

PART II

AUDIT FINDINGS

Chapter 3:

Planning

3.1. Feasibility report

Ministry of Finance (MOF) laid down a procedure⁵ for the formulation of central plan schemes which required preparation of a project feasibility report (FR) by the Administrative Ministry and thereafter, a detailed project report (DPR) for obtaining ‘*in principle*’ approval of Planning Commission, followed by an appraisal process culminating in a meeting of the Expenditure Finance Committee (EFC).

MOF envisaged that FR should focus on analysis of the existing situation, nature and magnitude of the problems to be addressed, alternative strategies, initial environmental and social impact analysis, stake holder commitment, risk factors, *etc.*

No FR was, however, prepared by MOP before launching the scheme. In response to comments of MOF (August 2004) that it had not followed the process, MOP had stated (August 2004) that it did not conduct a feasibility study on the grounds that RGGVY was not a new scheme as it essentially enhanced coverage and capital subsidy approved under the ‘Accelerated Rural Electrification of One Lakh Villages and One Crore Households’ scheme (AEOLVOCH).

MOF did not accept the contention of MOP and had stated that the latter should follow the extant procedures for appraisal and approval.

Incidentally, MOP later (May 2013) clarified to Audit that, “*As per records available, no feasibility study was conducted in respect of One Lakh Villages and One Crore Households, Kutir Jyoti and RGGVY.*”

MOP stated in Exit conference (September 2013) that feasibility study is generally carried out in case of investment proposals/projects only and such study was not considered necessary for this scheme.

⁵Vide Department of Expenditure, O.M. No.1(2)-PF-II/03 dated 7 May 2003

The reply is to be viewed against the fact that the guidelines (7 May 2003) of MOF enjoined upon the administrative ministries to send FR to Planning commission for ‘in principle’ approval to enable the scheme to be included in the Plan of the Ministry. Further, there were substantial gaps in the conception of RGGVY in terms of identification of beneficiary universe, estimation of project costs, infrastructure requirements, as brought out in para 3.2, which could have been addressed in FR.

3.2. Identification of villages

For achieving the goals of RGGVY, it was essential that un-electrified, de-electrified⁶ and electrified villages were identified accurately. The Standing Committee on Energy, in their 1st Report (14th Lok Sabha) recommended that MOP should impress upon the States to carry out a fresh survey for identifying non-electrified villages as per the new definition of village electrification effective from 2004-05. The Committee again in their 3rd Report (14th Lok Sabha) recommended that MOP should obtain updated statistics on rural electrification from the States and modify their rural electrification programme in the light of the updated statistics. MOP received information from only one State (Rajasthan) prior to launch of the scheme. Further, even by September 2008, MOP did not have complete information from all States, because of which soundness of figures used for RGGVY to be implemented in the X and XI Plan was not possible to be ensured.

While framing the guidelines in March 2005, MOP did not adopt a consistent approach as it used figures of Census 2001 for estimating the number of rural households to be taken up for electrification but adopted the number of inhabited villages as per Census 1991. There was a difference of 6,175 villages between the 1991 and 2001 figures in respect of inhabited villages. Further, the number / percentage of electrified villages was also worked out on the basis of 1991 census. Data with regard to villages was thus, outdated.

Box 1: Rajasthan - Electrification of ‘already electrified’ villages

Electrification of 46 villages and 1,616 rural households in Udaipur district was sanctioned (18 March 2005) by REC at an estimated cost of ₹ 2.92 crore, for which ₹ 87.5 lakh was released by REC. Analysis of the certificates submitted by Gram Panchayat for electrification of 40 villages revealed that the certificates were issued between September 2004 and March 2005, clearly indicating that the villages were already electrified by Ajmer Vidyut Vitran Nigam Limited (AVVNL) well before the sanction of the project for Udaipur. Audit also found that AVVNL claimed payment for these works which were apparently already executed before launch of the Scheme.

MOP was unable to justify the reasons for adopting 1991 Census figures and stated (February 2013) that, “(they) had no comments to offer.”

⁶ A de-electrified village is a village which was electrified in the past, but can no longer retain the status of an electrified village as per the revised definition of February 2004.

Unreliability of base-line data is a matter of concern as it would not enable assurance to be derived to the effect that targets were correctly framed and the scheme was able to achieve the numbers that were being reflected in various reports/proposals and Management Information System (MIS) data. These issues are discussed below.

