

Chapter IV

Monitoring

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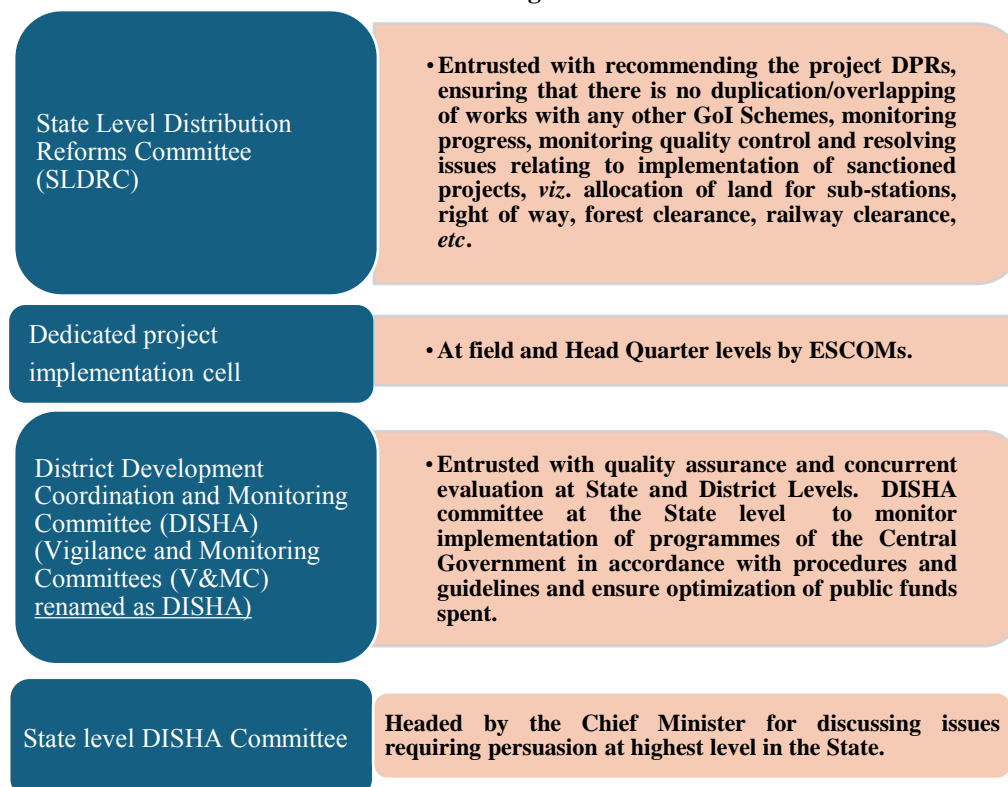
Delays in works due to various bottlenecks were not brought to the notice of State Level Distribution Reforms Committee (SLDRC) for their timely resolution. Even though guidelines for State Level District Development Coordination and Monitoring Committee (DISHA) were issued in June 2018, the DISHA was constituted only in January 2020, and its first meeting was held only in August 2022, after the completion and closure of the IPDS Scheme.

4.1 The IPDS scheme was formulated by the GoI to strengthen the sub-transmission and distribution system in urban areas. A Monitoring Committee for the Scheme was constituted by the Ministry of Power, GoI. The Committee was empowered to approve operational guidelines for scope of work, take necessary policy decisions for operationalisation of various components of the scheme and amendments thereon, sanction DPRs/ Projects, monitor and review implementation of the scheme, grant extension of time for project execution, etc. PFC was the Nodal agency for implementation of scheme, including monitoring of projects with physical and financial progress.

4.2 Monitoring agencies at State level

As per the scheme guidelines, GoK/ESCOMs had set up the required monitoring mechanism at various levels, as follows:

Chart No. 4.1: Monitoring mechanism under IPDS



In addition, the ESCOMs were to appoint -Project Management Agency (PMA) to assist in project management and to ensure timely implementation of the project.

