



SUPREME AUDIT INSTITUTION OF INDIA

लोकहितार्थं सत्यनिष्ठा

Dedicated to Truth in Public Interest

**Report of the
Comptroller and Auditor General of India
on
Deendayal Upadhyaya Gram Jyoti Yojana
(DDUGJY) and Pradhan Mantri Sahaj Bijli Har
Ghar Yojana (SAUBHAGYA)**



**Government of Uttar Pradesh
Report No. 7 of 2025
(Performance Audit-Commercial)**

**Report of the
Comptroller and Auditor General of India
on
Deendayal Upadhyaya Gram Jyoti Yojana
(DDUGJY) and Pradhan Mantri Sahaj Bijli Har
Ghar Yojana (SAUBHAGYA)**

**Government of Uttar Pradesh
Report No. 7 of 2025**

TABLE OF CONTENTS

Particulars	Reference to	
	Paragraph(s)	Page(s)
Preface	--	iii
Executive Summary	--	v-vii
Chapter-I: Introduction	--	1-7
Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY)	1.1	1-2
Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA)	1.2	2
Funding Pattern for the schemes	1.3	2-3
Role of various stakeholders	1.4	3-5
Organisational Setup of DISCOMs	1.5	5
Audit objectives	1.6	5-6
Audit criteria	1.7	6
Audit scope, sampling and methodology	1.8	6-7
Acknowledgement	1.9	7
Chapter-II: Planning and Financial Management	--	9-14
Planning for implementation of the schemes	2.1	9
Off-grid connections not included in DPRs	2.1.1	9
Financial Management	2.2	10
Inability to avail additional grant due to non-achieving prescribed milestones	2.2.1	10-11
Incorrect/ inadequate claims of GST /state taxes	2.2.2	12
Loss due to avoidable interest obligation on excess loan from REC	2.2.3	13
Excess payment of interest on REC loan	2.2.4	13-14
Conclusion	--	14
Chapter-III: Implementation of projects under the schemes	--	15-29
Scope of work under the schemes	3.1	15
Status of execution under the schemes	3.1.1	15-17
Implementation of projects under the DDUGJY scheme	3.2	17
Avoidable expenditure due to execution of unnecessary items	3.2.1	17-18
Excess payment to firms engaged for DPR preparation	3.2.2	18
Objective of separating agriculture and non-agriculture feeders not achieved	3.2.3	18-19
Double payment for installation of meters at consumers' premises	3.2.4	19
Implementation of Projects under the SAUBHAGYA scheme	3.3	19
Execution of items not required as per scope of work	3.3.1	19-20
Excess payment to TKCs on account of electrical safety inspection fee	3.3.2	20

Particulars	Reference to	
	Paragraph(s)	Page(s)
Excess payment to TKCs on account of sag/jumpering	3.3.3	20-21
Infructuous expenditure due to execution of work of similar nature	3.3.4	21-22
Creation of infrastructure without releasing any service connections	3.3.5	23
Release of connections to ineligible consumers	3.3.6	23-24
Installation of static energy meters instead of smart meters	3.3.7	24
Excess payment to TKCs	3.3.8	24-26
Excess payment to TKCs for duplicate SPV connections	3.3.9	26-27
Cost of departmentally issued material lying with TKCs not recovered	3.3.10	27
Data of unwilling households not maintained	3.3.11	28
Inadequate SLSC meetings	3.3.12	28
Inadequate DISHA meetings	3.3.13	28-29
Conclusion	--	29
Chapter-IV: Beneficiaries' Survey	--	31-33
Introduction	4.1	31
Results of the beneficiaries' survey	4.2	31
Provision of LED lamps and energy meters to beneficiaries	4.2.1	31-32
Voltage fluctuations in power supply	4.2.2	32
Availability of distribution transformers	4.2.3	32
Use of voltage stabilizers/inverters in the villages	4.2.4	32
Impact on use of consumer durables	4.2.5	32
Impact on study hours of children	4.2.6	32
Impact on mobility/security at night	4.2.7	32
Impact on supply of electricity	4.2.8	32-33
Conclusion	--	33

Appendices	Number	Page(s)
Statement showing audited Circles and Divisions	1.1	35-36
Statement showing excess claim of SGST on departmentally supplied materials	2.1	37-39
Statement showing excess payment of interest on REC loans	2.2	40
List of Abbreviations		41-42

Preface

This Report of the Comptroller and Auditor General of India has been prepared for submission to the Governor of Uttar Pradesh under Article 151 of the Constitution of India.

This Report contains the results of the Performance Audit on ‘Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) and Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA)’, covering the period 2014-15 to 2022-23 (up to December 2022).

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

EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

Why did we take up this audit?

The Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY), launched by the Ministry of Power (MoP), Government of India (GoI) in December 2014, aimed to strengthen rural electricity infrastructure. Its key components included the separation of agriculture and non-agriculture feeders, the augmentation of sub-transmission and distribution systems, and the metering of distribution transformers, feeders, and consumers. The scheme also subsumed the targets of the Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) under its rural electrification component.

The Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA), launched in October 2017, focused on universal household electrification. It aimed to provide last-mile connectivity and electricity connections to all rural households, install Solar Photovoltaic (SPV) based standalone systems for remote and inaccessible areas, and connect economically poor urban households.

The schemes were implemented in Uttar Pradesh through four of the five State Electricity Distribution Companies (DISCOMs) under the Uttar Pradesh Power Corporation Limited (UPPCL).

The Performance Audit was undertaken to assess whether complete village electrification, including the separation of agriculture and non-agriculture feeders, as well as the strengthening and augmentation of the sub-transmission and distribution system, and the metering of distribution transformers, feeders, and consumers, was achieved under the DDUGJY scheme. It also examined whether household electrification under the SAUBHAGYA scheme was achieved by providing last-mile connectivity and free electricity connections to economically poor un-electrified households and installing standalone SPV systems in remote and inaccessible areas where grid extension was not feasible or cost-effective. Furthermore, the audit evaluated whether households connected to power were able to use electricity and derive the intended benefits of the schemes.

What has been covered in this audit?

The Performance Audit, conducted from August 2022 to March 2023, assessed the achievement of the objectives of the DDUGJY and SAUBHAGYA schemes for the period 2014-15 to 2022-23 (up to December 2022). The audit covered records at the Government of Uttar Pradesh (GoUP) level, UPPCL, the headquarters of the four DISCOMs, 21 Circle Offices, and 66 Distribution Divisions, with 16 districts selected through Simple Random Sampling without replacement. Observations related to the 12th Plan RGGVY subsumed into the DDUGJY scheme were excluded as they were covered in the Comptroller and Auditor General of India's (CAG's) Audit Report No. 2 of 2018.

What have we found and what do we recommend?

Despite the clear mandate to include off-grid connections under the SAUBHAGYA scheme, the DPRs omitted such provisions.

Both schemes provided for the conversion of loans into grants upon achieving prescribed milestones, such as timely project completion, a reduction in Aggregate Technical and Commercial (AT&C) losses, and the upfront release

of revenue subsidy by the State Government. However, delays ranging from 29 to 49 months in project execution, the inability to meet AT&C loss reduction targets, and the inability to claim upfront revenue subsidy based on metered consumption resulted in the DISCOMs not being able to obtain the benefit of conversion of loans totalling ₹ 2,002.61 crore into grants (50 *per cent* of ₹ 4,005.22 crore).

Incorrect and inadequate claims for Goods and Services Tax (GST) and state taxes led to financial discrepancies, including excess claims and unclaimed reimbursements. For instance, Pashchimanchal Vidyut Vitran Nigam Limited (PVVNL) erroneously included GST on departmentally supplied materials, inflating project costs by ₹ 3.63 crore. Consequently, PVVNL made an excess claim of ₹ 1.09 crore (₹ 1.82 crore x 60 *per cent*) towards CGST portion from the Rural Electrification Corporation (REC) and ₹ 1.81 crore towards SGST from the GoUP. Further, due to not claiming State taxes timely, PVVNL could not secure reimbursement of the total State taxes from the GoUP; it was yet to receive ₹ 4.21 crore from the GoUP on account of reimbursement of state taxes (December 2023). *Audit recommends that DISCOMs may ensure accurate assessment and timely claims of taxes from the State Government and the REC.*

Excess loans of ₹ 66 crore availed by Purvanchal Vidyut Vitran Nigam Limited (PuVVNL) led to avoidable interest obligations of ₹ 3.94 crore for the period August 2021 to June 2022. Additionally, payment of interest without verifying the applicable rate by PVVNL resulted in overpayment of interest amounting to ₹ 7.19 crore to REC. *Audit recommends that DISCOMs may thoroughly assess their actual loan requirements and strictly adhere to the agreed terms with the funding agency to prevent excess interest payments.*

According to Scope of Work included in the bid documents for the DDUGJY and SAUBHAGYA schemes, Pre-stressed Cement Concrete (PCC) pole pit should be refilled with boulders of average size of 200 mm mixed with excavated earth in rural areas and that cement concrete grouting should be applied to double poles, triple poles, cut point poles, DT substation poles, and poles erected in waterlogged areas, similar to H-Beam and Tubular poles. However, DISCOMs incorporated the work of cement concrete grouting for all PCC poles in the Bill of Quantity (BoQ). This led to avoidable execution of cement concrete grouting of 12.75 lakh single PCC poles (₹ 125.35 crore) under the DDUGJY scheme and of 11.66 lakh single PCC poles (₹ 277.09 crore) under the SAUBHAGYA scheme.

Besides, payments for the preparation of DPRs were made without offloading establishment charges and Tools & Plant charges, in violation of the terms of the award, which resulted in excess payment of ₹ 3.33 crore.

One of the objectives of the DDUGJY scheme was the separation of agriculture and non-agriculture feeders to enable judicious rostering of power supply to agricultural and non-agricultural consumers in rural areas. However, the objective of the separation of feeders remained largely unachieved, as 71.22 *per cent* of agricultural consumers were still connected to non-agriculture feeders in seven sample districts of three DISCOMs.

According to the terms and conditions of the agreements executed with the TKCs, the electrical inspection cost was included in the contract price. However, three DISCOMs reimbursed electrical safety inspection fees amounting to ₹ 9.16 crore to the TKCs. After being pointed out by Audit, two

DISCOMs recovered ₹ 5.79 crore, resulting in excess payments of ₹ 3.37 crore to the TKCs.

Additionally, two DISCOMs made inadmissible payments for sag, jumpering, and wastage, resulting in excess payments of ₹ 1.09 crore to the TKCs.

Audit noticed duplicity in connections released and claimed by the TKCs under the SAUBHAGYA scheme, resulting in excess payments of ₹ 26.65 crore. *Audit recommends that the DISCOMs may establish an effective system to monitor the work of TKCs, thereby identifying duplicate connections and preventing excess payments to TKCs.*

The inadequate number of State Level Standing Committee (SLSC) and District Development Coordination and Monitoring Committee (DISHA) meetings adversely impacted regular monitoring and oversight. *Audit recommends that the GoUP may ensure that meetings of SLSC and DISHA are conducted as per the norms, to facilitate timely corrective actions.*

A survey, covering 2,208 beneficiaries and 224 villages across 16 districts, was conducted by audit. The majority of the respondents confirmed receiving energy meters, stable power supply, improved access to consumer durables, increased study hours for children, and enhanced mobility and security at night. Similarly, most of the Gram Pradhans confirmed the availability of a sufficient number of distribution transformers in their villages and reported no use of voltage stabilizers/inverters. Some respondents, however, reported voltage fluctuations and non-receipt of LED lamps.

CHAPTER–I

Introduction

CHAPTER-I

Introduction

This chapter provides an overview of the Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) and Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA) schemes, which were launched by the Government of India (GoI) to electrify rural areas and ensure access to electricity for all households. The performance audit examines the achievement of the intended objectives of these schemes, including the electrification of villages, separation of agriculture and non-agriculture feeders, strengthening and augmentation of sub-transmission and distribution systems, and the provision of electricity connections to all households, particularly in remote areas. The performance audit covers the period from 2014-15 to 2022-23. During the audit, records of the Government of Uttar Pradesh (GoUP), Uttar Pradesh Power Corporation Limited (UPPCL), and various Distribution Companies (DISCOMs) were examined. The chapter also outlines the roles and responsibilities of various stakeholders and the audit methodology adopted for conducting the performance audit.

Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY)

1.1 The Ministry of Power (MoP), Government of India (GoI), launched the Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) in December 2014 for rural areas. The scheme included components such as the separation of agriculture and non-agriculture feeders, strengthening and augmenting sub-transmission and distribution infrastructure in rural areas, and metering of distribution transformers (DTs), feeders, and consumers, along with rural electrification. The scheme subsumed the targets of the Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY) under its rural electrification component, carrying forward the approved outlay of the RGGVY to the DDUGJY.

A Monitoring Committee¹ was constituted in December 2014 under the Chairmanship of the Secretary, MoP, to approve operational guidelines, define the scope of work, sanction DPRs/projects, monitor and review scheme implementation, grant extensions for project execution, and approve additional grants to States. The Rural Electrification Corporation Limited (REC) was designated as the Nodal Agency for the operationalisation and implementation of the DDUGJY under the overall guidance of the MoP. REC was responsible for receiving funds from the MoP and further releasing them to the Utility.