3.2.1. Un-electrified villages (UEV)

There were 1,19,570 un-electrified villages in India as per figures⁷ of Census 2001. In the note (February 2005) to the Cabinet Committee of Economic Affairs (CCEA) seeking approval to the scheme, MOP indicated the number of un-electrified villages at 1,12,401, as on 31 March 2004. Considering the new definition⁸ of village electrification, MOP estimated (February 2005) the number of un-electrified villages at around 1,25,000. Later, while proposing continuation of RGGVY in XI Plan in January 2008, MOP re-estimated the total number of un-electrified villages to be electrified as 1,15,000. Ultimately, 1,18,555 un-electrified villages⁹ were sanctioned¹⁰ to be covered under the scheme which were revised¹¹ to 1,10,809.

There was thus no clarity regarding the status of un-electrified villages and there were variations between estimated and sanctioned figures from time to time (2005-12). Consequently, it was not possible to draw an assurance that the proposed coverage of un-electrified villages was arrived at after due diligence and comprehensive survey.

3.2.2. Electrified villages (EV)

There were 4,74,162 already electrified villages as per 2001 census data. The Central Electricity Authority's (CEA) report for 2002-03 stated that 4,91,760 villages had been electrified by the end of 2003. There were significant variations in the status of electrified/un-electrified villages as indicated below:

- RGGVY guidelines issued by MOP indicated that there were 4,74,982 electrified villages (31 March 2004).
- Cost estimates mentioned by MOP in the CCEA note (February 2005) for augmentation of backbone network for already electrified villages having un-electrified inhabitations were based on 4,62,000 electrified villages.
- Management Information System (MIS) report of REC dated 31 March 2012 showed, the revised sanctioned coverage of electrified villages as 3,48,859 (Phase I) and 50,953 (Phase II).

⁷ As per MIS report of 31 March 2012

⁸ Refer para 1.1

⁹ 68,763 un-electrified villages to be covered in the X Plan projects and 49,792 un-electrified villages in XI Plan projects

¹⁰ DPRs with sanctioned coverage were approved by the Monitoring Committee, on recommendation of REC.

¹¹ As per MIS report of 31 March 2012

MOP justified (August 2013) the changes by stating that, “Village electrification is an ongoing process. After carrying out survey during the process of implementation of projects, the number of un-electrified villages were reduced to 1,10,886 on account of various reasons like already electrified, remote villages, under deep forest, works proposed under Ministry of Non-Conventional Energy Resources (MNRE) etc.”

The above position brings out/underlines the following:

- Successful implementation of a time-bound programme requires proper financial and physical planning.
- Lack of accurate data at the planning stage and the absence of any exercise to obtain such data suggests avoidable haste especially as the sanctioned coverage underwent several changes on *ad hoc* basis; for example in the case of electrified villages the change was more than 90,000 villages.
- The approach impacted monitoring and evaluation of a scheme which becomes evident from the fact that, even as of August 2013, the scheme is being carried over into XII Plan without a firm figure of the number of un-electrified and electrified villages remaining to be covered. MOP has again made a broad assumption of un-electrified villages to be covered as 75,000 in XII Plan.

3.3. Estimation and identification of beneficiaries

At the state level, State Governments/Project Implementing Agencies (PIAs)¹² were expected to clearly identify target beneficiaries and specifically BPL households while formulating the projects. As electrification of un-electrified BPL households, *i.e.* 30 per cent of 7.8 crore un-electrified households, was to be financed with 100 per cent capital subsidy, identification of such households (HH) was critical in order to facilitate not only achieving scheme objectives, but also reaching the eligible beneficiaries and maintaining financial prudence. There were wide variations amongst the figures of BPL households as per the DPRs prepared by PIAs, BPL service connections required to be provided by contractors as per the Letters of Award and BPL households as per surveys undertaken as discussed below.

Table 6: Instances of projects where contracted BPL numbers were less than DPR/ survey

Quantum of percentage variation	Number of projects with variations	
	Between DPR and contracted figures	Between survey and contracted figures
Less than 10	12	12
Between 11 and 40	20	17
Between 41 and 70	4	9
More than 70	2	8

¹² DISCOMs / CPSUs/SEBs/State Power Departments

Table 7: Instances of projects where contracted BPL numbers were more than DPR/survey

Quantum of percentage variation	Number of projects with variations	
	Between DPR and contracted figures	Between survey and contracted figures
Less than 10	6	16
Between 11 and 40	8	19
Between 41 and 70	3	8
Between 71 and 100	2	3
More than 100	3	11

Thus, the variations in the number of BPL households as per DPRs and those as per contracts exceeded 10 *per cent* in 42 out of 60 projects checked. Similarly, in 75 out of 103 projects the variation in number of BPL households as per surveys and as per contracts exceeded 10 *per cent*. The variation in contracted figures and surveys was more than 100 *per cent* in 11 projects.