However, Audit test-checked minutes of SLDRS and DISHA which revealed inadequate monitoring at various levels. The issues observed are discussed below:

4.3 Functioning of State Level Distribution Reforms Committee

GoK approved (February 2015) continuation of State Level Distribution Reforms Committee (SLDRS) constituted for RAPDRP to recommend and monitor IPDS projects. The SLDRS met nine times between June 2015 and March 2022 for approving, reviewing/closure of IPDS project proposals. Out of nine meetings, projects were approved in seven meetings, closure of projects pertaining to all ESCOMs were approved in two meetings. In four meetings, progress of projects under IPDS was reviewed and instructions/directions were given to ESCOMs for timely completion.

However, the committee could not adequately monitor the project, review progress of different components, identify issues leading to delays etc. so as to provide resolution for the same and ensure quick decisions, some instances of which are given below:

- Delay in awarding IT Phase II works by BESCOM, which was implemented on behalf of all ESCOMs. SLDRS did not examine this issue for suggesting remedial action (*detailed in Paragraph 3.11.1*).
- Under IT Phase – II - installation of modems to DTCs, HT consumers and boundary meters, though approved by SLDRS (07 March 2022) work had to be short closed due to poor progress (*detailed in Paragraph 3.11.7*) and SLDRS has considered implementation of smart meters under upcoming Revamped Distribution Sector Scheme, where all DTCs feeders and consumer meters shall be replaced by smart meters, which would make the remote meter reading with modems redundant. However, the State has not yet decided to implement the scheme. The short closure resulted in foregoing the grant of ₹ 3.21 crore⁹¹.

BESCOM replied (October 2024) that SLDRS had approved modifications to PQR criteria in IT tenders and tendering activities were brought to the notice of the committee. The reply is not acceptable as there was no intervention of SLDRS to ensure timely progression of the project.

- Due to protest from people, HESCOM had to shift GIS sub-station from

⁹¹ CESC (₹ 1.75 crore), MESCOM (₹ 1.69 crore), GESCOM (₹ 1.30 crore) and HESCOM (₹ 1.22 crore) less ₹ 0.61 crore.

Hosur to Rayapura Industrial area, resulting in non-completion of works within scheduled time and consequent utilisation of own funds amounting to ₹ 19.20 crore (*detailed in Paragraph 3.6*). Neither did HESCOM bring this to the notice of SLDRC nor did the committee take cognisance of the delay.

- The work of providing alternate source of energy to KIMS, Hubballi taken up by HESCOM was commissioned after a delay of 24 months owing to delay in decision on identification of location for implementing the works. This was not brought before SLDRC for resolving the issues. (*detailed in Appendix - 3*).
- Planned works valuing ₹ 24.59⁹² crore were dropped due to Right of Way issues, local constraints *etc.* The matter of dropping the scheduled works under IPDS was not deliberated in any SLDRC meetings (*detailed in Paragraph 3.4.2 and Appendix - 7*).

Thus, the works delayed on account of various bottlenecks were not brought to the notice of SLDRC, nor were the delays *suo moto* taken up for their early resolution by the aforesaid committee.

4.4 Functioning of DISHA

GoK constituted (between June and July 2015) District Level Electricity Committees (DLEC) under all the five ESCOMs. With the objective of ensuring quality of expenditure, optimisation of public funds spent under different programmes of Government of India, District Development Coordination and Monitoring Committees (DISHA) were formed in August 2016, subsuming DLEC, with Member of Parliament from the districts as the Chairpersons. A State level DISHA committee⁹³ headed by the Chief Minister for discussing issues requiring persuasion at highest level in the State was constituted in January 2020. As per the guidelines, DISHA was to meet every quarter at district level and at least once in six months at State level and IPDS was one of the schemes to be discussed in State level as well as District level DISHA committees.