In Uttar Pradesh, the scheme was implemented in four of the five State Electricity Distribution Companies² (DISCOMs) under the Uttar Pradesh Power Corporation Limited (UPPCL), excluding Kanpur Electricity Supply Company³

¹ Consisting of Secretary, MoP (Chairman); Special Secretary/ Additional Secretary, MoP; Chairperson, Central Electricity Authority; Principal Advisor (Energy), Planning Commission/Successor organisation; Joint Secretary, Ministry of Finance (Department of Expenditure); Joint Secretary, Ministry of Rural Development; Joint Secretary, Ministry of Agriculture; Joint Secretary, Ministry of New and Renewable Energy; Joint Secretary and Financial Advisor, MoP; Joint Secretary (Rural Electrification), MoP; and Chairman and Managing Director, REC.

² Madhyanchal Vidyut Vitran Nigam Limited (MVVNL), Purvanchal Vidyut Vitran Nigam Limited (PuVVNL), Pashchimanchal Vidyut Vitran Nigam Limited (PVVNL), Dakshinanchal Vidyut Vitran Nigam Limited (DVVNL), and Kanpur Electricity Supply Company (KESCO).

³ As it covers urban area.

(KESCO). A tripartite agreement was signed in July 2016 among the REC, the Government of Uttar Pradesh (GoUP), and the DISCOMs for the implementation of the DDUGJY. As per the scheme guidelines, projects were to be executed on a turnkey basis, with the option to use a partial turnkey or departmental basis in exceptional circumstances, subject to the approval of the Monitoring Committee.

Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA)

1.2 Recognising the critical role of electricity in human and socio-economic development, the Government of India (GoI), through the Ministry of Power (MoP), formulated the Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA) in October 2017. The scheme aimed to achieve universal household electrification by providing last-mile connectivity and electricity connections to all households in rural and urban areas, supported by financial assistance to DISCOMs.

The scope of the SAUBHAGYA scheme includes:

- (i) providing last-mile connectivity and electricity connections to all un-electrified households in rural areas;
- (ii) installing solar photovoltaic (SPV)-based standalone systems for un-electrified households in remote and inaccessible villages or habitations where grid extension is not feasible or cost-effective; and
- (iii) ensuring last-mile connectivity and electricity connections to all remaining economically poor⁴ un-electrified households in urban areas. Non-poor urban households were excluded from this scheme.

In Uttar Pradesh, the scheme was implemented in four of the five DISCOMs, excluding KESCO.

Funding pattern for the schemes

1.3 The funding mechanisms for the DDUGJY and SAUBHAGYA schemes are outlined in **Table 1.1**.

⁴ Economically poor households were ranked in three stages. In the first stage, households meeting 14 exclusion criteria, such as motorised 2/3/4 wheeler/fishing boat, mechanized 3-4 wheeler agricultural equipment, kisan credit card with credit limit of over ₹ 50000, households member government employee, households with non-agricultural enterprises registered with government, any member of households earning more than ₹ 10,000 per month, paying income/professional tax, three or more rooms with pucca walls and roof, owns a refrigerator/landline phone, own more than 2.5 acre irrigated land with one irrigation equipment, 5 acres or more of irrigated land for two or more crop seasons and owing at least 7.5 acres of land or more with at least one irrigation equipment, were automatically excluded and were not to be considered for free electricity connections under the scheme. In Stage-II, households satisfying five inclusion criteria, such as households without shelter, destitute living on alms, manual scavenger families, primitive tribal groups and legally released bonded labour, were eligible for free electricity connections under the scheme. In Stage-III, the remaining households were identified through a seven item binary scoring criteria, using deprivation indicators. The deprivation indicators were households with only one room, kuccha wall and kuccha roof, no adult member between the age of 16 and 59, female headed households with no adult male member between the age of 16 and 59, households with disabled member and no able bodied adult member, SC/ST household, households with no literate adult above 25 years and landless households deriving a major part of their income from manual casual labour.

Table 1.1: Funding mechanisms of the DDUGJY and SAUBHAGYA schemes

Agency	Nature of support	Quantum of support in case of other than special category States (Percentage of project cost)
Government of India	Grant	60 per cent
Utility/State Contribution*	Own Fund	10 per cent
Loan (FIs/ Banks)	Loan	30 per cent
Additional Grant from GoI on achievement of prescribed milestones	Grant	50 per cent of total loan component (30 per cent) i.e., 15 per cent
Maximum Grant by GoI (including additional grant on achievement of prescribed milestones)	Grant	75 per cent

Source: Schemes' guidelines

*[*A minimum contribution of 10 per cent by the utility was required. However, the DISCOMs' contribution could go up to 40 per cent, if they opted not to avail loan. In such cases, the maximum additional grant would still be 15 per cent on achievement of prescribed milestones. The loan component was to be provided either by the REC or by other financial institutions/banks.]*

Under the DDUGJY and SAUBHAGYA schemes, the MoP sanctioned ₹ 19,424.21 crore⁵ for projects implemented during 2014-15 to 2021-22.

Role of various stakeholders

1.4 The roles and responsibilities of various stakeholders under the DDUGJY scheme are outlined below:

Monitoring Committee:

A Monitoring Committee was constituted by the MoP, which was empowered to:

- approve operational guidelines, including the scope of work, and make necessary policy decisions for operationalising various components of the scheme and amendments thereof within the framework approved by the Cabinet Committee on Economic Affairs (CCEA);
- sanction DPRs/projects, and monitor and review the implementation of the scheme;
- grant extensions for project execution in exceptional cases where delays were due to circumstances beyond control, based on merit, on a case-to-case basis, provided there was no cost overrun;
- approve additional grants to States upon achieving specified outcomes; and
- exercise powers vested in the Monitoring Committee constituted under OM No. 44/10/2011-RE (Vol-III) dated 12 September 2013, regarding issues related to the implementation of the erstwhile RGGVY scheme.

Rural Electrification Corporation (REC):

REC was designated as the Nodal Agency for the operationalisation and implementation of the scheme under the overall guidance of the MoP. The Nodal

⁵ Projects under DDUGJY: ₹ 6,946.40 crore (final approval on 03 January 2017, initially approved for ₹ 6,632.99 crore on 18 September 2015); and projects under SAUBHAGYA ₹ 12,477.81 crore (₹ 6,188.24 crore on 27 July 2018 and ₹ 6,289.57 crore on 23 October 2018).

Agency was entitled to a fee of 0.5 *per cent* of the project cost approved by the Monitoring Committee or the award cost, whichever was lower.

The role of the Nodal Agency was to:

- notify the guidelines and formats required for implementation of the project from time to time;
- appraise DPRs before submission to the Monitoring Committee;
- manage all tasks related to convening Monitoring Committee meetings for approvals;
- administer the grant component of the scheme;
- develop a dedicated web portal for submission of DPRs and maintain the MIS of the projects;
- monitor the physical and financial progress of the projects, including the quality of works; and
- deploy third party services or manpower for concurrent evaluation of project implementation.

Government of Uttar Pradesh (GoUP):

The GoUP was responsible for the following functions:

- extending the role of the existing State Level Standing Committee (SLSC) for RGGVY projects to empower the committee to recommend projects under DDUGJY;
- making upfront payments of revenue subsidies to the Utility;
- providing support on policy issues related to power distribution in the State;
- providing land for sub-stations and facilitating procurement of other statutory clearances;
- ensuring the implementation of the National Optical Fiber Network (NOFN) component;
- arranging for the Utility's contribution in case the Utility fails to arrange it; and
- furnishing guarantees for the loan component under the scheme in case the Utility is not able to provide any other mode of security.

State Level Standing Committee (SLSC):

The existing SLSC constituted for RGGVY projects, chaired by the Chief Secretary, was responsible for recommending projects before their submission to the Nodal Agency. The roles and responsibilities of the SLSC included:

- recommending DPRs (including those for the NOFN component) for approval of the Monitoring Committee after reviewing the physical works covered under the project, and ensuring adequacy of upstream network commensurate with the proposed distribution network and availability of adequate power supply to cater to the load demand of the project area;
- ensuring that there was no duplication or overlap of works with any other GoI scheme such as RGGVY; and

- monitoring progress and quality control, and resolving issues related to implementation of sanctioned projects such as allocation of land for sub-stations, right of way, forest clearance, railway clearance, safety clearance, etc.

Utilities (DISCOMs):

The Utilities were responsible for the following functions:

- preparing the Need Assessment Document/DPRs and submitting the DPRs online to the Nodal Agency, duly recommended by the SLSC;
- implementing the scheme within the scheduled completion period as per the guidelines;
- appointing the Project Management Agencies (PMAs);
- establishing a dedicated project implementation cell at district level and a centralized cell at head office level;
- submitting updated progress of the projects to the Nodal Agency, including periodic updation on the web portal;
- ensuring the availability of power to achieve the target of 24x7 power supply for rural non-agricultural consumers progressively, and ensuring adequate power supply for agricultural consumers; and
- providing any other related information to the Nodal Agency, as and when required.

Under the SAUBHAGYA scheme, the roles and responsibilities of various stakeholders were not specifically mentioned in the scheme guidelines.

Organisational setup of DISCOMs

1.5 UPPCL and DISCOMs function under the Energy Department of GoUP, which is headed by an Additional Chief Secretary/Principal Secretary. UPPCL is the holding company of the DISCOMs. The Management of the DISCOMs is vested in a Board of Directors, which includes the Managing Director and four Directors viz., Director (Commercial), Director (Technical), Director (Finance), and Director (Personnel), all appointed by the GoUP.

For the implementation of both schemes, Superintending Engineer heading the Circle offices at each district, was designated as Chief Executing Officer (CEO) and was responsible for supervision of the schemes.

Audit objectives

1.6 The Performance Audit was undertaken to ascertain whether:

- (i) Electrification of complete villages was carried out as per DDUGJY, i.e.,**
 - a) separation of agriculture and non-agriculture feeders' facility was achieved; and
 - b) strengthening and augmentation of sub-transmission and distribution system in rural areas including metering of DTs/feeders/consumers was achieved.
- (ii) Electrification of households was achieved as per SAUBHAGYA, i.e.,**
 - a) provision of last mile connectivity and electricity connections, including free connections, to all remaining economically poor un-electrified households was achieved; and

- b) SPV based standalone systems for un-electrified households located in remote and inaccessible villages/ habitations, where grid extension was not feasible or cost effective, were installed.

(iii) Households connected to power were able to use it and derive the benefits of the schemes.

Audit criteria

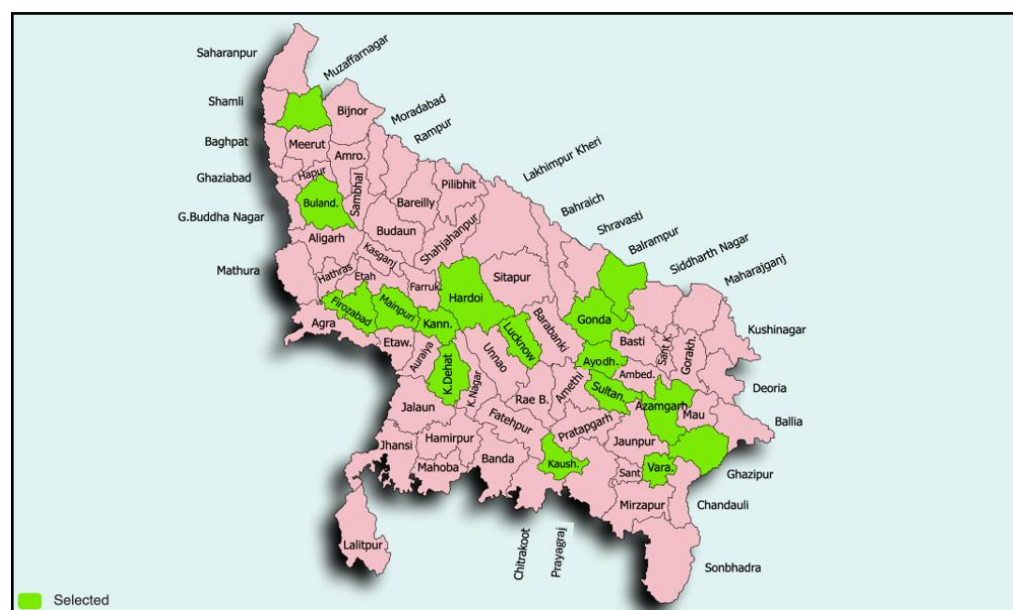
1.7 The audit criteria adopted for examination were drawn from the following sources:

- Scheme(s)' guidelines issued by the MoP.
- Instructions/circulars/orders issued by the MoP, GoUP, SLSC, REC and UPPCL/DISCOMs.
- Electricity Act, 2003; Electricity Supply Code, 2005; General Financial Rules; and CVC guidelines.
- Tripartite agreement among the REC, GoUP, and DISCOMs, and contract agreements executed with contractors.
- Minutes of the Monitoring Committee, SLSC meetings, and BoD meetings of DISCOMs.