- Further, in 169 projects with expected coverage of 90 lakh BPL households as per DPR, there was a difference of over 9 lakh between the DPR figure and the number of BPL connections contracted.
- Though the estimate of BPL families should have become more accurate subsequent to survey, in 169 projects, there was a difference of over 30 lakh between the number of connections contracted to be released and the number emerging from the survey.

Box 2: Provision of free BPL connection to non-BPL families

In **Gujarat**, a new list of BPL households was prepared in 2002 which had two categories of BPL households (first category with 0-16 score and second category with 17-20 score). Further, as per Government of Gujarat circular dated 23 June 2006, only BPL households with 0-16 score were to be considered for Rural Development Schemes of GOI. However, three PIAs, *i.e.* Dakshin Gujarat Vij Company Limited (DGVCL), Paschim Gujarat Vij Company Limited (PGVCL), Uttar Gujarat Vij Company Limited (UGVCL) released free connections to BPL households with 17-20 score in contravention the State guidelines. The percentage of free connections given to BPL households with 17-20 score was in the range of 3.13 *per cent* to 88.24 *per cent* of total connections released in 71 out of 80 villages selected for survey in six projects. In five villages, all beneficiaries were with 17-20 score. Thus, free connections were provided to ineligible beneficiaries.

There was no evidence to suggest that MOP had identified the number of electrified villages, BPL households, *etc.* after considering the impact and outcome of earlier schemes¹³. Besides, various State Government schemes for rural electrification were also in operation in some States e.g. Gujarat, Uttar Pradesh, *etc.* impact of which ought to have been considered by MOP.

In reply, MOP stated (June 2013) that, “DPRs were prepared by the concerned implementing agency and preparation of BPL list was the responsibility of the State Government.” MOP further added (August 2013) that, “At the time of closure, detailed list of BPL beneficiaries is provided by PIAs.” MOP reiterated the above reply in Exit conference (September 2013).

The reply of MOP needs to be viewed against the fact that REC was the nodal agency and was responsible for ensuring correctness of the data of DPRs. That the detailed list of beneficiaries was provided on closure of the project ignores the fact that the sanctioned cost, infrastructure requirements *etc.* of the project were based on the initial estimate of BPL families. Such large differences would imply that infrastructure created was either in excess or short of requirement. For example in Bihar¹⁴, where the number of BPL beneficiaries increased, it was found that the village electrification infrastructure (VEI) proposed to be developed was not adequate for providing electricity to such beneficiaries.

Further, where the number of beneficiaries had increased considerably, in the absence of control figures, it was not clear as to how REC had ensured that the list contained *bona fide* beneficiaries. On the other hand, in the case of downward revision, the possibility of some beneficiaries though otherwise eligible, being left out of the coverage of the scheme could not be ruled out, once a village was declared as electrified.

3.4. Variations in cost estimates

There were deficiencies in identification and estimation of un-electrified villages and BPL beneficiaries at the planning stage which led to variation in cost estimates by ₹ 2,262 crore, as discussed below.

3.4.1. Variations in un-electrified villages considered for cost estimates

MOP approached CCEA in November 2004 seeking approval to RGGVY *inter alia* covering 125,000 un-electrified villages at a cost of ₹ 8,125 crore (@ ₹ 6.5 lakh per village) within the overall cost of the scheme of ₹ 16,000 crore. The proposal of MOP was approved ‘in principle’ by CCEA in December 2004. Subsequently, after validation of costs based on DPRs received by REC, MOP approached (February 2005) CCEA for final approval with a modified proposal covering 1,00,000 villages with the almost same overall cost of the

¹³ Rural electrification under Minimum Needs Programme, Pradhan Mantri Gramodaya Yojana, Kutir Jyoti Scheme, Accelerated Rural Electrification Programme, Accelerated Electrification of One Lakh villages and One crore households

¹⁴ Projects implemented by PGCIL

scheme. The proposal of MOP was approved by CCEA in February 2005. However, MOP notified RGGVY in March 2005 again covering 1,25,000 villages within the same cost. Thus, the number of villages in the guidelines were increased by 25,000 (1.25 lakh taken in guidelines less one lakh indicated in the note for final approval of CCEA in February 2005).

