

Chapter-IV

Survey findings and Monitoring issues

Survey findings

4.1. In order to elicit views of the Beneficiaries and Gram Panchayats on implementation of the schemes (DDUGJY/SAUBHAGYA and RGGVY) and the extent of reach of benefits that were envisaged to the targeted people, Audit conducted a survey of Beneficiaries and heads of Gram Panchayats. For this purpose, two independent sets of proforma of questionnaires, one for Beneficiary survey and another for Village survey were prepared by incorporating various elements of benefits envisaged under the schemes.

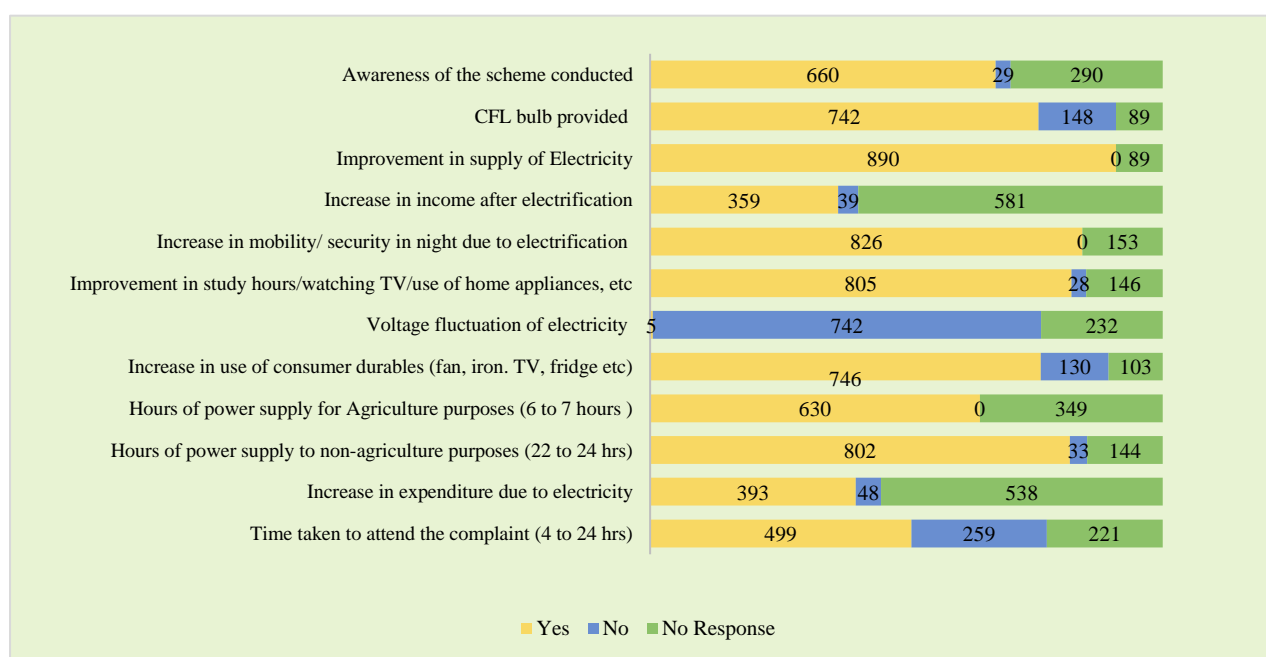
For the purpose of survey, Audit personnel visited the houses of Beneficiaries and the heads of Gram Panchayats in the selected villages. After taking the consent, answers to each of the questions in the proforma were obtained from the Beneficiaries and heads of Gram Panchayats. The proforma filled with the answers was jointly signed by the Beneficiaries and the Audit personnel. Besides, photographs of each of the Beneficiaries and heads of Gram Panchayats surveyed were taken with Geo-tag reference. A total of 979 beneficiaries in 105 villages were visited across all the five ESCOMs.

The opinion of the beneficiaries and Gram Panchayat heads is summarized below.

