2	238	250	591	427	1,491	208	1,081	421	358	215	173	35	5,490
DTRs (Qty in Nos.)	103	253	295	660	319	1,570	181	804	347	302	748	155	85	5,822
LT line (Qty in CKM)	2,370	473	169	859	193	830	256	1,879	565	352	165	180	65	8,356
	1,495	322	299	806	381	1,304	169	1,309	472	392	177	152	88	7,366
consumer metering (Qty in Nos.)	876	147	56	384	75	1,488	310	1,221	293	200	131	150	49	5,380
	1,441	251	281	1,168	327	1,423	781	1,558	359	315	143	181	92	8,320
	20,817	1,034	3,597	17,190	17,478	93,090	61,336	0	14,286	66,958	7,874	15,125	12,576	331,361
New connections (Qty in Nos.)	4,909	0	896	0	0	35,000	10,990	296	10,039	59,940	4,321	8,168	9,350	143,909
	29,870	4,300	0	88,690	0	21	0	36,743	2,753	0	0	41	177	1,62,595
	6,149	5,343	502	14,399	7,041	21	0	22,518	2,753	0	0	80	1,521	60,327

Appendix 2.2

(Referred to in Paragraph 2.2.2)

Statement showing deficient planning of metering of DTRs and consumers under DDUGJY Scheme

Name of DISCOM	Name of projects	DTR metering				Consumer metering					Percentage of Executed to planned
		No. of unmetered DTRs	No. of DTRs planned for metering (as per DPRs)	DTR metering executed	Percentage of Planned to Actual No.	Percentage of Executed to planned	No. of unmetered consumers	No. of consumer metering Planned (as per DPR)	No. of consumer metering executed	Percentage of Planned to Actual No.	
1	2	3	4	5	6=4/3%	7=5/4%	8	9	10	11=9/8%	12=10/9%
MPMKVVCL	Betul	6,404	500	0	8	0	56,434	12,947	0	23	0
	Bhopal	5,225	150	0	3	0	2,080	980	0	5	0
	Raisen	10,011	500	0	5	0	18,737	2,815	896	15	32
	Rajgarh	9,353	750	0	8	0	NA	NA	NA	NA	NA
	Vidisha	3,874	500	0	13	0	15,894	15,778	0	99	0
	Sub Total	34,867	2,400	0	7	0	93,145	32,520	896	29	3
MPPakVVCL	Dhar	15,841	0	0	0	NA	NA	NA	NA	NA	NA
	Jhabua	3,885	0	0	0	NA	87,210	60,888	10,990	70	18
	Khargone	7,979	0	0	0	NA	8,198	0	0	0	NA
	Ratlam	12,412	0	0	0	NA	NA	NA	NA	NA	NA
	Sub Total	40,117	0	0	0	NA	95,408	60,888	10,990	64	18
MPPoKVVCL	Balaghat	8,069	0	0	0	NA	17,755	4,330	0	24	0
	Dindori	2,512	0	0	0	NA	13,643	1,040	3,352	8	322
	Mandla	2,258	0	0	0	NA	21,877	2,016	1,394	9	69
	Shahdol	1,487	0	0	0	NA	41,949	1,820	9,350	4	514
	Sub Total	14,326	0	0	0	NA	95,224	9,206	14,096	10	153
Grand Total		89,310	2,400	0	3	NA	2,83,777	1,02,614	25,982	34	25

Appendix 2.3

(Referred to in Paragraph 2.3.1)

Statement showing details of approved villages in DPR but not taken up for execution