Considering the cost of ₹ 6.5 lakh per village for electrification of un-electrified village adopted in the initial note (November 2004) of MOP to CCEA, there was a difference in cost estimate of ₹ 1,625 crore in guidelines as indicated in **Table 8**.

Table 8: Cost difference of Un-electrified villages

Total cost of un-electrified villages taken for electrification as per MOP guidelines:	1,25,000 @ ₹ 6.5 lakh = ₹ 8,125 crore
Total un-electrified villages and cost which ought to have been taken	1,00,000 @ ₹ 6.5 lakh = ₹ 6,500 crore
Cost Difference	₹ (8,125 – 6,500) crore = ₹ 1,625 crore

MOP stated (August 2013) that inclusion of 1,25,000 un-electrified villages in the scheme estimate did not lead to inflated total cost estimate.

The reply needs to be viewed against the fact that MOP had itself admitted (February 2013) that “*the estimate should have included cost of only 1,00,000 un-electrified villages.*” When the issue was discussed in the Exit conference (September 2013) MOP stated that cost estimates of any scheme/project of such magnitude which involve diverse parts of all States in the country are revised at various stages as the scheme progresses.

Cost estimates submitted to CCEA formed the very basis of approval and further implementation of the scheme. It was therefore, desirable that these estimates and guidelines were formulated in a more realistic manner and based on complete data available with MOP.

3.4.2. Increase in subsidy

MOP approached CCEA (February 2005) for approval to 90 per cent capital subsidy. As per the scheme guidelines also, the capital subsidy was to be kept within 90 per cent of overall project cost. Scrutiny of cost estimates of the scheme¹⁵ revealed that the outlay was estimated at ₹ 16,000 crore whereas the subsidy component was taken at ₹ 14,750 crore (which worked out to 92.19 per cent of total outlay) instead of ₹ 14,400 crore (90 per cent of total outlay) resulting in increase in cost estimates by ₹ 350 crore.

¹⁵ Forming part of scheme guidelines issued vide MOP OM dated 18 March 2005

3.4.3. Inclusion of BPL connections provided under other schemes

Approximately 19.14 lakh electricity connections were released to BPL households free of cost during 2001-02 to 2003-04, under the erstwhile 'Kutir Jyoti Programme'. These were, however, not excluded while arriving at the estimated number of BPL households under RGGVY and for arriving at the estimated outlay with increased cost of ₹ 287.16 crore¹⁶.

3.5. Fixation of priority and targets

According to the 2001 Census, 6.02 crore households used electricity as the primary source of lighting out of a total of 13.8 crore households in the country. RGGVY was launched in this background. As stated by MOP before the Standing Committee on Energy (14th Lok Sabha) RGGVY was to be implemented with "a project approach" wherein the project was defined and the beneficiaries were also more or less defined. Therefore, considering the scarce resources, it was essential that MOP adopted a priority based targeted approach in electrifying 1.25 lakh villages and 2.34 crore BPL households by 2009 and fix appropriate targets.

MOP and REC were however, not aware about the specific status of electrification of electrified/un-electrified/total villages and households in the country at the time of inception of the scheme. Consequently, no targets, either over-all or State-wise, for BPL connections were specified in the first two years of implementation of the scheme (2005-06 and 2006-07). Subsequently, for the next two years (2007-08 and 2008-09) while an over-all target for the entire country was stipulated, State-wise targets were not fixed. Later, while targets for the State as a whole were specified, it was left to PIAs to complete the targets anywhere in the State through all projects under implementation.

MOP stated in the proposal (November 2004) for approval of scheme to CCEA that first priority would be given to un-electrified villages and preference would be given to *dalit bastis*, tribal settlements and habitations of weaker sections in the electrification at household level. As per Census 2001, there were 65 districts in the country where more than 80 per cent villages were un-electrified (**Annexe 5**) and 80 districts having a high population of un-electrified households (**Annexe 6**). However, out of these 65 districts and 80 districts, only 32 districts and 43 districts respectively were taken up for implementation under RGGVY during X Plan though funds amounting to ₹5,000 crore available under the scheme for X Plan were not fully utilized as discussed in para 1.5 *supra*.