Beneficiary survey

4.1.1. The responses of 979 Beneficiaries to some of the important questions are indicated in the chart below:

Chart No.4.1: Responses from 979 beneficiaries in 105 villages



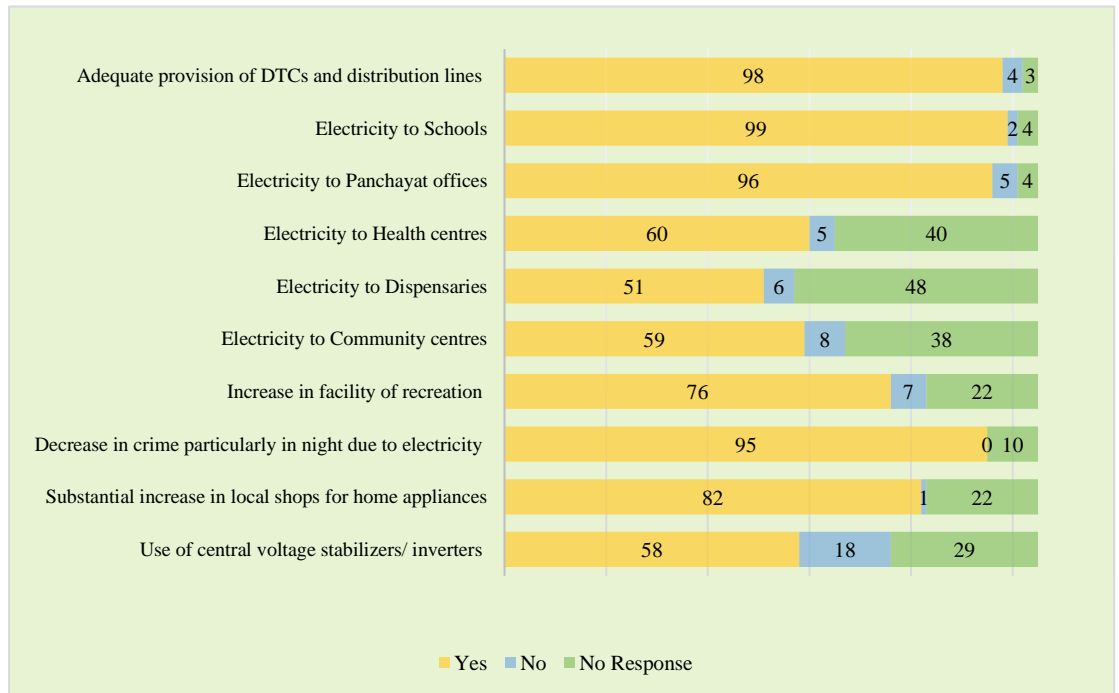
Audit observed that:

- 148 Beneficiaries stated that CFL bulb which was to be provided along with electricity connection, was not provided;
- 890 beneficiaries stated that there was improvement of power supply and 802 beneficiaries said that hours of power supply for non-agriculture purpose were between 22 to 24 hours;
- 826 beneficiaries said that there was increase in mobility/security during night due to electrification and 805 beneficiaries stated that there was improvement in study hours/watching TV/use of home appliances, *etc.*

Village survey

4.1.2. Audit met the village panchayat heads/Panchayat Development Officers (PDOs) in 105 selected villages to get the feedback on adequacy of Distribution Transformer Centres, electricity to public places, such as schools and health centres. Audit also ascertained the impact of electrification in the villages on certain areas like, recreation facilities, crime, setting up of local shops for home appliances, usage of voltage stabilizers, *etc.* The responses are indicated in the chart below:

Chart No.4.2: Responses from 105 Village Panchayat heads/PDOs



Audit observed that:

- 90 *per cent* of the surveyed villages stated that there was decrease in crime particularly during night after electrification.
- 49 *per cent* to 94 *per cent* stated that the public places such as schools, health centres, dispensaries, community centres, *etc* have been

electrified.

- 72 per cent to 78 per cent of villages stated that there was increase in facilities for recreation and local shops for home appliances.