Audit scope, sampling and methodology

1.8 The Performance Audit was conducted from August 2022 to March 2023 to assess the achievement of the intended objectives of DDUGJY and SAUBHAGYA. The audit covered the period from 2014-15 to 2022-23 (up to December 2022) and records at the GoUP level, UPPCL, headquarters of all the four DISCOMs, 21 Circle Offices, and 66 Distribution Divisions were examined. A total of 16 districts⁶ (**Appendix-1.1**) were selected based on Simple Random Sampling without Replacement to assess the achievements. The selected 16 districts are depicted in **Chart 1.1**.

Chart 1.1: Details of sample districts



⁶ Sultanpur, Gonda, Ayodhya, Hardoi, Lucknow, Balrampur, Ghazipur, Azamgarh, Varanasi, Kaushambi, Bulandshahr, Muzaffarnagar, Firozabad, Mainpuri, Kanpur Dehat and Kannauj.

Further, this report does not cover the observations of the subsumed portion of the 12th Plan RGGVY into DDUGJY, as it was already covered in the CAG's Audit Report (Report No. 2 of 2018 - Public Sector Undertakings, GoUP).

The results of a beneficiaries' survey conducted (August 2021 to October 2021) in 224 villages⁷ during the All India PA have also been incorporated into this report. Additionally, a follow-up survey was conducted in January-February 2023 in four villages already included in the 224 villages, to assess the implementation of the schemes and the achievement of intended benefits for the beneficiaries.

An Entry Conference was held on 1 December 2022 with the Energy Department and the Management of UPPCL and DISCOMs, during which the audit objectives, scope, criteria, *etc.*, were discussed. The audit findings were discussed with the Government and Management in an Exit Conference held on 9 January 2024. The replies of the Government (received in December 2023) and Management (received in February 2024) have been suitably incorporated in the report.

Acknowledgement

1.9 Audit acknowledges the cooperation and assistance extended by the Energy Department of GoUP, and the Management of UPPCL and DISCOMs for facilitating the conduct of the Performance Audit.

⁷ Audit had selected 232 villages for conducting beneficiary survey. The survey could not be conducted in eight villages as four villages were not traceable and in the remaining four villages, either the villages were not energised, or no population was found in the village, or the village was merged with Nagar Palika area, or electrified beneficiaries were not found. Thus, the sample for beneficiaries' survey was 224 villages.

CHAPTER–II

Planning and Financial Management

CHAPTER-II

Planning and Financial Management

This chapter discusses the deficiencies observed in the planning and financial management of the DDUGJY and SAUBHAGYA schemes. Key issues highlighted include the exclusion of off-grid connections in the SAUBHAGYA scheme, despite guidelines specifying their inclusion. Furthermore, the chapter discusses shortcomings in financial management, such as the deficiency to meet prescribed milestones, resulting in inability to avail additional grants, incorrect claims of GST and state taxes, and avoidable interest obligations due to excess loan claims.

Planning for implementation of the schemes

2.1 To ensure speedy and smooth implementation of projects as well as completion of projects within stipulated time, the utilities needed to formulate an effective implementation plan.

The deficiencies noticed in planning activities in both the schemes are discussed below:

Off-grid connections not included in DPRs

2.1.1 As per guidelines of the SAUBHAGYA scheme, all eligible entities were required to formulate DPRs for the electrification of remaining un-electrified households in two parts, separately for rural and urban areas. Further, the district-wise DPRs were to include number of rural households to be covered under the scheme through grid connections and Solar Photovoltaic (SPV)-based standalone systems.

Audit observed that the DPRs prepared under the '24x7 Power for All' program (a joint initiative of the Central and State governments) were revised and submitted (April 2018) by UPPCL to the SLSC for approval as DPRs for the SAUBHAGYA scheme.

Audit further noticed that, in violation of the guidelines of the SAUBHAGYA scheme, the DISCOMs did not include provisions for providing connections through SPV-based standalone systems in the DPRs submitted to the REC. In response to this omission, REC independently allocated one lakh SPV systems to the DISCOMs' scope of work while approving the DPRs. This oversight highlights a systemic deficiency in the scheme compliance and planning procedures of the DISCOMs.

In its reply, the Government stated (December 2023) that due to time constraints and a lack of manpower, the actual identification of such households could not be completed before submission of the initial DPRs. During the Exit Conference (January 2024), the Management stated that SPV connections have less importance for the State and hence, were not included in the DPRs.

The reply is not acceptable, as the DISCOMs could not comply with the provisions of the scheme guidelines.

Financial Management

2.2 The DISCOM-wise and scheme-wise expenditure¹ *vis-à-vis* the cost sanctioned by the MoP are given in **Table 2.1**.

Table 2.1: Sanctioned cost and expenditure under the schemes

DISCOM	Sanctioned Cost		Expenditure incurred ²		Expenditure incurred (in per cent)	
	DDUGJY	SAUBHAGYA	DDUGJY	SAUBHAGYA	DDUGJY	SAUBHAGYA
MVVNL	1,237.38	4,238.10	1,263.01	2,739.35	102.07	64.64
PuVVNL	1,569.07	4,618.41	1,505.62	3,382.37	95.96	73.24
PVVNL	2,160.05	844.94	2,007.11	703.76	92.92	83.29
DVVNL	1,979.90	2,776.34	1,893.02	1,589.19	95.61	57.24
Total	6,946.40	12,477.79	6,668.76	8,414.66	96.00	67.44

From **Table 2.1**, it is evident that at the time of the closure of the DDUGJY and SAUBHAGYA schemes, the DISCOMs had incurred only 96 *per cent* and 67.44 *per cent* of sanctioned costs, respectively.

The deficiencies in financial management under both schemes are discussed in the succeeding paragraphs.

Inability to avail additional grant due to non-achieving prescribed milestones

2.2.1 Both the DDUGJY and SAUBHAGYA schemes provided for the conversion of loans into additional grants subject to the achievement of prescribed milestones. The following audit findings highlight instances where the DISCOMs were rendered ineligible for such conversion due to their inability to meet the stipulated milestones and targets under these schemes.

(A) As per the guidelines of the DDUGJY scheme, an additional grant (50 *per cent* of the loan component, *i.e.*, 15 *per cent* of the project cost) was to be released subject to achievement of all the milestones, *viz.*, (i) completion of the scheme within the approved time schedule (24 months from the date of Letter of Award for turnkey projects and 30 months from the date of communication of approval of the project by the Monitoring Committee for partial turnkey³/departmental projects); (ii) reduction in aggregate technical and commercial (AT&C) losses as per the trajectory finalised by the MoP; (iii) upfront release of admissible revenue subsidy by the State Government based on metered consumption.

The evaluation of criteria (ii) and (iii) was to be conducted over three consecutive years starting from the year of project award. The additional grant was to be divided into three equal annual tranches corresponding to each year of evaluation.

Audit observed that none of the DISCOMs had completed the partial turnkey projects⁴ within the stipulated period of 30 months from the date of approval of the projects by the Monitoring Committee (September 2015). The projects were ultimately completed with delays ranging between 29 and 49 months. Additionally, the DISCOMs could not achieve the targeted reduction of AT&C

¹ Expenditure incurred represents the closure cost submitted by DISCOMs to the REC up to closure of the schemes (March 2022 for DDUGJY and March 2021 for SAUBHAGYA).

² Closure cost submitted by DISCOMs are inclusive of State taxes and PMA charges.

³ Partial turnkey contract means a contract 'where some materials are issued free of cost to the contractor for execution of the project'.

⁴ All the DISCOMs executed the works of the DDUGJY scheme on partial turnkey basis.

losses during 2018-19 to 2021-22 and did not claim the upfront revenue subsidy from the State Government based on metered consumption.

This resulted in the DISCOMs not being able to obtain the benefit of conversion of loans of ₹ 1,816.94 crore into grants of ₹ 908.47 crore (50 *per cent* of ₹ 1,816.94 crore).

In its reply, the Government stated (December 2023) that the projects could not be completed within the targeted time schedule due to procurement of major items by DISCOMs separately, engagement of various agencies for supply and erection, time taken for co-ordination with agencies, right of way issues, delays in obtaining Railway/ Forest/ NHAI clearances, and additional time required for certain civil works under the DDUGJY scheme. During the Exit Conference (January 2024), the Government agreed that the prescribed milestones were not achieved.

The reasons cited by the Government, such as delays in procurement, coordination issues, and obtaining statutory clearances, were predictable project risks that could have been mitigated by adequate planning, streamlined procurement, and proactive coordination with the concerned agencies.

(B) As per the guidelines of the SAUBHAGYA scheme, an additional grant (50 *per cent* of loan component, *i.e.*, 15 *per cent* of the project cost) was to be released subject to achievement of 100 *per cent* electrification of all willing households by 31 December 2018.

Audit noticed that while the DISCOMs had released 33.23 lakh connections⁵ to households up to 31 December 2018, they submitted claims to the MOP/REC for 64.67 lakh connections⁶ and declared saturations up to December 2018, claiming that connections had been released to all willing households. However, a further 28.42 lakh connections were released by the DISCOMs between the declaration of saturation and before the closure of the scheme (January 2019 to December 2020/March 2021). Thus, the DISCOMs had not released connections to all willing households within the targeted time (December 2018) but had submitted incorrect claims regarding release of connections to willing households and achieving saturation.

This resulted in the DISCOMs not being able to obtain the benefit of conversion of loans of ₹ 2,188.28 crore into grants of ₹ 1,094.14 crore (50 *per cent* of ₹ 2,188.28 crore).

In its reply, the Government stated (December 2023) that the contracts were awarded in May 2018. Survey work was carried out by the TKCs after award of work, vendors were ordered to supply the material after survey work, and thereafter material was installed at site. Besides, there were right of way issues at the site. As a result, the work could not be completed within such a short time of seven months. During the Exit Conference (January 2024), the Government agreed that the prescribed milestones were not achieved.

The justification that seven months was too short for completing the work is not acceptable, as the scheme guidelines and timelines were known from the outset, and it was the responsibility of the DISCOMs to ensure the timely award and initiation of work.

⁵ MVVNL: 9,66,967; PuVVNL: 10,70,584; PVVNL: 6,01,698; and DVVNL: 6,83,774.

⁶ MVVNL: 19,05,595; PuVVNL: 25,03,874; PVVNL: 7,39,206; and DVVNL: 13,18,213.

Incorrect/ inadequate claims of GST /state taxes

2.2.2 As per the tripartite agreement executed (July 2016) among the GoUP, REC, and DISCOMs under the DDUGJY scheme, State taxes were to be borne by the State/DISCOMs. Further, the Monitoring Committee decided (November 2020) that under the SAUBHAGYA scheme, State taxes would be borne by the respective State Government, as was the case in the DDUGJY scheme.

Instances of incorrect or inadequate claims relating to GST and State taxes by the DISCOMs are discussed in the succeeding paragraphs.

(i) Excess GST reimbursement on departmentally supplied materials

During the execution of the SAUBHAGYA scheme through turnkey contracts, DISCOMs also supplied materials such as meters, cables, and PCC poles departmentally.

Audit noticed that PVVNL supplied materials valuing ₹ 23.78 crore departmentally, based on the Stock Issue Rates (SIR) of 2018-19 of UPPCL *plus* Goods and Services Tax (GST). However, the SIR issued by UPPCL were already inclusive of GST. This led to an inflation of the project closure cost by ₹ 3.63 crore on account of the excess GST (**Appendix-2.1**). Consequently, PVVNL claimed and received excess reimbursement of ₹ 1.09 crore (₹ 1.82 crore x 60 *per cent*) towards CGST portion from REC and ₹ 1.81 crore towards SGST from the GoUP.

In its reply, the Management stated (January 2024) that the SIR was exclusive of GST, as the UPPCL letter did not specify that the rates included taxes.

The reply is not acceptable, as the SIR issued by UPPCL was inclusive of GST, as is evident from the working details of the finalisation of SIR by UPPCL.

(ii) VAT/Labour Cess not claimed from the State Government

Under the DDUGJY scheme, REC informed PVVNL in the closure documents about State taxes (SGST/VAT/WCT/Entry Tax/Labour Cess/any other tax) amounting to ₹ 133.51 crore. Out of this, PVVNL claimed only SGST of ₹ 107.95 crore from the GoUP up to April 2022, which was pointed out by audit in October 2022.

After being pointed out by Audit, PVVNL claimed the differential amount of ₹ 25.56 crore, pertaining to VAT, Labour Cess, *etc.*, from the GoUP up to February 2023, and received ₹ 21.35 crore up to January 2024. The remaining ₹ 4.21 crore was yet to be released. Thus, due to not claiming State taxes timely, PVVNL could not secure reimbursement of the total State taxes from the GoUP.

In its reply, the Management stated that effective efforts are being made to obtain the remaining ₹ 4.21 crore from the Government, which was also acknowledged by the Government (December 2023).

Recommendation 1:

The DISCOMs may ensure accurate assessment and timely claims of taxes from the State Government and the REC.

Loss due to avoidable interest obligation on excess loan from REC

2.2.3 As per the guidelines of the SAUBHAGYA scheme, the eligible amount of REC loan was limited to 30 *per cent* of the project cost.