Further, instead of fixing priorities for electrification of villages and households, the projects were sanctioned on 'first-come-first-served' basis.

In reply, MOP stated (August 2013) that, "Since as per RGGVY norms the DPRs were prepared on composite basis i.e. covering both un-electrified and electrified villages therefore, priority only on the basis of un-electrified villages was not possible."

¹⁶ 19,14,387 connections @ ₹ 1,500 per connection

It is relevant to note that despite experience of over 40 years in rural electrification programmes, MOP/ REC did not adopt a targeted approach for village and household electrification. Wherever village wise/district wise targets were not fixed, it was left to PIAs to achieve the targets by selecting projects without any specific priorities. This indicates that focus was on achievement of targets in numbers and expenditure rather than actual coverage of un-electrified habitations of weaker sections as proposed by MOP to CCEA. This would appear possible to have been achieved by stipulation of need rather than first come first served as the basis for taking up projects.

Box 3: Guidelines not followed (PGCIL – Bihar)

As per guidelines for formulation of projects under RGGVY all BPL households in all rural habitations in the villages were required to be covered for electrification under the project. In respect of six selected districts, target beneficiaries of villages were identified arbitrarily without considering the actual number of BPL households and intended APL consumers. Out of five selected districts, only 7 to 10 per cent of the total BPL households were covered in the DPRs for three districts (Kaimur, Bhojpur and Saran) and 14 per cent and 58 per cent were covered in the DPRs of two other districts (Nalanda and Nawada).

MOP stated (August 2013) that, “The projects were prepared consideringelectrification of at least 10 per cent households in a village to fulfill the requirement of new definition of village electrification.”

The reply reinforces the fact that the focus was on achievement of targets in numbers rather than actual coverage of un-electrified households of weaker sections.

3.6. Preparation and notification of RE Plans

The Electricity Act, 2003 requires that the Central Government notify a national policy on stand-alone systems for rural areas and non-conventional energy systems as well as a national policy on electrification and local distribution in rural areas. Accordingly, MOP notified the Rural Electrification Policy (REPOL) in August 2006. State Governments, in turn, had to notify a Rural Electrification (RE) Plan within six months from the date of notification of REPOL to achieve the goal of providing access to electricity to all households.

The RE Plan of each State would map and detail the electrification delivery mechanisms (grid or stand alone) considering, *inter alia*, the available technologies (conventional and non-conventional sources of energy), environmental norms, fuel availability, number of un-electrified households, distance from the existing grid *etc.* Such plans were to be linked with District Development Plans as and when the latter became available. RE Plans were road-maps to achieve the following goals of RGGVY:

- Provision of access to electricity to all households by year 2009;
- Quality and reliable power supply at reasonable rates;
- Minimum lifeline consumption of one unit per household per day as a merit good by year 2012; and

The progress would be reviewed in terms of the achievements vis-à-vis the above goals.

All States were thus required to prepare and notify RE Plans by February 2007. However, no State had notified RE Plan by February 2007. Further, MOP, while approving (February 2008) RGGVY for XI Plan reiterated that the State Governments should finalize their RE Plan in consultation with MOP and notify the same within six months.

Box 4: Deficiencies in RE Plan

In February 2008, MOP had made the release of capital subsidy contingent upon the State finalizing and notifying RE Plan in consultation with it within six months of the continuation of RGGVY in XI Plan failing which the capital subsidy granted could be converted into loan. A review of records, however, revealed that there were instances of release of capital subsidy despite non-finalization of RE Plans. For example, in **Jammu & Kashmir**, capital subsidy amounting to ₹ 664.62 crore was released to the State Government as of March, 2012 in respect of 14 projects without RE Plan. In Uttarakhand, almost all the physical work of rural electrification under RGGVY had been completed by the time RE Plan was notified. RE Plan of **Tripura** did not contain the status of electrification of BPL households, habitations, etc. It also did not indicate funds requirement and investment plan for upgradation and strengthening of sub-transmission and transmission systems.

As of August 2013, 25 out of 27 States had notified RE Plan with delays ranging from three months to 73 months, as shown in **Annexe 7**. Two States (Jammu & Kashmir and Sikkim) had not notified their RE Plan (August 2013).

MOP stated (August 2013) that, “regular follow up with these two States is being undertaken in this regard.”