4.2. Audit also noticed certain lapses during beneficiary survey with regard to consumer connections as discussed in *Paragraph No.4.2.1 and 4.2.2*:

Violation of conditions of standard bid document

4.2.1. ESCOMs deviated from the standard bid conditions by not adhering to certain technical specifications for household electrification as depicted in the table below:

Table No.4.1: Deviations from standard bid conditions

Sl. No.	ESCOM	Condition of SBD	Violation	Blocks	No. of villages	No. of consumers
1	BESCOM, CESC, GESCOM, HESCOM, MESCOM	Para 21.1.15 of Section VII	Earth terminal not provided	Doddaballapur, Devanahalli, Sira, Koratagere, Tumkur, K R Pete, Bidar, Aurad, Devdurga, Sindhanur, Ranebennur, Soraba	44	206
2	BESCOM	Para 21.1.15 of Section VII	Fuse and MCB not provided	Devanahalli, Tumkur, Koratagere	9	33
3	BESCOM, GESCOM, HESCOM	Para 21.1.12	Meter box not provided	Sira, Koratagere, Tumkur, Sindhanur, Haveri	11	44
4	BESCOM	Vol-I Section VII	Fibre glass reinforced polyester SMC board not provided	Sira, Koratagere, Tumkur	15	176
5	BESCOM	Para 1.1.1	Larger span of service cable (not more than 35 metres)	Doddaballapur, Sira, Koratagere	4	7

(Source: Standard Bid Document and beneficiary survey)

Audit observed that ESCOMs failed to adhere to the prescribed technical specifications, viz. Non-provision of Earth terminal (206 consumers), Sheet Moulding Compound⁴⁸ (SMC) Board (176 consumers), Meter box (44

⁴⁸ SMC board is used for fixing the energy meter in the consumer premises.

consumers) and Fuse/ Miniature Circuit Breaker⁴⁹ (MCB) for 33 consumers. Non-provision of these devices for household electrification was not only in violation of standard bid conditions, but also resulted in undue benefit to the contractors as the cost of such items were included in the estimate put to tenders.

The Government stated (November 2021) that the observations made in audit were being attended to and that the compliance would be submitted to audit by BESCOM. In case of non-provision of earth terminal in Households of Soraba block (MESCOM), it was stated that the same had been rectified. Reply in case of other three ESCOMs has not been furnished.

Discrepancies in consumer service connections

4.2.2. Audit observed discrepancies in service connections in the surveyed villages, such as non-working consumer meters, disconnected connections, non-issue of bills, *etc* as detailed in the table below:

Table No.4.2: Discrepancies in consumer service connections

Sl. No.	ESCOM	Discrepancies	Blocks	No. of villages	No. of consumers
1	BESCOM	Consumer meters not working	Doddaballapur, Devanahalli, Sira, Koratagere, Tumkur	13	30
2	GESCOM, HESCOM, MESCOM	Meters not sealed	Devdurga, Sindhanur, Haveri, Ranebennur, Soraba, Hosanagara	29	245
3	BESCOM, HESCOM	Disconnected consumers	Doddaballapur, Devanahalli, Sira, Tumkur, Haveri, Ranebennur	12	28
4	BESCOM, CESC, HESCOM	Bypassing of meters	Doddaballapur, Devanahalli, Sira, Tumkur, Ranebennur, Malavalli	10	20
5	CESC, HESCOM	Average billing/load not connected	K R Pete, Malavalli, Haveri	5	10
6	BESCOM, CESC	lower consumption of electricity	Doddaballapur, Devanahalli, Koratagere, Tumkur, K R Pete	24	47

⁴⁹ MCB automatically switches off electrical circuit during overload/excess current.

Sl. No.	ESCOM	Discrepancies	Blocks	No. of villages	No. of consumers
7	GESCOM, HESCOM	Bills not issued	Bidar, Haveri	2	11

(Source: Beneficiary survey)

Audit observed that:

- Meters not sealed (245 consumer connections) were susceptible to tampering and theft of energy;
- Meters not working (30 numbers) would result in loss of revenue, as meter reading for the energy consumed was not possible and also bypassing of meters (20 consumers) lead to unauthorised use of electricity;
- Low consumption of energy (0 to 300 units since date of connection) was noticed in 47 consumers which indicated malfunctioning of meters;
- Bills to the consumers were to be issued within two months of energisation as per Electricity Supply and Distribution Code, however, bills were not issued to 11 consumers within the stipulated period.

The Government stated (November 2021) that the observations made in audit in respect of BESCO were being attended to and that the compliance would be submitted to audit. In case of Hosanagara block under MESCOM, it was stated that action had been taken to seal all the meters installed under the scheme. Reply in case of observations in the remaining ESCOMs has not been furnished.