REC approved (September 2021) the closure of the SAUBHAGYA scheme for PuVVNL at a total project cost (excluding PMA charges and State taxes) of ₹ 2,992.29 crore against a closure claim of ₹ 3,001.14 crore submitted (10 August 2021) by PuVVNL.

Audit noticed that PuVVNL was eligible for a loan of ₹ 900.34 crore (30 *per cent* of ₹ 3,001.14 crore) from REC, based on the closure claim. Since, PuVVNL had already availed ₹ 879.49 crore by October 2020, it was eligible for an additional loan of ₹ 20.85 crore (₹ 900.34 crore - ₹ 879.49 crore). However, PuVVNL demanded (16 August 2021) additional loan of ₹ 104.19 crore, against which REC released (August and October 2021) ₹ 84.18 crore. Consequently, PuVVNL had to return (June 2022) the excess loan amount of ₹ 66 crore to REC.

As a result, PuVVNL had to incur avoidable interest obligation of ₹ 3.94 crore⁷ on the excess loan availed from REC.

During the Exit Conference (January 2024), the Government and the Management concurred with the audit observation and stated that the excess loan amount availed by PuVVNL was returned to REC.

Excess payment of interest on REC loan

2.2.4 REC sanctioned (September 2017) financial assistance of ₹ 644.79 crore to PVVNL under the DDUGJY scheme for 14 districts. As per the loan sanction letter, PVVNL was offered an 'A+' grade for the purpose of determining the interest rate due to the implementation of the Financial Re-Structuring Plan (FRP), while PVVNL's actual grade was 'B'.

The interest rate offered in the sanction letter was 9.75 *per cent* per annum (10.50 *per cent* for 'A+' rated DISCOMs *minus* a 0.75 basis point rebate) and 9.60 *per cent* per annum (10.35 *per cent minus* a 0.75 basis point rebate) with an interest reset option for three years and 10 years, respectively. PVVNL opted for the three-year reset interest rate. In March 2018, REC offered PVVNL an additional rebate of 17 basis points if the interest rate exceeded 9.75 *per cent* per annum. However, REC withdrew (March 2019) the benefit of offering the interest rate for the 'A+' category for all future disbursements under existing or fresh schemes.

Audit noticed that REC charged interest at the rate of 10.58 *per cent* instead of the effective rate of 9.83 *per cent*⁸ on loan instalments amounting to ₹ 322.40 crore disbursed between 19 September 2018 and 28 December 2018. PVVNL, without verifying the applicable interest rate, made payments as demanded by REC. This resulted in the payment of excess interest amounting to ₹ 7.19 crore (**Appendix-2.2**).

During the Exit Conference (January 2024), the Government acknowledged the issue. UPPCL directed PVVNL to communicate with REC regarding the refund or adjustment of the excess interest payment for the period highlighted by the audit.

⁷ Difference of interest rate on REC loan and time deposit rate for applicable period.

⁸ RoI for A+ category at the rate of 10.75 *per cent minus* (standard rebate at the rate of 0.75 basis point *plus* additional rebate at the rate of 17 basis point).

Recommendation 2:

The DISCOMs may thoroughly assess their actual loan requirements and strictly adhere to the agreed terms with the funding agency to prevent excess interest payments.

Conclusion

There were significant deficiencies in the planning and financial management of the DDUGJY and SAUBHAGYA schemes. Off-grid connections were not incorporated in the SAUBHAGYA scheme's DPRs. In terms of financial management, the DISCOMs could not achieve key milestones, rendering them ineligible for the conversion of loans into grants amounting to ₹ 2,002.61 crore in the DDUGJY and SAUBHAGYA schemes. Additionally, incorrect and inadequate claims for GST and State taxes led to financial discrepancies, including excess GST reimbursement of ₹ 2.90 crore and outstanding reimbursements of ₹ 4.21 crore. Furthermore, excess interest of ₹ 7.19 crore was also paid on REC loans due to not verifying the applicable interest rates.

CHAPTER–III

Implementation of projects under the schemes

CHAPTER-III

Implementation of projects under the schemes

This chapter discusses the deficiencies observed in the implementation of the DDUGJY and SAUBHAGYA schemes by the DISCOMs. The audit examination revealed significant variations between sanctioned and executed quantities, with some components showing overachievement up to 244.79 *per cent* while others exhibited shortfalls up to 84.14 *per cent* across both schemes. Major deficiencies included avoidable expenditure of ₹ 402.44 crore on cement concrete grouting not required as per the scope of work, and creation of infrastructure worth ₹ 140.34 crore in 2,919 habitations without releasing any service connections. The objective of separating agriculture and non-agriculture feeders remained largely unachieved, as only 28.78 *per cent* of agriculture consumers were connected to agriculture feeders. Many instances of duplicate claims and excess payments to contractors were noticed, along with violation of scheme guidelines through installation of static energy meters instead of mandated smart meters.

Scope of work under the schemes

3.1 The scope of the Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY) included: (i) separation of agriculture and non-agriculture feeders to enable judicious rostering of supply to agricultural and non-agricultural consumers in rural areas; and (ii) strengthening and augmentation of sub-transmission and distribution infrastructure in rural areas, including metering at distribution transformers, feeders, and consumer ends.

Further, the scope of the Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA) included: (i) providing last-mile connectivity and electricity connections to all unelectrified households in rural areas; (ii) providing standalone solar photovoltaic (SPV) based systems for unelectrified households in remote or inaccessible villages and habitations where grid extension was not feasible or cost-ineffective; and (iii) providing last-mile connectivity and electricity connections to all remaining economically poor unelectrified households in urban areas.

Status of execution under the schemes

3.1.1 The details of actual quantities executed *vis-a-vis* the sanctioned quantities under the DDUGJY scheme, during 2015-16 to 2021-22, are given in **Table 3.1**.

Table 3.1: Execution under the DDUGJY scheme

Particulars	Sanctioned Quantity	Executed Quantity	Excess/ Shortfall (-)	Achievement (in <i>per cent</i>)
Feeder Segregation				
Feeder Separation (Nos.)	1,803	1,885	82	104.55
Distribution Transformers (25 kVA, 63 kVA and 100 kVA) (Nos.)	47,887	24,117	-23,770	50.36
11 kV Lines [Circuit kilometer (Ckm)]	31,484.09	36,315.97	4,831.88	115.35
LT Lines (Ckm)	764	1,773.02	1,009.02	232.07
System Strengthening				
New 33/11 kV Substations (1x5 MVA and 2x5 MVA) (Nos.)	237	269	32	113.50
Augmentation of Power Substations (Nos.)	609	874	265	143.51

Particulars	Sanctioned Quantity	Executed Quantity	Excess/ Shortfall (-)	Achievement (in per cent)
Distribution Transformers (25 KVA, 63 kVA and 100 KVA) (Nos.)	22,340	17,761	-4,579	79.50
11 kV Lines (Ckm)	12,505.15	7,567.97	-4,937.18	60.52
LT Lines (Ckm)	6,383	9,027.03	2,644.03	141.42
33 kV Lines (Ckm)	6,291.87	4,307.33	-1,984.54	68.46
Service connections (BPL households)	57,039	75,216	18,177	131.87
Metering				
Feeder Metering (Nos.)	3,228	1,844	-1,384	57.13
DT Metering (Nos.)	45,742	84,302	38,560	184.30
Consumer Metering (Nos.)	8,55,840	20,95,042	12,39,202	244.79

Source: Closure Report of the schemes and records provided by DISCOMs

It can be seen from **Table 3.1** that there were significant variations in executed quantities compared to sanctioned quantities across various components executed under the DDUGJY scheme, indicating both overachievement and underachievement in implementation. Excess quantities were observed in components like LT lines (232.07 per cent under feeder segregation and 141.42 per cent under system strengthening), augmentation of power substations (143.51 per cent), service connections to BPL households (131.87 per cent), DT metering (184.30 per cent), and consumer metering (244.79 per cent). Besides, shortfalls were observed in distribution transformers (50.36 per cent under feeder segregation and 79.50 per cent under system strengthening), 11 kV lines (60.52 per cent under system strengthening), 33 kV lines (68.46 per cent), and feeder metering (57.13 per cent).

The main reasons for variations in executed quantities compared to sanctioned quantities were the inclusion of habitations and works from other schemes, variations arising from site surveys and actual site conditions, and the addition of extra works.

In its reply, the Government stated (December 2023) that the variations were attributed to geographical conditions, site-specific requirements, and the construction of additional infrastructure. Furthermore, the approved scope of work was revised within the total approved cost due to the time lag between the DPR approval and execution.

Audit is of the view that the significant variations, both excess and shortfall, highlight weaknesses in the planning and approval processes. These discrepancies underscore the necessity for better project planning, including more rigorous surveys and a more accurate estimation of quantities.

Further, the details of actual quantities executed *vis-a-vis* the sanctioned quantities under the SAUBHAGYA scheme, implemented during 2017-18 to 2020-21, are detailed in **Table 3.2**.

Table 3.2: Achievements under the SAUBHAGYA scheme

Particular	Sanctioned Quantity	Executed Quantity	Shortfall (-)	Shortfall (in per cent)
Connections				
On-grid connections (Nos.)	1,22,00,000 ¹	61,64,963	- 60,35,037	49.47
Off-grid connections (Nos.)	1,00,000	53,234	- 46,766	46.77
Additional HT infrastructure				
33/11 kV SSs (Nos.)	1,381	219	- 1162	84.14

¹ GoUP issued (10 November 2017) indent to REC for electrification of 1.70 crore un-electrified households but REC approved only 1.22 crore connections.

Particular	Sanctioned Quantity	Executed Quantity	Shortfall (-)	Shortfall (in per cent)
DT SSs (Nos.)	1,95,735	1,06,455	- 89,280	54.39
11 kV line (Ckm)	88,657.85	20,619.46	- 68,038.39	76.74
Electrification of villages and habitations				
Un-electrified villages (Nos.)	1,874	1,356	- 518	27.63
Un-electrified habitations (Nos.)	18,841	7,016	- 11,825	62.76

Source: Information provided by DISCOMs

It can be seen from **Table 3.2** that there were significant shortfalls in the execution of various components under the SAUBHAGYA scheme. On-grid connections were provided to only 50.53 *per cent* of the targeted households, leaving a shortfall of 49.47 *per cent*. Similarly, off-grid connections saw a shortfall of 46.77 *per cent*. The provision of additional high-tension (HT) infrastructure fell significantly short, with shortfalls ranging from 54.39 *per cent* to 84.14 *per cent* in 33/11 kV substations, distribution transformers, and 11 kV lines. Furthermore, the electrification of 518 villages (27.63 *per cent*) and 11,825 habitations (62.76 *per cent*) was not completed by the closure of the scheme. These figures indicate that a significant portion of the scheme's objectives remained unfulfilled.

Implementation of projects under the DDUGJY scheme

3.2 The deficiencies noticed in the implementation of projects under the DDUGJY scheme are discussed in the succeeding paragraphs.

Avoidable expenditure due to execution of unnecessary items

3.2.1 Section VII (Scope of Work) of the bid document for the DDUGJY scheme specifies that the Prestressed Cement Concrete (PCC) pole pit should be refilled with boulders of average size of 200 mm mixed with excavated earth in rural areas. It further states that cement concrete grouting should be applied to double poles, triple poles, cut point poles, DT substation poles, and poles erected in waterlogged areas, similar to H-Beam and Tubular poles.

Audit observed that, contrary to the provisions of the scope of work, the DISCOMs included the work of cement concrete grouting for all PCC poles in the BoQ. This led to the execution of cement concrete grouting for 12,75,377 single PCC poles² instead of refilling with boulders, resulting in an avoidable expenditure of ₹ 125.35 crore³. The DISCOMs claimed this expenditure from REC and received an excess grant of ₹ 75.21 crore (60 *per cent* of ₹ 125.35 crore).

In its reply, the Government stated (December 2023) that the standard bidding document shared by REC is a standard format for project execution, and States are allowed to adopt changes as per their practices. Rural Electrification and Secondary System Planning Organisation (RESSPO), UPPCL schedules also provide a separate provision for concreting supports. The DISCOMs specified the concreting of poles in the DPRs, which was sanctioned by the Nodal Agency. The BoQ was derived based on the approved DPRs.

The reply is not acceptable, as the Scope of Work in the bid document explicitly stipulated that cement concrete grouting was not to be applied to single PCC

² MVVNL: 1,96,695, PuVVNL: 2,28,530, PVVNL: 4,45,228 and DVVNL: 4,04,924.

³ MVVNL: ₹ 16.45 crore, PuVVNL: ₹ 26.08 crore, PVVNL: ₹ 50.75 crore, and DVVNL: ₹ 32.07 crore, after deducting the cost of normal pit filling of PCC pole at the rate of ₹ 170 per pole.

poles. Consequently, the provision of cement concrete grouting for single PCC poles in the BoQ was inconsistent with the Scope of Work. Moreover, internal notes within MVVNL acknowledged that cement concrete grouting was not necessary for single PCC poles and that pole pits could be refilled with 200 mm boulders, in line with the prescribed norms. Further, the reply regarding concreting of poles being specified in the DPRs is also not acceptable, as the DPRs did not specify the work of cement concrete grouting and contained only the composite rates for electric lines.