Name of the DISCOM	Name of the projects	Total no. of the villages which were included in DPR	No. of villages executed from DPR	No. of villages not executed from DPR	No. of villages executed in addition to sanctioned DPR	Total villages covered
1	2	3	4	5=3-4	6	7=4+6
MPMKVVCL	Betul	897	389	508	161	550
	Bhopal	451	217	234	27	244
	Raisen	317	32	285	128	160
	Rajgarh	1,695	842	853	41	883
	Vidisha	179	40	139	266	306
	Sub Total	3,539	1,520	2,019	623	2,143
MPPaKVVCL	Dhar	800	571	229	0	571
	Jhabua	293	159	134	161	320
	Khargone	1348	695	653	130	825
	Ratlam	337	208	129	105	313
	Sub Total	2,778	1,633	1,145	396	2,029
MPPoKVVCL	Dindori	195	166	29	0	166
	Mandla	113	113	0	28	141
	Shahdol	78	78	0	12	90
	Sub Total	386	357	29	40	397
Grand Total		6,703	3,510	3,193	1,059	4,569

Appendix 3.1

(Referred to in Paragraph 3.1)

Statement showing details of financial and physical components executed in 13 selected projects under SAUBHAGYA

Name of the DISCOM	Name of selected projects	Sanctioned cost (₹ in crore)	Actual executed cost (₹ in crore)	11 KV line (in ckm)		DTRs (in Nos.)		LT line (in ckm)		New connections BPL (in Nos.)	
				Sanctioned	executed	Sanctioned	Executed	Sanctioned	executed	Sanctioned	Executed
MPMKVVCL	Betul	24.00	25.17	101	86	111	111	171	170	34,498	32,851
	Bhopal	10.34	8.79	81	36	79	13	30	27	23,518	16,550
	Raisen	42.67	29.84	272	207	108	78	126	215	28,012	47,177
	Rajgarh	36.91	38.49	139	148	228	219	128	298	68,859	62,478
	Vidisha	29.54	27.95	174	160	197	190	318	172	47,993	48,724
Sub Total		143.46	130.24	767	637	723	611	773	882	2,02,880	2,07,780
MPPaKVVCL	Dhar	55.11	43.48	243	299	279	81	579	915	45,162	46,116
	Jhabua	36.64	35.47	81	67	193	170	410	785	51,838	48,645
	Khargone	44.75	39.88	262	445	689	765	762	789	21,469	20,855
	Ratlam	28.57	29.15	114	118	211	209	369	614	27,810	27,225
Sub Total		165.07	147.98	700	929	1,372	1,225	2,119	3,103	1,46,279	1,42,841
MPPoKVVCL	Balaghat	42.89	36.53	385	385	267	287	406	404	48,017	44,967
	Dindori	58.70	63.80	356	356	441	441	962	962	34,164	32,011
	Mandla	64.10	64.06	426	306	471	862	1035	1014	32,426	36,402
	Shahdol	51.94	53.14	330	205	322	175	649	350	41,075	45,052
Sub Total		217.63	217.53	1,497	1,252	1,501	1,765	3,052	2,730	1,55,682	1,58,432
Grand Total		526.16	495.75	2,964	2,818	3,596	3,601	5,944	6,715	5,04,841	5,09,053

Appendix 3.2

(Referred to in Paragraph 3.3.1)

Statement showing details of execution of works without tendering in DISCOMs

Name of the DISCOM	Name of the district	Particulars of the Work order	No. of work order issued	No. of connections provided	Value of work order (₹ in crore)
MPPaKVVCL	Dhar	Providing HHs connection	15	3,990	0.17
	Ratlam	Providing HHs connection	16	2,834	0.54
MPPoKVVCL	Shahdol	Providing HHs connection	843	31,712	11.91
		Erection of Additional infra	829	-	7.91
	Balaghat	Providing HHs connection	744	39,722	9.38
	Mandla	Providing HHs connection	686	34,179	10.86
		Erection of Additional infra	319	-	3.33
	Dindori	Providing HHs connection	628	25,617	6.52
Total			4,080	1,38,054	50.62

Appendix 3.3

(Referred to in Paragraph 3.3.8)

Statement showing details of installation of inappropriate capacity of solar power pack