Conclusion

During beneficiary survey, audit noticed various deficiencies, viz. Not providing CFL bulb to 148 Beneficiaries, 245 consumer meters being susceptible to tampering and theft of energy as they were not sealed, meters not being in working condition (30 numbers) and electricity bills not being issued to the consumers (11 consumers) resulting in loss of revenue and meters being bypassed (20 consumers) leading to unauthorised use of electricity. Prescribed technical specifications for consumer service connections were not adhered to, viz. Non-provision of (i) Earth terminal (206 consumers), (ii) Sheet Moulding Compound Board for 176 consumers, (iii) Meter box (44 consumers) and (iv) Fuse/ Miniature Circuit Breaker (33 consumers).

Recommendation

- **The ESCOMs should ensure rectification of deficiencies in consumer connections, viz. bypassing of meters, non-sealing of meters, non-issuing of electricity bills, etc so as to prevent theft of energy and the consequent loss of revenue. They should ensure adherence to the prescribed technical specifications.**

Monitoring issues

4.3. The Monitoring Committee (MC) had given its approval in August 2015 for implementation of DDUGJY in the state. As per the guidelines, works should have commenced within six months from the communication of approval by MC, *i.e.* by February 2016, and completed within 24 months. Audit observed delays at various stages of implementation as discussed in the preceding chapters, the delay in completion of works ranged from 12 to 37 months beyond the stipulated dates. Due to non-completion of works within targeted timelines, 723 villages⁵⁰ (in four out of ten audit sampled districts) had availed electrification by paying applicable charges, thereby depriving the eligible beneficiaries of free electricity available under the schemes. This pointed to the fact that the monitoring was not effective. Audit observations on monitoring by various authorities setup under the schemes are discussed below:

Monitoring by various authorities

4.3.1. The GoK/ESCOMs had set up the required monitoring mechanism at various levels in conformity with the guidelines, *viz.*

- (i) State Level Standing Committee⁵¹ (SLSC) to monitor progress, quality control and resolve issues relating to implementation of sanctioned projects, *viz.* allocation of land for sub stations, right of way, forest clearance, railway clearance, *etc*;
- (ii) District Development Coordination and Monitoring Committees (DISHA), previously called District Electricity Committee (DEC);
- (iii) Appointment of Project Management Agency (PMA) to assist in project management ensuring timely implementation of the project.

Audit made the following observations on monitoring by SLSC, DISHA and PMA.

Table No.4.3: Audit observations on monitoring

Sl. No.	Monitoring level	Audit observations
1	<p>State Level Standing Committee</p> <ul style="list-style-type: none"> • Constituted in September 2013 for RGGVY and in February 2015 for DDUGJY; • Responsible for recommending DPRs to Monitoring Committee, ensuring no duplication/overlapping of works with other schemes, monitoring progress, quality control and resolving issues (land for substations, 	<ul style="list-style-type: none"> • The order constituting the committee was silent on frequency at which the committee had to convene the meetings. • SLSC met three times for discussing RGGVY XII plan during four-year period of implementation of the scheme (2014-15 to 2017-18). These meetings were held for approving the project proposals in the first two

⁵⁰ Bidar (68 nos), Haveri (159 nos), Mysore (426 nos), Raichur (70 nos).

⁵¹ Consisting of Secretaries of Energy, Rural Development, Finance, Panchayat Raj, Forest, Revenue and a representative of REC, *etc* as its members.