Excess payment to firms engaged for DPR preparation

3.2.2 As per the guidelines of the DDUGJY scheme, utilities were required to formulate district/circle/zone-wise bankable DPRs based on detailed field surveys and the latest approved schedule of rates for various items of work.

DVVNL and MVVNL awarded (January 2015) the work of DPR preparation (including survey) to agencies/firms. DPR preparation charges ranged from 0.18 per cent to 0.5 per cent of the DPR value for DVVNL and the lower of 0.5 per cent of the DPR value or a fixed fee of ₹ 17.5 crore for MVVNL. As per the terms of the award, the DPR value for determining these charges was to be based on the approved cost of total work (supply and erection) without any loading.

Audit observed that:

- MVVNL paid DPR preparation charges at 0.5 per cent of the approved DPR cost without excluding establishment charges (31 per cent) and Tools & Plant charges (1.5 per cent) already included in the DPR cost.
- DVVNL paid DPR preparation charges at rates ranging from 0.18 per cent to 0.5 per cent of the initial approved DPR cost, instead of the final approved DPR cost, and also did not exclude establishment charges (31.5 per cent) and Tools & Plant charges (1.5 per cent).

This resulted in excess payments of ₹ 3.33 crore⁴ by MVVNL and DVVNL to the agencies/firms engaged for DPR preparation.

During the Exit Conference (January 2024), the Management accepted the observation and stated that recovery orders would be issued after verification of the facts. The Government acknowledged the Management's reply.

Objective of separating agriculture and non-agriculture feeders not achieved

3.2.3 One of the objectives of the DDUGJY scheme was the separation of agriculture and non-agriculture feeders to enable judicious rostering of power supply to agricultural and non-agricultural consumers in rural areas.

The Monitoring Committee approved (December 2015) feeder separation works in 11⁵ of the 16 sample districts. The feeder separation works in these 11 districts were completed at a cost of ₹ 887.36 crore⁶. Audit analysed the status of consumers connected to agriculture feeders in seven sample districts of three DISCOMs⁷ as of December 2022 and observed that:

⁴ MVVNL: ₹ 1.72 crore and DVVNL: ₹ 1.61 crore.

⁵ Feeder separation works were not proposed in Balrampur, Gonda, Sultanpur, Ayodhya and Hardoi districts under MVVNL.

⁶ MVVNL - ₹ 45.04 crore; PuVVNL - ₹ 381.59 crore; PVVNL - ₹ 171.86 crore; and DVVNL - ₹ 288.87 crore.

⁷ Audit could not analyse the status of consumers connected to agriculture feeders in four sample districts of DVVNL due to change in Feeder Code Nos.

- A total of 37,096 (28.78 *per cent*) of 1,28,893 agricultural consumers were connected to agriculture feeders, and the remaining 71.22 *per cent* of agricultural consumers were yet to be shifted to agriculture feeders.
- 38,142 non-agricultural consumers were connected to agriculture feeders.

Thus, the intended benefits of separating agriculture and non-agriculture feeders were yet to be realised.

During the Exit Conference (January 2024), the Management accepted the observation, terming it as a factual statement, and stated that feeder separation work was still in progress. The Government acknowledged the Management's reply.

Double payment for installation of meters at consumers' premises

3.2.4 As per the guidelines of the DDUGJY scheme, metering was to be carried out at distribution transformers, feeders, and consumers' premises.

Audit observed that, against 67.65 lakh unmetered connections as of March 2015, DISCOMs installed 20.95 lakh meters⁸ by the end of the scheme period (March 2022).

An analysis of the unmetered-to-metered consumers lists provided by the DISCOMs revealed that in the sample districts⁹ of PuVVNL and PVVNL 3,449 connections¹⁰ with the same account numbers were recorded as metered twice. The DISCOMs made payments to the TKCs based on these lists without verifying the authenticity of the claimed connections. This resulted in double payment amounting to ₹ 36.17 lakh¹¹ by the two DISCOMs to the TKCs.

During the Exit Conference (January 2024), the Management accepted the observation, and the Government acknowledged it. In February 2024, the Management reported identifying 3,000 and 146 duplicate connections in the sample districts of PuVVNL and PVVNL, respectively. PuVVNL withheld the recovery amount from the TKCs' bills, while PVVNL recovered ₹ 3.62 lakh.

Implementation of projects under the SAUBHAGYA scheme

3.3 The deficiencies noticed in implementation of projects under the SAUBHAGYA scheme are discussed in succeeding paragraphs.

Execution of items not required as per scope of work

3.3.1 In violation of the scope of work, as discussed in **Paragraph 3.2.1**, three DISCOMs (MVVNL, PuVVNL, and PVVNL) included the provision for cement concrete grouting of all PCC poles (including single and other types) in the BoQ. The work was awarded based on this BoQ, and cement concrete grouting was executed in 11,66,371 single PCC poles¹², resulting in an avoidable expenditure of ₹ 277.09 crore¹³.

In its reply, the Government stated (December 2023) that the standard bidding document shared by REC is a standard format for project execution, and States

⁸ MVVNL: 81,945, PuVVNL: 14,66,152, PVVNL: 3,86,128 and DVVNL: 1,60,817.

⁹ Kaushambi, Ghazipur, Azamgarh, Bulandshahr and Muzaffarnagar.

¹⁰ PuVVNL: 3,281 and PVVNL: 168.

¹¹ PuVVNL: ₹ 32.81 lakh and PVVNL: ₹ 3.36 lakh.

¹² MVVNL: 5,294 poles; PuVVNL: 10,27,805 poles; and PVVNL: 1,33,272 poles.

¹³ MVVNL: ₹ 0.72 crore; PuVVNL: ₹ 240.52 crore; and PVVNL: ₹ 35.85 crore, after deducting the cost of normal pit filling of PCC pole at the rate of ₹ 170 per pole.

are allowed to adopt changes based on their practices. RESSPO (UPPCL) schedules also provide for a separate provision for concreting the supports. The DISCOMs specified the concreting of poles in the DPRs, which was sanctioned by the Nodal Agency. The BoQ was derived accordingly from the approved DPRs.

The reply is not acceptable, as the Scope of Work in the bid document explicitly stipulated that cement concrete grouting was not to be applied to single PCC poles. Consequently, the provision of cement concrete grouting for single PCC poles in the BoQ was inconsistent with the Scope of Work. Moreover, internal notes within MVVNL acknowledged that cement concrete grouting was not necessary for single PCC poles and that pole pits could be refilled with 200 mm boulders, in line with the prescribed norms. Further, the reply regarding concreting of poles being specified in the DPRs is also not acceptable, as the DPRs did not specify the work of cement concrete grouting and contained only the composite rates for electric lines.

Excess payment to TKCs on account of electrical safety inspection fee

3.3.2 The terms and conditions of the agreements executed with the TKCs stipulated that the electrical inspection cost was included in the contract price and would be paid by the contractor.

Audit observed that, despite this provision, three DISCOMs¹⁴ reimbursed electrical safety inspection fees amounting to ₹ 9.16 crore¹⁵ to the TKCs. After being pointed out by Audit, two DISCOMs (MVVNL and PVVNL) recovered ₹ 5.79 crore¹⁶, resulting in excess payments of ₹ 3.37 crore¹⁷ to the TKCs.

During the Exit Conference (January 2024), the Management agreed to recover any excess payments related to the inspection fees after an examination. The Government acknowledged the Management's reply. In February 2024, the Management (MVVNL and PVVNL) stated that payments had been made to the TKCs to avoid delays in execution. MVVNL stated that recovery of the remaining ₹ 0.86 crore was under process. Regarding DVVNL, the Management stated that Clause 20B of the bid document provided that after the successful completion of the work, permission from the Directorate of Electrical Safety was required, and the necessary fee, *etc.*, would be paid by the employer.

The reply from DVVNL is not acceptable, as Article 1.1 of the agreement between DVVNL and the TKCs clearly indicated amendments, including those dated 7 February 2018 which provided that the electrical inspection cost was included in the contract price and would be paid by the contractor. Furthermore, the Notification of Award issued by DVVNL also clearly stated that it would be the contractor's responsibility to obtain necessary electrical safety clearances from the Directorate of Electrical Safety and no additional payments would be made to the contractor on this account.

Excess payment to TKCs on account of sag/jumpering

3.3.3 Clause 3.4.2 of Section VII (Scope of Work-Volume-I) of the agreements executed with the TKCs stipulated that no extra consumption for ACSR conductor and Aerial Bunched (AB) cable used in the construction of lines

¹⁴ MVVNL, PVVNL, and DVVNL.

¹⁵ MVVNL: ₹ 5.22 crore, PVVNL: ₹ 1.43 crore and DVVNL: ₹ 2.51 crore.

¹⁶ MVVNL: ₹ 4.36 crore and PVVNL: ₹ 1.43 crore.

¹⁷ MVVNL: ₹ 0.86 crore and DVVNL: ₹ 2.51 crore.

would be permitted on account of sag, jumpering, damage, loss, wastage, *etc.*, over the measured length of lines.

Under the SAUBHAGYA scheme, the DISCOMs executed the construction of 11 kV lines using ACSR conductor and three-phase and single-phase LT lines using AB cable.

Audit noticed that in five sample districts¹⁸, two DISCOMs (PuVVNL and PVVNL) made excess payments totalling ₹ 1.09 crore¹⁹ to the TKCs for the supply of these materials in quantities exceeding the erected length of lines. This suggests that payments were made for sag, jumpering, wastage, *etc.*, by these DISCOMs. The excess payments are further corroborated by the fact that PuVVNL had made deductions for sag, jumpering, wastage, *etc.*, from the bills of the TKCs in four sample districts²⁰ before releasing payments for the construction of LT and 11 kV lines.

During the Exit Conference (January 2024), the Management agreed to recover any excess payments made for sag/jumpering after conducting an examination. The Government acknowledged the Management's reply. In February 2024, the Management stated that PuVVNL had initiated the recovery of excess payments from the remaining liabilities of the TKCs. Regarding PVVNL, the Management claimed that payments on erection were made after deducting three *per cent* for sag, jumpering, wastage, *etc.*, from the supplied quantity, and hence no excess payments were made.

The reply from PVVNL is not acceptable, as the audit observation pertains to excess payments made for the supply of materials, and not the erection portion.

Infructuous expenditure due to execution of work of similar nature

3.3.4 UPPCL decided (December 2017) to deploy skilled manpower on a temporary basis for releasing electricity connections under the SAUBHAGYA scheme. The rationale for this decision was that officers of the DISCOMs were occupied with other tasks such as executing other schemes, maintaining the distribution system, revenue collection, and preventing theft. This could hinder the timely release of electricity connections, potentially leading to the loss of additional subsidy from the GoI. Accordingly, UPPCL finalised (February 2018) the outsourcing of manpower and instructed all DISCOMs to execute agreements with selected firms.

In compliance with these instructions, all DISCOMs entered into agreements (February and March 2018) for supply of manpower with four firms²¹, at a total cost of ₹ 73.47 crore²².

Audit observed that the guidelines of the SAUBHAGYA scheme did not include a provision for deploying such manpower, except for the engagement of Project Management Agencies (PMAs). Moreover, significant overlaps were identified

¹⁸ PuVVNL – Ghazipur, Azamgarh and Varanasi; and PVVNL – Bulandshahr and Muzaffarnagar.

¹⁹ PuVVNL: ₹ 0.95 crore and PVVNL: ₹ 0.14 crore.

²⁰ Azamgarh, Varanasi, Kaushambi and Ghazipur for 11 KV line and Azamgarh and Varanasi for LT line.

²¹ MVVNL: M/s G.A. Digital Web World (P) Ltd, PuVVNL: M/s T&M Services Consulting Pvt. Ltd, PVVNL: M/s Collabera Technologies Pvt. Ltd and DVVNL: M/s BVG India Ltd.

²² MVVNL: ₹ 25.71 crore, PuVVNL: ₹ 22.04 crore, PVVNL: ₹ 11.02 crore and DVVNL: ₹ 14.70 crore.

between the scope of work assigned to PMAs and the responsibilities of the outsourced manpower, as outlined below:

Scope of work assigned to PMAs	Responsibilities of outsourced manpower
Verify, study, modify and suggest freezing of bill of quantity, material, and works to be executed (if any, required).	Facilitate measurement of completed works of construction.
100 <i>per cent</i> supervision and certification of turnkey contractor's work as per technical specifications in the form of Joint Measurement Certificates to be signed jointly by representatives of DISCOMs, PMA, and TKC.	Co-ordinate and supervise construction of distribution system according to approved DPR prepared for villages and its habitations.
Coordination with implementing agency/turnkey contractor and DISCOMs for pre-dispatch inspection of materials at manufacturer works. Monitor the supply chain such that there is no shortage of matching materials at site and materials are procured by the contractor/DISCOMs in tune with the actual work, for smooth and timely completion of work.	Monitor and coordinate advance movement of material from stores to the site where major materials are to be supplied by the DISCOMs.
Close coordination with turnkey contractor and Utility Field Officers/Authorised Officers, Chief Engineer, and Project Department for providing service connections at field.	Coordinate and supervise construction of the distribution system according to approved DPR prepared for villages and its habitations.