Audit observed that even though guidelines for State Level DISHA were issued in June 2018, the Committee was constituted only in January 2020 and the first meeting was held only in August 2022, after completion and closure of IPDS Scheme. Thereby, formation of State level DISHA Committee had no bearing on IPDS.

As far as district level DISHA Committees are concerned, as against 642 meetings to be held, only 278 (43.3 *per cent*) were conducted during the period

⁹² BESCOM - ₹ 13.90 crore, MESOM ₹ 10.69 crore.

⁹³ Members include, 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.*

from August 2015⁹⁴ to March 2021⁹⁵, as detailed below:

Table No. 4.1: Details of DISHA meeting held between August 2015 to March 2021

Sl. No.	Name of ESCOMS	No of meetings to be conducted	No of Meetings held	No of meetings in which IPDS was discussed	Percentage of meetings held
1	BESCOM	184	75	6	40.76
2	CESC	115	65	16	56.52
3	GESCOM	138	42	6	30.43
4	HESCOM	161	68	14	42.24
5	MESCOM	44	28	20	63.64
	Total	642	278	62	

Source: Compiled by Audit from the data furnished by ESCOMs

Out of 278 meetings conducted, progress of works under IPDS was discussed only in 62 meetings (22.3 per cent), which is reflective of the importance accorded to monitoring of implementation of the scheme.

The ESCOMs replied (October 2024) that regular meetings of DISHA could not be organised by District Administration during implementation of IPDS due to non-availability of Hon'ble Member of Parliament and other members of respective districts. They added that the project was regularly reviewed in other district level meetings conducted by District in-charge Minister and Members of Legislative Assembly. However, minutes of such district level meetings confirming regular review of the Scheme were not provided by the ESCOMs.

4.5 Functioning of Project Management Agency

The scope of contract of Project Management Agency (PMA) included project planning, formulation, coordination of bidding process, implementation, monitoring including quality controls, maintenance of MIS and updating web portal and coordination with Nodal agency and Ministry of Power (MoP). ESCOMs paid an amount of ₹ 22.99 crore⁹⁶ to RECPDCL as of 31st March 2021 towards PMA charges under IPDS.

Audit scrutiny of records at BESCOM, CESC and MESCOM revealed that RECPDCL did not perform the mandated activities fully as per the IPDS guidelines. Details are given in **Appendix – 11**. Audit observed that PMA was not involved/did not assist the ESCOMs adequately in the following activities that were to be performed as per the agreement:

- Bidding process and selection of turnkey contractors and DPR formulation;
- Submission of monthly reports for each of the projects - physical and financial progress of the scheme;
- Identifying and reporting bottlenecks due to delays in survey, Right of Way issues and delay in approval from forest and other statutory authorities *etc.* and

⁹⁴ DLEC meeting up to August 2016, thereafter DISHA meeting.

⁹⁵ Meetings conducted upto March 2021 were considered due to financial closure of IPDS.

⁹⁶ BESCOM ₹ 9.14 0crore, CESC ₹ 3.19 crore, MESCOM ₹ 2.90 crore, GESCOM ₹ 3.52 crore and HESCOM ₹ 4.24 crore – Payments made between September 2015 and March 2021.

- Submission of Field Quality Plan for major items like Transformer, UG cable, ACSR conductor *etc.*
- Though it was mandatory as per the Guidelines to compile and analyse utility level AT&C loss data on quarterly basis, none of the ESCOMs included the same in the agreement with RECPDCL.

The ESCOMs responded (October 2024) that the PMA was involved in tendering, bid evaluation and preparation of monthly progress reports. However, Audit found no records relating to involvement of PMA in tendering, bid evaluation and preparation of monthly progress reports. Audit also observed that BESCOM had raised several complaints (January 2018) about PMA such as erratic reporting, lack of cooperation with Project Implementation Agencies, irregular updating of data on e-gauge portal, *etc.* indicating unsatisfactory performance by the PMA.

Bengaluru
The 08 DEC 2025

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The 10 DEC 2025

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