Sl. No.	Monitoring level	Audit observations
	railway/forest clearance, etc).	<p>meetings (February 2014, August 2014) and closure proposal in the third meeting (November 2018).</p> <ul style="list-style-type: none"> • The Committee did not discuss implementation of the scheme in spite of the fact that projects under RGGVY were short-closed in CESC and GESCOM due to non-performance of contracts and the grant of ₹ 25.17 crore was lost (<i>Paragraphs 3.11.3, 3.11.4</i>). • In case of DDGUJY, SLSC met five times between July 2015 and December 2020. These meetings were conducted mainly for approving the project cost and supplementary DPRs (July 2015, September 2015, and November 2016), reviewing the progress of works (August 2018), and approval of closure proposals of the scheme (December 2020). • Effectively, the Committee met only once for the purpose of reviewing the progress of works. The Committee did not discuss bottlenecks in execution of works such as, right of way issues, forest and railway clearances, non-availability of land, non-performance of contractors, etc (<i>Paragraphs 3.5, 3.7</i>).
2	<p>District Development Coordination and Monitoring Committees (DISHA) at State Level</p> <ul style="list-style-type: none"> • The state level committees⁵² headed by the Chief Minister or Minister in-charge as co-chairperson to discuss issues requiring persuasion at highest level in the state. 	<ul style="list-style-type: none"> • DISHA was required to meet at least once in six months at state level. However, state level DISHA committee did not meet after its formation;
3	<p>District Development Coordination and Monitoring Committees (DISHA) at District Level</p> <ul style="list-style-type: none"> • In the district level, DISHA committees⁵³ were constituted with Member of Parliament from the district as the Chairperson to discuss implementation of schemes as per 	<ul style="list-style-type: none"> • DISHA was required to meet at least every quarter at district level. During 2015-16 to 2020-21, a total of 247 meetings were held against 810 meetings required to be held in the

⁵² Members include, viz. Member of Parliament, Members of Legislative Assembly, heads of State Government Departments, Chief Postmaster General of the Circles, Director, Institutional Finance, Managing Director/heads of SC/ST Development Corporation, etc.

⁵³ 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.

Sl. No.	Monitoring level	Audit observations
	guidelines, resolving constraints, monitoring, etc.	districts coming under the jurisdiction of five ESCOMs. These DISHA meetings held at district level discussed mainly the progress of works.
4	<p>Project Management Agency (PMA)</p> <ul style="list-style-type: none"> • ESCOMs appointed (2015-16) M/s. REC Power Development Corporation Limited as PMA. • Scope of contract included project planning, formulation, coordination of bidding process, implementation, monitoring including quality controls, maintenance of MIS and its updation of web portal and coordination with REC/MoP. 	<ul style="list-style-type: none"> • No evidence was kept on record in support of PMA involving/assisting ESCOMs in DPR formulation, bidding process, identifying bottlenecks in implementation (forest, railway clearances, land availability, etc), submission of periodic reports to the Project Management Cell, etc.

(Source: Orders issued by GoK, Minutes of SLSC/DISHA)

The Government stated (November 2021/April 2022) that the SLSC meetings were conducted by the Energy Department as and when the proposals were received from the ESCOMs and the scheme was completed within the extended timelines granted by MoP, *i.e.* by December 2020. With regard to PMA, it was stated that PMA involved in evaluation of bidding process till the award of works and also assisted in preparation of closure proposals.

The fact remained that the works were delayed on account of various bottlenecks which were not brought to notice of SLSC for their early resolution thereby defeating the purpose of its formation. The reply that PMA had involved during bidding process and submission of closure proposals was not supported by documentary evidence.

Conclusion

The State Level Standing Committee (SLSC) met only once for the purpose of reviewing the progress of works during the period of implementation of DDUGJY. The SLSC did not discuss bottlenecks in execution of works such as, right of way issues, forest and railway clearances, non-availability of land, non-performance of contractors. Further, the State Level District Development Coordination and Monitoring Committees (DISHA) did not hold any meetings after its formation. Also, the district level DISHA held only 247 meetings (30 *per cent*) against 810 meetings required to be held at district level during 2015-16 to 2020-21. The delay in commencement and completion of works (12 to 37 months) beyond the stipulated timelines had not only led to deferment of envisaged benefits of electrification to the beneficiaries but also deprived 723 villages of free electricity facility under the scheme, as they had electrified their households on their own.

Recommendation

- **The Government should ensure periodical discussion of progress of implementation of the schemes by the monitoring authorities at State and District levels so that irregularities/deficiencies in contract management, such as award of works to ineligible firms, non-levy of liquidated damages, delays in completion of works are avoided.**

**Bengaluru
The**

**(Shanthi Priya S)
Principal Accountant General (Audit-II)
Karnataka**

Countersigned

**New Delhi
The**

**(Girish Chandra Murmu)
Comptroller and Auditor General of India**