3.7. DPR prepared without field survey

Implementation guidelines issued by REC (June 2005) provided that State Governments and State power utilities (SPUs) should assess the quantum of work required, at district / project level to achieve the objectives of the scheme. The guidelines prescribed a model DPR to ensure technical justification and financial viability of each project. The model DPR required block-wise details of the ‘present’ status of rural household electrification against total

household data as per Census 2001. DPRs were also to indicate the ‘present’ status of village/habitation electrification, BPL households electrification (total number of BPL households, BPL households electrified and balance), public places (schools, hospitals, etc.) proposed for electrification, etc. Additionally, DPRs were expected to reflect the status of existing infrastructure in de-electrified and electrified villages, proposed length of lines, proposed number of commercial, agricultural and small industrial connections, financial analysis, energy loss etc. DPRs would need to ensure targeted implementation, maximizing the benefits to beneficiaries and minimizing wastages and inefficiencies, resulting in achievement of the intended objectives of the scheme.

As the data for un-electrified villages and un-electrified rural households was based on Census 1991 and Census 2001, a base-line survey prior to preparation of DPRs would have assisted in formulating accurate and realistic DPRs. *Not even one* of the PIAs, i.e. neither the CPSUs nor the State-controlled DISCOMs / State Electricity Boards, undertook such a survey prior to formulating DPRs.

Energy and Power Department (EPD) of **Sikkim** stated (January 2013) that, “*The reasons for quantity variation under RGGVY were stated to be due to the fact that many households were left out as the original DPRs prepared in 2006 were not based on actual survey.*” Similarly Meghalaya Energy Corporation Limited (MeECL) stated (February 2013) that, “*survey report was entered into the DPR format in the office computer and rough records/reports were destroyed/not kept in the files after the DPR was prepared and submitted to higher authorities.*”

For the BPL household data, in seven States¹⁷, PIAs relied upon the data of Census 2001 without considering the growth factor in rural population/habitats/villages since 2001 and in the remaining States, PIAs collected BPL data from other sources. For example, in **Rajasthan**, DISCOMs included the data of BPL survey (1997) in DPRs for identification of BPL beneficiaries. There were instances (Katihar, Khagaria and Supaul projects in Bihar) where survey was done by the contractor who had been awarded the work rather than PIA.

Detailed implications of not undertaking a survey prior to formulation of DPR, in respect of test-checked projects, are given in **Table 9**. As DPRs were not based on field visit or survey, these were based on incorrect and/or deficient data and hence were less precise, impractical and not technically sound.

¹⁷ Andhra Pradesh, Bihar, Karnataka, Kerala, Manipur, Nagaland and Punjab

Table 9: State-wise findings regarding DPRs prepared without survey

Sl. No.	Name of the State	Impact of not undertaking field survey prior to preparation of DPR
1.	Andhra Pradesh	<ul style="list-style-type: none"> In test checked seven projects, quantities as per sanctioned DPR were changed in the Revised cost estimates prepared after survey. Such changes ranged from 28 <i>per cent</i> to 152 <i>per cent</i> in respect of Aerial Bundling Cable, (-) 84 <i>per cent</i> to 135 <i>per cent</i> in respect of 6.3 KV single phase line and (-)3 <i>per cent</i> to 116 <i>per cent</i> in respect of number of poles required to erect HT/ LT line.
2.	Arunachal Pradesh	<ul style="list-style-type: none"> PIAs did not possess detailed data regarding the number of service connections required and BPL beneficiaries to whom they were to be released; for example, 572 BPL beneficiaries under Lower Subansiri District (Raga Block) were not included in the original DPR and were covered only in the revised DPR.
3.	Assam	Though the 2002 BPL survey carried out by State Government indicated that there were 12.54 lakh BPL households ¹⁸ eligible in 17 districts for electricity connection free of cost, the DISCOM proposed only 7.77 lakh BPL households in the original DPR, thereby leaving out 4.77 lakh BPL households.
4.	Bihar	<ul style="list-style-type: none"> In three test-checked districts, subsequent to award of contract, a survey was conducted by the contractors while executing the work of electrification. Data as per Census 2001 was 2,59,702 BPL households while as per the survey the number of BPL households was 5,89,652 (excess by more than 127 <i>per cent</i>). Bihar State Electricity Board (BSEB) included 97 ineligible villages (19 fictitious villages, 10 duplicate villages, 1 village where population was less than 100 and 67 villages under Kosi River bed which required river crossing) in DPR. Work of electrification of these villages was not taken up and the project pruned. Due to non-revision of project costs, however, the project costs remained inflated by ₹ 11.53 crore. In Supaul district, BSEB included 13 Power Sub-stations (PSS) in DPR against requirement of 11 PSS. In Khagaria block of Khagaria project, which was already having one PSS, provision for creation of an additional new PSS was made which was in violation of guidelines. DPRs of three districts (Katihar, Khagaria and Supaul) provided for energisation of 7.85 lakh rural households. The additional load requirement of rural household {BPL+ Above Poverty Line