It is evident that two agencies were engaged for almost similar tasks. The manpower agreements were later terminated by the DISCOMs between December 2018 and February 2019. MVVNL justified the termination, citing a lack of funds under the consultancy head, since payments were to be made for other items such as PMA charges and communication expenses also under the consultancy head.

The DISCOMs paid ₹ 46.27 crore²³ to the four firms for manpower supply. Therefore, by awarding similar work to the manpower agency, the DISCOMs incurred infructuous expenditure of ₹ 46.27 crore.

In its reply, the Government stated (December 2023) that the roles of the PMAs and mission managers were distinct. While the PMAs were responsible for ensuring the proper implementation and timely completion of work with the highest quality, the mission managers were engaged in motivating rural households to get electricity connections under the scheme by organising camps, ledgerization of e-sanyojan, *etc.* However, when it was realised that the services of these firms were not required, their contracts were terminated. During the Exit Conference (January 2024), the Management stated that UPPCL had engaged manpower agencies for the scheme's works and that the expenditure incurred on these agencies was borne from the PMA head of the scheme.

The reply is not acceptable, as the scope of work of the PMA was to provide complete project management services by handholding the project from the concept to commissioning in the State of Uttar Pradesh under the SAUBHAGYA scheme.

²³ MVVNL: ₹ 16.73 crore, PuVVNL: ₹ 15.44 crore, PVVNL: ₹ 6.85 crore and DVVNL: ₹ 7.25 crore.

Creation of infrastructure without releasing any service connections

3.3.5 As per the scope of work assigned to TKCs, service connections were to be released only after a proper survey of the locations to prevent excessive erection of LT or 11 KV lines.

Audit observed that TKCs created HT/LT infrastructure worth ₹ 140.34 crore²⁴ in 2,919 habitations²⁵ across 13 sample districts²⁶ without releasing any service connections. This indicates that the requirement for conducting proper surveys, as stipulated in the scheme, was not adhered to, leading to the creation of infrastructure in areas where service connections were not requested.

In its reply, the Government stated (December 2023) that infrastructure was created, and households were asked to take connections, but due to their unwillingness, connections could not be provided in certain habitations. It further stated that the infrastructure created at that time was being utilised later. During the Exit Conference (January 2024), the Management added that connections were now being issued in these habitations, and the process was ongoing.

The reply indicates poor planning and lack of due diligence in the survey process, which was a mandatory precondition under the scheme guidelines.

Release of connections to ineligible consumers

3.3.6 The objective of the SAUBHAGYA scheme was to provide last-mile connectivity by releasing electricity connections to all un-electrified households in rural areas. Electricity connections under the scheme fall under the ‘Domestic Light, Fan and Power’ category (LMV-1).

Audit analysis of billing data for December 2022 from 16 sample districts, along with data of connections released under the SAUBHAGYA scheme, revealed that out of 13,95,892 connections released under the scheme, 5,063 connections²⁷ pertained to categories other than LMV-1²⁸. These connections were ineligible under the SAUBHAGYA scheme. However, DISCOMs paid ₹ 1.35 crore²⁹ to the TKCs for these ineligible connections.

During the Exit Conference (January 2024), the Management agreed to initiate recoveries after examining the issue. The Government acknowledged the Management’s response.

²⁴ MVVNL: ₹ 124.07 crore, PuVVNL: ₹ 8.07 crore, PVVNL: ₹ 0.81 crore and DVVNL: ₹ 7.39 crore.

²⁵ MVVNL: 2,291 habitations, PuVVNL: 366 habitations, PVVNL: 22 habitations and DVVNL: 240 habitations.

²⁶ Out of total 16 sample districts. MVVNL: Lucknow, Balrampur, Sultanpur, Gonda, Hardoi and Ayodhya, PuVVNL: Varanasi and Azamgarh, PVVNL: Bulandshahr and Muzaffarnagar, and DVVNL- Kanpur Dehat, Mainpuri and Firozabad.

²⁷ MVVNL: 3,021, PuVVNL: 1,338, PVVNL: 198 and DVVNL: 506.

²⁸ Consumers of Non-domestic light, fan and power (LMV-2), Light, fan and power for public and private institution (LMV-4), Small power for private tubewell/ pumping set for irrigation purpose (LMV-5), Small and medium power (LMV-6), Public water works (LMV-7), State tubewell, panchayati raj tubewell and pumped canals (LMV-8), Temporary supply (LMV-9), Non-industrial bulk load (HV-1) and Large and Heavy power (HV-2).

²⁹ MVVNL: ₹ 0.75 crore, PuVVNL: ₹ 0.39 crore, PVVNL: ₹ 0.06 crore and DVVNL: ₹ 0.15 crore.

In February 2024, the Management stated that in PuVVNL, connections belonging to categories other than LMV-1 were erroneously flagged as released under the SAUBHAGYA scheme. The remaining three DISCOMs accepted the issue and reported that recoveries from the TKCs were underway but did not provide details of recoveries against the specific cases identified by Audit.

The reply is not acceptable, as PuVVNL included 1,338 such connections under the SAUBHAGYA scheme during project closure.

Installation of static energy meters instead of smart meters

3.3.7 As per the guidelines of the SAUBHAGYA scheme, smart meters compatible with the State's existing metering system were to be installed at consumers' premises.

Audit observed that the DISCOMs, in violation of the scheme guidelines, installed single-phase fully static energy meters instead of smart meters at consumers' premises. By not installing smart meters, the DISCOMs had foregone the potential benefits of smart meters, such as reduction in AT&C losses, improvement in billing efficiency, management of peak load, and enhancement in consumer experience.

In its reply, the Government stated (December 2023) that rural areas were compatible with single-phase energy meters. It further explained that there was no provision for implementing SCADA/DMS/IT/OT to collect real-time information from smart meters and that the installation of smart meters could not be mapped with the DISCOMs' billing systems. Additionally, the executed cost per connection, as specified in the scheme guidelines, was capped at ₹ 3,000 per connection, whereas the cost of smart meters was 2.5 to 4.0 times higher than that of static energy meters. Para 8.3 of the guidelines of the SAUBHAGYA scheme also specified that the existing specifications for service connections under the DDUGJY scheme would prevail under SAUBHAGYA. Furthermore, the DDUGJY scheme did not include specific provisions for the installation of smart meters. The reply concluded that compatible energy meters were installed in accordance with the specifications, taking into account the provisions of the guidelines of the SAUBHAGYA scheme.

The reply is not acceptable, as the DDUGJY scheme provided for metering of unmetered consumers, while the SAUBHAGYA scheme explicitly mandated the installation of smart meters for all unelectrified households at the time of providing electricity connections. Moreover, the DISCOMs could not inform the Monitoring Committee or REC about the higher cost of smart meters to obtain revised approval.

Excess payment to TKCs

3.3.8 All the DISCOMs participated in the execution of different schemes, such as the RGGVY 12th Plan (2013-2022), DDUGJY (2015-2022), and SAUBHAGYA (2017-2021). Connections to rural households, including BPL households, were released under all three schemes mentioned above. Additionally, meters were also installed on unmetered connections under the Business Plan, and connections were released by the DISCOMs as part of their regular business operations.

During the examination of released connection data of the SAUBHAGYA scheme in sample districts and cross-examination of the data with RGGVY 12th Plan scheme, DDUGJY scheme (installation of meters on unmetered

connections), and the installation of meters under the Business Plan, Audit noticed duplicity in connections released and claimed by the TKCs under the SAUBHAGYA scheme, resulting in excess payments of ₹ 26.65 crore, as discussed below:

(a) Duplicate claims and payments for the same connections

Analysis of connections released and claimed under the SAUBHAGYA scheme by the TKCs in the 16 sample districts revealed that in MVVNL, the TKCs submitted duplicate claims for 5,334 connections with identical names, father's names, and addresses. Similarly, in PuVVNL, PVVNL, and DVVNL, the TKCs submitted duplicate claims for 2,736 connections³⁰ with the same account numbers. The DISCOMs paid ₹ 2.14 crore³¹ to the TKCs for these duplicate claims.

(b) Claims and payments for connections already released under the DDUGJY scheme

Analysis of new connections released under the SAUBHAGYA scheme and the installation of meters on unmetered connections under the DDUGJY scheme in the 16 sample districts revealed that TKCs submitted claims under the SAUBHAGYA scheme for 26,059 connections³² where meters had already been installed under the DDUGJY scheme. The DISCOMs paid ₹ 7.09 crore³³ to the TKCs for these claims.

(c) Claims and payments for connections already released under the RGGVY 12th Plan scheme

Analysis of connection data from the RGGVY 12th Plan scheme and the SAUBHAGYA scheme in 14³⁴ out of the 16 sample districts across three DISCOMs (MVVNL, PuVVNL, and DVVNL) was carried out using meter numbers, names, and account numbers. Audit found that the TKCs submitted claims under the SAUBHAGYA scheme for 9,037 BPL connections³⁵ that had already been issued under the RGGVY 12th Plan scheme. The DISCOMs paid ₹ 2.62 crore³⁶ to the TKCs for these claims.

(d) Claims and payments for meters already installed under the Business Plan

Analysis of account numbers of unmetered consumers provided with meters under the Business Plan and the SAUBHAGYA scheme revealed that the TKCs submitted claims for 35,623 connections³⁷ under the SAUBHAGYA scheme, despite these connections already being metered under the Business Plan. The DISCOMs paid ₹ 9.67 crore³⁸ to the TKCs for these claims.

³⁰ PuVVNL: 2,100, PVVNL: 619, and DVVNL: 17.

³¹ MVVNL: ₹ 1.33 crore, PuVVNL: ₹ 0.63 crore, PVVNL: ₹ 0.18 crore and DVVNL: ₹ 0.001 crore.

³² MVVNL: 12,897, PuVVNL: 12,475, PVVNL: 353 and DVVNL: 334.

³³ MVVNL: ₹ 3.24 crore, PuVVNL: ₹ 3.65 crore, PVVNL: ₹ 0.10 crore and DVVNL: ₹ 0.10 crore.

³⁴ No work under 12th Plan was executed in two districts of PVVNL i.e., Bulandshahr and Muzaffarnagar.

³⁵ MVVNL: 1,588, PuVVNL: 3,903 and DVVNL: 3,546.

³⁶ MVVNL: ₹ 0.38 crore, PuVVNL: ₹ 1.18 crore and DVVNL: ₹ 1.06 crore.

³⁷ MVVNL: 19,396 and PuVVNL: 16,227.

³⁸ MVVNL: ₹ 4.98 crore and PuVVNL: ₹ 4.69 crore.

(e) Claims and payments for connections released before the launch of the scheme

The SAUBHAGYA scheme was launched on 11 October 2017, and the TKCs were appointed between March 2018 and May 2018.

Audit analysis³⁹ of billing data for December 2022 from the 16 sample districts, along with data on connections released under the SAUBHAGYA scheme, revealed that connections to 2,424 consumers⁴⁰ were released before the scheme's launch date⁴¹. This indicates that these connections were not released by the TKCs. However, the TKCs claimed payments amounting to ₹ 71.51 lakh⁴² for these connections, which were paid by the DISCOMs and subsequently claimed in the closure report submitted to REC.

During the Exit Conference (January 2024), UPPCL directed all DISCOMs to examine duplicate connections across various schemes, initiate recovery of inadmissible payments, and provide final data/documentary evidence to Audit. The Government acknowledged this directive. Thereafter, in February 2024, the Management stated that in MVVNL, ₹6.53 crore would be recovered from TKCs for 28,314 duplicate/irregular connections. In PuVVNL, 35,837 duplicate connections were identified, and a penalty of ₹8.66 crore was imposed, of which ₹4.54 crore has been recovered. The remaining amount would be recovered from the balance dues of the TKCs. In PVVNL, recoveries had been made/ were in progress for duplicate and un-ledgered connections. In DVVNL, no duplicate connections were found under the SAUBHAGYA scheme, but 289 and 1,714 duplicate connections were identified under the SAUBHAGYA-DDUGJY and SAUBHAGYA-12th Plan schemes, respectively, and recovery would be made from the TKCs. DVVNL also asserted that no connections under SAUBHAGYA had consumer creation dates prior to 10 October 2017.

The audit acknowledges that DISCOMs have initiated the process of identifying duplicate connections and recovering amounts from TKCs. As regards DVVNL's reply that no connections under SAUBHAGYA had consumer creation dates prior to 10 October 2017, the audit's analysis revealed that 1,316 connections associated with DVVNL were actually released prior to the scheme's launch date.

Excess payment to TKCs for duplicate SPV connections

3.3.9 As per the guidelines of the SAUBHAGYA scheme, SPV-based standalone systems were to be provided for un-electrified households located in remote and inaccessible villages/habitations, where grid extension was not feasible or cost-effective. The DISCOMs installed 53,234 SPV⁴³ connections under the scheme.

Audit analysis revealed that 672 SPV connections in MVVNL and 32 SPV connections in DVVNL were duplicate based on Voter ID/Aadhaar numbers. In PuVVNL, 232 connections were duplicate based on name, father's name, and

³⁹ Consumer connection data from TKCs were matched with billing data of DISCOMs.