Name of the DISCOM	Name of the district	No. of total solar power pack installed	No. of solar power pack of inappropriate capacity (less than 250 Watt Peak)	Installed Capacity (in Watt Peak)	Rate of Per solar power pack (in ₹)	Total value (in ₹)
MPMKVVCL	Raisen	425	425	200	38,367	1,63,05,175
	Betul	587	587	200	31,348	1,84,01,276
MPPaKVVCL	Jhabua	50	50	200	25,830	12,91,500
	Khargone	270	270	200	25,830	69,74,100
	Dhar	25	25	200	25,830	6,45,750
	Ratlam	70	70	50	14,585	10,20,950
MPPoKVVCL	Shahdol	991	991	200	37,701	3,73,61,691
	Balaghat	96	96	200	37,701	36,19,296
	Mandla	250	250	200	37,701	94,25,250
	Dindori	200	200	200	37,701	75,40,200
Total		2,964	2,964			10,25,85,988

Appendix 4.1

(Referred to in Chapter IV)

Format of survey form for beneficiary survey

Survey of beneficiaries:

a) Name of the State:	
b) Name of District:	
c) Name of the Block:	
d) Name of Village:	
e) Name of Beneficiary/Connection holder:	
f) Ration Card No. (BPL/APL)	
1) No. of members in your family:	
2) Connection sanctioned by Village Panchayat/ State Authority:	
3) Whether the connection was provided:	
a) by the Discom itself ?	
b) on request of beneficiary?	
c) Date of installation of connection	
4) Date of energization of connection	
5) Whether any CFL was provided free of cost?	
6) Whether the connection is provided under DDUGJY or SAUBHAGYA schemes?	
7) (i) How many hours power supply was provided for Agriculture purposes? Specify the time (from...AM to ...PM)	
(ii) How many hours power supply was provided for non-agriculture purposes? Specify the time (from...AM to ...PM)	
8) Whether meter is provided at the time of connection?	
9) What do you know about DDUGJY or SAUBHAGYA?	
10) Had any awareness programme conducted at village level? (Please ask this question at Panchayat level)	
11) Since when you are residing in this village?	
12) Whether you are getting the electricity bills? If yes, how?	
13) Whether you are paying the electricity charges/bills? If yes, detail of last of bill payment.	
14) Whether any amount was paid by you for the connection and if so, how much?	
15) If any failure in the connection/supply/meter/ higher electricity bills etc. how much time to take to attend the complaint:	
16) Source of Income (agricultural, livestock, business such as flour mills, service etc.)	
17) Is there any increase in income after electrification of village/shops/ use of electricity pump sets.	
18) Is there any increase / decrease in expenditure due to electricity.in house/ village	
19) Impact on monthly expenditure due to minimize use of diesel, gen. sets, diesel pump sets, etc.	
20) Is use of any consumer durables like fan, iron. Television, fridge etc. increased in house.	
21) Comparison of Study hours before electricity connection in house and after electricity in the house	
22) Is there any improvement in supply of Electricity?	
(i) if yes how many hours continuous electricity is being supplied?	
(ii) Is there any voltage fluctuation of electricity in village? Complete	

details.	
(iii) Is there any improvement in studying hours/ watching TV/ comfort in use of home appliances / profession / rural industries etc.?	
(iv) Whether central voltage stabilizers/ inverters etc. is being used to ensure regular supply of electricity at appropriate voltage?	
23) Is there is any increase in mobility/ security in night due to electrification of village? if no, reasons its off.	
24) Is there any decrease in cost of expenditure due to use of electricity instead of diesels, gen. set operation and break down due to reduction in voltage fluctuation	
25) Any grievances/ suggestions of beneficiary related to the implementation of DDUGJY:	

Signature of beneficiary:

Name of Beneficiary:

Mobile Number:

Name & Signature of Sr AO/AO/AAO of Audit Party



Saubhagya

Pradhanmantri Sahaj Bijli Har Ghar Yojana

© Comptroller and Auditor General of India
2024
www.cag.gov.in

<https://cag.gov.in/ag2/madhya-pradesh>