¹⁸ After deducting 67,931 BPL households already electrified under Kutir Jyoti Scheme and 55,225 BPL households in remote areas from the BPL survey figure of 13.77 lakh BPL households in the 17 districts where the DISCOM was the implementing agency

		(APL)} as per the guidelines (60 watt for BPL and 250 watt for APL) worked out to 163.25 MVA for which the capacity of PSS ought to have been 204.06 MVA. However, BSEB made provision for construction of 17 new PSSs and augmentation of 12 existing PSSs with a total capacity of 125.45 MVA, resulting in a shortfall of 78.61 MVA.
5.	Chhattisgarh	<ul style="list-style-type: none"> In two test checked projects, shortcoming/omissions in the DPR resulted in variation in executed quantity of work, not providing electricity connection to public places (Schools, Panchayat offices, Community centers and health centers), non provision of three phase capacity transformers for ‘three phase’ connections besides delay in completion of work.
6.	Gujarat	<ul style="list-style-type: none"> Lack of detailed information resulted in variation in number of transformers, length of LT/HT lines. In the seven selected projects, there was variation ranging from (-) 92 <i>per cent</i> to (+) 101 <i>per cent</i> in original DPR quantities and actual executed quantities in respect of installed transformers. The length of HT/LT lines erected varied from (-) 95 <i>per cent</i> to (+) eight <i>per cent</i>.
7.	Haryana	<ul style="list-style-type: none"> Uttar Haryana Bijli Vitran Nigam Limited (UHBVNL) included some departmental works in DPRs resulting in inflated figures requiring substantial changes in the quantity of works. Dakshin Haryana Bijli Vitran Nigam Limited (DHBVNL), showed wide variations in seven out of ten projects in 11 KV line, 16 KVA transformer, 25 KVA transformers, LT lines, DT meters, <i>etc</i> between quantities as per DPRs, and quantities as per award/ work actually done.
8.	Jharkhand	<ul style="list-style-type: none"> In West Singhbhum, the subsequent survey found that out of the 1,118 villages included in the DPR, 37 villages were already electrified, eight villages were repeated, 158 villages were inaccessible due to forest, electrification of which was not being done by the contractors. Thus, only 915 out of 1,118 villages included in the DPR were to be actually electrified. Further, additional 78 villages that required electrification, were not included in DPR. In East Singhbhum, out of 1,497 villages included in the DPR, 18 villages were unapproachable and 67 villages were already electrified. Also, additional 60 villages and 25 tolas¹⁹ which required electrification, were not included in DPR.

¹⁹ Hamlets

9.	Karnataka	<ul style="list-style-type: none"> • There were instances of electrification of villages/households not envisaged in DPRs, and inclusion of already electrified villages/households in DPRs. Bangalore Electricity Supply Company Limited (BESCOM) electrified 789 BPL households in 56 villages in Kolar (₹ 1.10 crore) which Chamundeshwari Electricity Supply Company Limited (CESCO) had done electrification of two un-electrified villages (₹ 2.22 crore) in Kodagu, and Hubli Electricity Supply Company Limited (HESCOM) had executed works (₹ 3.13 crore) in Uttara Kannada, which were not envisaged in the sanctioned DPR. • Increase in number of BPL households in Uttara Kannada Project, was 177 <i>per cent</i> (from 19,657 to 34,715) of projections made in DPR in XI Plan projects. There were wide variations in quantities executed when compared to projections made in DPR. There was shortfall in execution of HT lines ranging between 21 and 36 <i>per cent</i> of projections, while LT lines executed had exceeded projections by 121 to 194 <i>per cent</i> in four selected projects.
10.	Kerala	<ul style="list-style-type: none"> • In Idukki district, number of <i>karas</i> and length of Single Phase LT line were revised from 81 <i>karas</i> and 127 kms (April 2005) in DPR to 100 <i>karas</i> and 258 kms respectively to include more rural households.
11.	Meghalaya	<ul style="list-style-type: none"> • In three test checked projects, no provision was made for electricity to public places like Schools, Panchayat Office, Health Centers, Dispensaries, and Community Centers <i>etc.</i> Instead, it was provided in DPR that in such cases, electrification would be done based on demand.
12.	Nagaland	<ul style="list-style-type: none"> • There were 2,65,334 rural households in Nagaland (Census 2001), of which, 1,50,929 rural households were already electrified and the balance 1,14,405 households were un-electrified. Contrary to the figures projected in Census 2001, the Department of Power, Nagaland incorporated the figure of already electrified rural households as 1,14,324 and un-electrified as 1,43,060 in the DPRs. Except Tuensang district, the number of electrified rural households in all districts was understated in DPRs. Thus, the actual number of rural households to be electrified under RGGVY was overstated by 28,655 households. • Records indicating the list of actual BPL beneficiaries to be covered were not available. The Department of Power relied on the list of BPL households prepared by the Rural Development