⁴⁰ MVVNL: 14, PuVVNL: 391, PVVNL: 703 and DVVNL: 1,316.

⁴¹ Excluding connections released under DDUGJY, RGGVY 12th Plan, and Business Plan covered under paragraph no. 3.3.8 (b), (c), and (d).

⁴² MVVNL: ₹ 0.32 lakh, PuVVNL: ₹ 11.55 lakh, PVVNL: ₹ 20.16 lakh, and DVVNL: ₹ 39.48 lakh.

⁴³ MVVNL: 16,511; PuVVNL: 33,072; PVVNL: 1,065; and DVVNL: 2,586.

other fields. The DISCOMs paid ₹ 4.41 crore⁴⁴ to the TKCs for these duplicate connections.

In its reply, the Government stated (December 2023) that consumers in PuVVNL and MVVNL with the same name, father's name, and mobile number will be physically verified before making payment to the Nodal Agency, Uttar Pradesh New & Renewable Energy Development Agency (UPNEDA). It will be ensured that no payment will be made against duplicate off-grid connections. In some districts of DVVNL, UID of consumers was found to be similar, but name, father's name, and Solar Panel number were different. Thus, the consumers were different, and no duplicate connections were released.

The reply in the case of PuVVNL and MVVNL is not acceptable, as payment for duplicate connections has already been made. Moreover, even after a lapse of 19 months from the date of issue of the draft report (April 2023), the DISCOMs (PuVVNL and MVVNL) had not completed the review and reconciliation exercise till November 2024. Further, the reply in the case of DVVNL is not justified, as two different consumers cannot have the same UID.

Recommendation 3:

The DISCOMs may establish an effective system to monitor the work of TKCs, thereby identifying duplicate connections and preventing excess payments to TKCs.

Cost of departmentally issued material lying with TKCs not recovered

3.3.10 As per the agreements executed with the TKCs, the TKCs were required to submit payment and material accounts for reconciliation within two months of taking over the equipment/materials under their respective packages. Failing this, necessary recoveries were to be made from the contractors' outstanding bills for the cost of unaccounted materials, as decided by the Project Managers.

Audit observed that in PuVVNL, four TKCs⁴⁵ had not returned departmentally issued material valued at ₹ 68.98 lakh in five districts even after the completion of the scheme. Revised penalty orders were issued between September 2022 and August 2023 by PuVVNL against such TKCs. Additionally, DVVNL had not recovered (as of March 2023) ₹ 16.30 lakh against departmentally issued material issued to TKCs in six districts⁴⁶.

In its reply, the Government stated (December 2023) that in DVVNL, material reconciliation was conducted with each TKC under the SAUBHAGYA scheme, and necessary deductions amounting to ₹ 21 crore had been made from the bills of TKCs. The balance of ₹ 16.30 lakh is being deducted from the pending liabilities of the TKCs.

The Management of PuVVNL intimated (November 2024) that revised OMs for the recovery of ₹ 68.98 lakh on account of unreconciled material had been issued to the TKCs, and recovery is under process.

⁴⁴ 936 connections x ₹ 47,129 per connection.

⁴⁵ L&T Ltd., TAG System, Jakson Pvt Ltd., and Bajaj Electrical Ltd.

⁴⁶ Chitrakoot, Banda, Mahoba, and Hamirpur (Tata Projects Ltd.): ₹ 13.42 lakh; and Agra and Mathura (NCC Ltd.): ₹ 2.88 lakh.

Data of unwilling households not maintained

3.3.11 As per Para 8.6 of the guidelines of the SAUBHAGYA scheme, data of un-electrified households not willing to avail free electricity connections under the scheme was required to be maintained by the utilities, including relevant identification of households and the reasons cited by the respective households.

Audit observed that details of un-electrified households unwilling to avail free electricity connections were not maintained by any of the DISCOMs. Consequently, it was not possible to ascertain the status of un-electrified households in the State at the conclusion of the scheme.

In its reply, the Government stated (December 2023) that unelectrified consumers who were initially willing to avail free connections during the survey later refused to take connections at the time of execution. The willingness of such consumers to avail connections varied over time. Hence, the data of un-electrified households unwilling to avail free electricity connections could not be maintained. The Government further stated that such data would be unrealistic or irrelevant and of no use for future household electrification plans, as the number of un-electrified households is dynamic. A fresh survey is required before the launch of any scheme to obtain realistic data. During the Exit Conference (January 2024), the Management stated that the data of unwilling households was not maintained as it was changeable frequently, and hence, was not useful.

The reply is not acceptable, as the scheme guidelines clearly required maintaining data of un-electrified households unwilling to avail free electricity connections along with reasons cited by such households.

Inadequate SLSC meetings

3.3.12 The GoUP constituted the SLSC in October 2013 to review progress and address issues during the execution of works under the RGGVY scheme, with a requirement for the SLSC to meet at least once a month. In February 2015, GoUP extended the role of SLSC to include works under the DDUGJY scheme. Further, the same monitoring mechanism was to be adopted for the SAUBHAGYA scheme as well.

Audit noticed that only 12 SLSC meetings were held during the implementation of the DDUGJY and SAUBHAGYA schemes, far short of the required 86 meetings, which were to be held monthly from February 2015 to March 2022.

In its reply, the Government acknowledged the observation and stated (December 2023) that the low number of meetings was due to various administrative reasons, including the unavailability of the Chief Secretary, who chairs the SLSC and heads several other such committees.

Inadequate DISHA meetings

3.3.13 As per the guidelines of the DDUGJY and SAUBHAGYA schemes, DISHA was required to review the implementation of the schemes at least once every quarter.

Audit noticed that only 581 meetings (27.67 per cent) of DISHA were conducted in 75 districts of Uttar Pradesh against the required 2,100 meetings. As a result, DISHA could not monitor the progress of the schemes at regular intervals.

In its reply, the Government stated (December 2023) that the Chairpersons of DISHA were Members of Parliament from the respective constituencies or District Magistrates of the respective districts. Other members included Members of the Legislative Assembly (MLA) and officials from district administration and government departments, including the electricity department. Due to the unavailability of the members, meetings were affected. The Covid-19 pandemic also impacted the meetings.

This reply is not acceptable because, as per the DISHA guidelines, meetings could be convened even if all the members had not been nominated. In the absence of the designated Chairperson, the Co-Chairperson (if any), could preside over the meeting. If neither the Chairperson nor the Co-Chairperson was present, the members present could elect a Chairperson from among themselves to preside over the meeting.

Recommendation 4:

The GoUP may ensure that meetings of SLSC and DISHA are conducted as per the norms, to facilitate timely corrective actions.

Conclusion

The implementation of DDUGJY and SAUBHAGYA schemes experienced significant planning and execution deficiencies. There were substantial variations between sanctioned and executed quantities under both schemes. Works were executed contrary to the provisions of the scope of work, resulting in avoidable expenditure. The objective of separating agriculture and non-agriculture feeders remained largely unachieved. The DISCOMs' inability to adhere to scheme guidelines and agreement provisions resulted in avoidable expenditure and excess payments to contractors. The installation of static meters instead of smart meters violated the scheme guidelines. The creation of infrastructure without corresponding service connections in numerous habitations reflects poor planning and execution practices. The multiple instances of duplicate claims and payments highlight serious weaknesses in the verification and payment systems. The inadequate number of SLSC and DISHA meetings adversely impacted regular monitoring and oversight. These deficiencies not only led to substantial financial implications but also affected the achievement of the schemes' objectives.

CHAPTER–IV

Beneficiaries' Survey

CHAPTER-IV

Beneficiaries' Survey

This chapter presents the findings of a beneficiaries' survey conducted by Audit to assess the implementation and impact of the SAUBHAGYA scheme in Uttar Pradesh. The survey covered 2,208 beneficiaries and 224 villages across 16 districts.

The majority of the respondents confirmed receiving energy meters (94.66 *per cent*), stable power supply (55.84 *per cent*), improved access to consumer durables (81.79 *per cent*), increased study hours for children (71.11 *per cent*), and enhanced mobility and security at night (98.91 *per cent*). Similarly, most of the Gram Pradhans confirmed the availability of a sufficient number of distribution transformers in their villages (80.80 *per cent*) and reported no use of voltage stabilizers/inverters (85.71 *per cent*). On the other hand, 41.89 *per cent* of the respondents reported voltage fluctuations, and 44.75 *per cent* did not receive LED lamps. Additionally, 16.07 *per cent* of Gram Pradhans highlighted inadequate distribution transformers.

Introduction

4.1 To elicit the views of the beneficiaries and Gram Pradhans of Gram Panchayats regarding the implementation of the SAUBHAGYA scheme and the extent to which the envisaged benefits reached the targeted population, Audit conducted a survey during August–October 2021 and January–February 2023. The survey covered two to five villages from each of the 47 selected blocks across 16 sample districts.

Two independent sets of questionnaires were prepared for the survey. One for the beneficiaries' survey and another for the village survey. These questionnaires included various elements of the benefits envisaged under the scheme. Audit personnel visited the houses of the beneficiaries and the Gram Pradhans in the selected villages to conduct the survey. After obtaining consent, responses to each question were recorded, and the completed questionnaires were jointly signed by the beneficiaries and the Audit personnel. Additionally, photographs of the surveyed beneficiaries were taken with geo-tagging.

The survey covered 2,208 beneficiaries across 224 villages out of the 232 selected villages¹ in the 16 sample districts.

Results of the beneficiaries' survey

4.2 The survey aimed to capture the beneficiaries' experiences regarding the scheme's effectiveness and the impact it had on their lives. The results of the beneficiaries' survey are discussed in the succeeding paragraphs.

Provision of LED lamps and energy meters to beneficiaries

4.2.1 As per para 2.4 of the guidelines of the SAUBHAGYA scheme, electricity connections to un-electrified households under the scheme would, *inter-alia*, include provision of energy meter and LED lamp to the beneficiaries.

Out of the 2,208 beneficiaries surveyed, 1,216 (55.07 *per cent*) reported receiving LED lamps, and 2,090 (94.66 *per cent*) reported receiving energy meters. While four and seven beneficiaries did not respond regarding LED

¹ Beneficiaries' survey could not be conducted in eight villages as four villages were not traceable and the other four villages were either not energized, or no population was found in the village, or the village was merged with the Nagar Palika, or the electrified beneficiaries were not found.

lamps and energy meters, respectively, the remaining 988 (44.75 *per cent*) and 111 (5.03 *per cent*) beneficiaries reported not receiving LED lamps and energy meters from the DISCOMs, respectively.

Voltage fluctuations in power supply

4.2.2 In response to the survey question on voltage fluctuations in power supply, 1,233 beneficiaries (55.84 *per cent*) confirmed stable power supply. While 50 beneficiaries did not provide any remarks, the remaining 925 beneficiaries (41.89 *per cent*) experienced fluctuations.

Availability of distribution transformers

4.2.3 In response to the survey question on availability of distribution transformers, 181 Gram Pradhans (80.80 *per cent*) confirmed the availability of sufficient number of distribution transformers in their villages. Further, while seven Gram Pradhans did not offer their remarks, the remaining 36 Gram Pradhans (16.07 *per cent*) reported insufficient availability of distribution transformers in their villages.

Use of voltage stabilizers/inverters in the villages

4.2.4 In response to the survey question on the use of voltage stabilizers/inverters, 192 Gram Pradhans (85.71 *per cent*) reported that the villagers did not use voltage stabilizers/inverters. Two Gram Pradhans did not offer their remarks, while the remaining 30 Gram Pradhans (13.39 *per cent*) reported the use of voltage stabilizers/inverters by the villagers.

Impact on use of consumer durables

4.2.5 Out of the total 2,208 beneficiaries surveyed, 1,806 beneficiaries (81.79 *per cent*) reported using consumer durables such as fans, irons, televisions, refrigerators, *etc.*, after receiving electricity connections. Further, while five beneficiaries did not provide remarks, the remaining 397 beneficiaries (17.98 *per cent*) stated they were not using these items.

Impact on study hours of children

4.2.6 Out of the total 2,208 beneficiaries surveyed, 1,570 beneficiaries (71.11 *per cent*) reported an increase in their children's study hours after receiving the connection. Further, 592 beneficiaries did not provide remarks. Of the remaining 46 beneficiaries, seven had no children, and 39 reported no change or a decrease in their children's study hours following the connection.

Impact on mobility/security at night

4.2.7 Out of the total 2,208 beneficiaries surveyed, 2,184 beneficiaries (98.91 *per cent*) reported an increase in mobility/security at night due to electrification of the villages. Further, while seven beneficiaries did not offer their remarks, the remaining 17 beneficiaries denied any increase in mobility/security at night due to electrification of the villages.

Impact on supply of electricity

4.2.8 Out of the total 2,208 beneficiaries surveyed, 1,919 beneficiaries (86.91 *per cent*) reported an improvement in supply of electricity. Further, while 134 beneficiaries did not offer their remarks, the remaining 155 beneficiaries (7.02 *per cent*) denied any improvement in supply of electricity.

During the Exit Conference (January 2024), the Management stated that the beneficiaries are not experts on technical issues and their responses to the survey questions depend on human behavioural factors. The Government also acknowledged the Management's reply.