		<p>Department for implementation of Mahatma Gandhi National Rural Employment Guarantee Act (MNREGA). However, cross verification of these records in respect of three test-checked districts revealed that out of 1,197 BPL households claimed by the Department of Power to have been provided power supply, only 252 BPL beneficiaries matched with the report of the Rural Development Department. Names of the remaining 945 BPL households did not figure in the list prepared by the Rural Development Department.</p>
13.	Rajasthan	<ul style="list-style-type: none"> • 526 villages with population less than 100 were included in DPRs of selected ten districts of three DISCOMs which was in contravention of RGGVY guidelines • Actual execution revealed that 70 villages became unpopulated, 3 villages submerged and 150 villages were under forest. Further, 321 villages (81 in Jhunjhunu and 240 in Jalore) were already electrified and 100 villages (Sikar) where BPL living in non-abadi area were included in DPR.
14.	Tripura	<ul style="list-style-type: none"> • As per guidelines for formulation of projects under RGGVY all BPL households in all rural habitations in the villages were required to be covered for electrification under the project. However, in Dhalai district, as per the survey conducted after awarding the turn-key contract, the total number of rural BPL households was 24,318 out of which only 13,419 (55.18 <i>per cent</i>) were covered under the project. This resulted in non-coverage of 10,899 (44.81 <i>per cent</i>) BPL households in Dhalai District. • Similarly, in North Tripura, total number of rural BPL households was 57,230 out of which 45,589 BPL households (79.65 <i>per cent</i>) were covered under the project. This resulted in the non coverage of 11,641 (20.35 <i>per cent</i>) BPL households.
15.	West Bengal	<ul style="list-style-type: none"> • As per DPRs, total number of villages and BPL households to be electrified in ten districts in XI Plan was 14,113 and 15,39,443 respectively whereas 13,977 villages and 15,39,443 BPL households were targeted to be electrified as per the letters of award issued by PIA. Subsequently, these figures were revised to 13,807 villages and 12,71,447 BPL households (October 2012).

REC stated (April 2012) that *at the time of preparation of DPR, provisions of BPL connection were made on the basis of data available with the States, however, during execution, many BPL households which were located remotely or located in habitation of population below 100 or were already having connection etc., had been excluded for release of connection.*

Further, MOP replied (August 2013) that, “to hasten the process of implementation, detailed survey was not insisted for preparation of DPRs and actual quantities of works arrived at during implementation of the project and prior survey would not have solved the purpose entirely”. MOP stated (September 2013) that, it was made mandatory in XII Plan for all States to conduct detailed survey before preparation of DPRs.

The replies confirm that DPRs prepared were not based on ground realities, had a number of omissions in terms of households to be covered and made inaccurate provisions for infrastructure.

Recommendations

R1: MOP may consider getting an independent survey conducted prior to implementation of new projects in XII Plan and the list of identified villages and estimates of beneficiaries revised to avoid duplication and ensure that the benefits of the scheme reach the intended and targeted beneficiaries in close coordination with States.

R2: MOP may like to get REC to exercise greater control over the scope of work and related estimates by devising suitable formats of monitoring reports which would help ensure that projects are taken up for sanction only if the PIA submits a DPR based on a detailed field survey and physical and financial estimates are reasonably accurate.