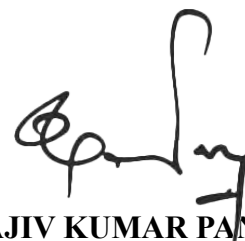
Audit is of the view that the survey was unbiased, as is reflected in the findings, which included both positive and negative views of the beneficiaries regarding the scheme's benefits and its impact on their lives.

Conclusion

The survey conducted by Audit provided valuable insights into the implementation of the SAUBHAGYA scheme and its impact on the lives of the beneficiaries and the villages. The responses highlight both the achievements and shortcomings in the scheme's execution. While a significant number of beneficiaries acknowledged improvements in study hours for children, mobility, security, and access to consumer durables due to electrification, issues such as inadequate provision of LED lamps and voltage fluctuations were also observed.

Lucknow

The 22 September 2025



(RAJIV KUMAR PANDEY)

Principal Accountant General (Audit-II),
Uttar Pradesh

Countersigned



New Delhi

The 23 SEP 2025

(K. SANJAY MURTHY)

Comptroller and Auditor General of India

APPENDICES

Appendix-1.1
(Referred to in Paragraph 1.8)
Statement showing audited Circles and Divisions

Sl. No.	Name of the DISCOM	Name of the District	Name of the audited Circle	Name of the audited Division
1.	MVVNL	Sultanpur	EDC, Sultanpur	EDD-I, Sultanpur
				EDD-II, Sultanpur
				EDD, Lumbhaua
				EDD, Kadipur
				EDD, Jaisinghpur
		Gonda	EDC, Gonda	EDD-I, Gonda
				EDD, Nawabganj
				EDD-III, Karnailganj
				EDD-IV, Mankapur
				EDD, Sravasti
		Ayodhya	EDC, Ayodhya	EDD-I, Ayodhya
				EDD, Rudauli
				EDD-II, Ayodhya
				EDD-III, Ayodhya
		Hardoi	EDC, Hardoi	EDD-I, Hardoi
				EDD-II, Hardoi
				EDD, Sandila
				EDD, Shahabad
		Lucknow	EUDC-IV, LESA	EDD-I, CESS
				EDD-II, CESS
				EDD-III, CESS
				EDD-IV, CESS
			EUDD, Chinhaat	EUDD, Chinhaat
				EUDD, Bakshi-Ka-Talab
		Balrampur	EDC, Balrampur	EDD, Balrampr
				EDD, Tulsipur
2.	PUVVNL	Ghazipur	EDC, Ghazipur	EDD-I, Ghazipur
				EDD-II, Ghazipur
				EDD, Saidpur
				EDD, Jamaniya
		Azamgarh	EDC-I, Azamgarh	EDD-I, Azamgarh
				EDD-II, Azamgarh
				EDD-III, Azamgarh
			EDC-II, Azamgarh	EDD, Phoolpur
				EDD-V, Azamgarh
				EDD-VI, Azamgarh
		Varanasi	EDC, Varanasi	EDD-I, Varanasi
				EDD-II, Varanasi
				EDD, Chiraigaon
		Kaushambi	EDC, Kaushambi	EDD, Kaushambi
				EDD, Chayal
3.	PVVNL	Bulandshahr	EDC-I, Bulandshahr	EDD-II, Bulandshahr
				EDD-IV, Bulandshahr
			EDC-II, Bulandshahr	EDD-I, Bulandshahr
				EDD-V, Bulandshahr
				EDD, Sayana
			EDC-III, Bulandshahr	EDD-III, Bulandshahr
				EDD, Dibayee
				EDD, Jahangirabad
				EDD, Khatauli
		Muzaffarnagar	EDC-I, Muzaffarnagar	EDD-I, Muzaffarnagar
				EDD-II, Muzaffarnagar
			EDC-II, Muzaffarnagar	EDD, Khatauli
				EDD, Bhudana

Sl. No.	Name of the DISCOM	Name of the District	Name of the audited Circle	Name of the audited Division
4.	DVVNL	Firozabad	EDC, Firozabad	EDD, Firozabad
				EDD, Tundala
				EDD, Shikohabad
				EDD, Jasrana
				EDD, Sirsaganj
		Mainpuri	EDC, Mainpuri	EDD-I, Mainpuri
				EDD-II, Mainpuri
				EDD-III, Mainpuri
		Kanpur Dehat	EDC, Kanpur Dehat	EDD, Rania, Kanpur Dehat
				EDD, Pukhraya
				EDD, Jhijak
		Kannauj	EDC, Kannauj	EDD, Kannauj
				EDD, Chhibramau

Appendix-2.1
(Referred to in Paragraph 2.2.2 (i))
Statement showing excess claim of SGST on departmentally supplied materials

Particular	Unit	Ghaziabad	Bulandshahr	Meerut	Hapur	GB Nagar	Baghpat	Saharanpur	Muzaffar-nagar	Shamli	Bijnor	Rampur	Moradabad	Sambhal	J P Nagar
Cluster No.		1	1	1	1	1	1	2	2	2	3	3	4	4	4
Single phase Meter	Nos.	1095.00	32985.00	16343.00	6297.00	4201.00	5277.00	18000.00	10300.00	5236.00	42262.00	8600.00	17307.00	19827.00	12990.00
Unit rate of material claimed from the MoP after charging GST again	₹	1073.80	1073.80	1073.80	1073.80	1073.80	1073.80	1073.80	1073.80	1073.80	1073.80	1073.80	1073.80	1073.80	1073.80
Unit rate of material as per Stock Issue Rate (including GST)	₹	910.00	910.00	910.00	910.00	910.00	910.00	910.00	910.00	910.00	910.00	910.00	910.00	910.00	910.00
GST charged twice	₹	163.80	163.80	163.80	163.80	163.80	163.80	163.80	163.80	163.80	163.80	163.80	163.80	163.80	163.80
Excess GST charged from the MoP		179361	5402943	2676983	1031449	688124	864373	2948400	1687140	857657	6922516	1408680	2834887	3247663	2127762
Twin core PVC (Unarmoured) insulated Cable 4.00 Sqmm	Mtrs.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	40000.00	20000.00	52218.00	38646.00	20000.00
Unit rate of material claimed from the MoP after charging GST again	₹	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	24.00	24.00	24.00	24.00	24.00
Unit rate of material as per Stock Issue Rate (including GST)	₹	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	20.34	20.34	20.34	20.34	20.34
GST charged twice	₹	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.66	3.66	3.66	3.66	3.66
Excess GST charged from the MoP		0	0	0	0	0	0	0	0	0	146441	73220	191171	141484	73220
8.5 meter PCC Poles	Nos.	0.00	2022.00	0.00	0.00	0.00	0.00	1700.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unit rate of material claimed from the MoP after charging GST again	₹	0.00	3210.78	0.00	0.00	0.00	0.00	3210.78	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unit rate of material as per Stock Issue Rate (including GST)	₹	0.00	2721.00	0.00	0.00	0.00	0.00	2721.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
GST charged twice	₹	0.00	489.78	0.00	0.00	0.00	0.00	489.78	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Excess GST charged from the MoP		0	990335	0	0	0	0	832626	0	0	0	0	0	0	0

Particular	Unit	Ghaziabad	Bulandshahr	Meerut	Hapur	GB Nagar	Baghpat	Saharanpur	Muzaffar-nagar	Shamli	Bijnor	Rampur	Moradabad	Sambhal	J P Nagar
Weasle Conductor	Kms.	0.00	0.00	0.00	0.00	7.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unit rate of material claimed from the MoP after charging GST again	₹	0.00	0.00	0.00	0.00	28301.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unit rate of material as per Stock Issue Rate (including GST)	₹	0.00	0.00	0.00	0.00	23984.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
GST charged twice	₹	0.00	0.00	0.00	0.00	4317.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Excess GST charged from the MoP		0.00	0.00	0.00	0.00	33241.82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LT AB Cable (3X50+1X35+1X16)	Kms.	0.00	5.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unit rate of material claimed from the MoP after charging GST again	₹	0.00	163697.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unit rate of material as per Stock Issue Rate (including GST)	₹	0.00	138727.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
GST charged twice	₹	0.00	24970.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Excess GST charged from the MoP		0.00	125603.43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
185 sqmm 11 KV XLPE Cable	Mtrs.	0.00	0.00	0.00	0.00	0.00	0.00	300.00	0.00	0.00	1200.00	1930.00	0.00	0.00	0.00
Unit rate of material claimed from the MoP after charging GST again	₹	0.00	0.00	0.00	0.00	0.00	0.00	1051.38	0.00	0.00	1051.38	1051.38	0.00	0.00	0.00
Unit rate of material as per Stock Issue Rate (including GST)	₹	0.00	0.00	0.00	0.00	0.00	0.00	891.00	0.00	0.00	891.00	891.00	0.00	0.00	0.00
GST charged twice	₹	0.00	0.00	0.00	0.00	0.00	0.00	160.38	0.00	0.00	160.38	160.38	0.00	0.00	0.00
Excess GST charged from the MoP		0.00	0.00	0.00	0.00	0.00	0.00	48114.00	0.00	0.00	192456.00	309533.40	0.00	0.00	0.00
300 sqmm 11 KV XLPE Cable	Mtrs.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	549.00	560.00	0.00	0.00	0.00
Unit rate of material claimed from the MoP after charging GST again	₹	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1397.12	1397.12	0.00	0.00	0.00

Particular	Unit	Ghaziabad	Bulandshahr	Meerut	Hapur	GB Nagar	Baghpat	Saharanpur	Muzaffar-nagar	Shamli	Bijnor	Rampur	Moradabad	Sambhal	J P Nagar	
Unit rate of material as per Stock Issue Rate (including GST)	₹	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1184.00	1184.00	0.00	0.00	0.00	
GST charged twice	₹	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	213.12	213.12	0.00	0.00	0.00	
Excess GST charged from the MoP	₹	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	117002.88	119347.20	0.00	0.00	0.00	
Total excess GST charged to the MoP	₹	179361.00	6518881.59	2676983.40	1031448.60	721365.62	864372.60	3829140.00	1687140.00	857656.80	7378415.16	1910780.94	3026057.58	3389146.26	2200982.34	
Cluster Wise Total	₹	11992412.81														8616186.18
Grand Total of excess GST charged at the rate of 18 per cent																36271732
Net excess claim from the MoP at the rate of 60 per cent of CGST component through Grant i.e. ₹ 1.09 crore (₹ 36271732 / 2 X 60 per cent) and from the State Government full SGST i.e. ₹ 1.81 crore (₹ 36271732/ 2) Total: ₹ 2.90 crore																

Appendix-2.2
(Referred to in Paragraph 2.2.4)
Statement showing excess payment of interest on REC loans

(Amount in ₹)

Loan amount	Receipt date	Period		No. of days	Applicable rate of interest (in per cent)	Interest to be paid	Rate of interest charged by the REC (in per cent)	Interest paid to REC	Excess payment of interest on loans
1074700000	19-09-2018	19-09-2018	19-09-2018	1	9.83	289433	10.58	311517	22084
1074700000		20-09-2018	19-12-2018	91	9.83	26338394	10.58	28347936	2009542
1074700000		20-12-2018	19-03-2019	90	9.83	26048961	10.58	28036420	1987459
1074700000		20-03-2019	19-06-2019	92	9.83	26627827	10.58	28659452	2031625
1074700000		20-06-2019	19-09-2019	92	9.83	26627827	10.58	28659452	2031625
1074700000		20-09-2019	19-12-2019	91	9.83	26338394	10.58	28347936	2009542
1074700000		20-12-2019	19-03-2020	91	9.83	26338394	10.58	28347936	2009542
1074700000		20-03-2020	19-06-2020	92	9.83	26627827	10.58	28659452	2031625
1074700000		20-06-2020	19-09-2020	92	9.83	26627827	10.58	28659452	2031625
1074700000		20-09-2020	19-12-2020	91	9.83	26338394	10.58	28347936	2009542
1074700000		20-12-2020	19-03-2021	90	9.83	26048961	10.58	28036420	1987459
1074700000		20-03-2021	19-06-2021	92	9.83	26627827	10.58	28659452	2031625
1074700000		20-06-2021	19-09-2021	91	9.83	26338394	10.58	28347936	2009542
Total						317218460		341421297	24202837
5746000000	12-10-2018	12-10-2018	19-12-2018	68	9.83	10522894	10.58	11325760	802866
5746000000		20-12-2018	19-03-2019	90	9.83	13927359	10.58	14989976	1062617
5746000000		20-03-2019	19-06-2019	92	9.83	14236856	10.58	15323086	1086230
5746000000		20-06-2019	19-09-2019	92	9.83	14236856	10.58	15323086	1086230
5746000000		20-09-2019	19-12-2019	91	9.83	14082108	10.58	15156531	1074423
5746000000		20-12-2019	19-03-2020	91	9.83	14082108	10.58	15156531	1074423
5746000000		20-03-2020	19-06-2020	92	9.83	14236856	10.58	15323086	1086230
5746000000		20-06-2020	19-09-2020	92	9.83	14236856	10.58	15323086	1086230
5746000000		20-09-2020	19-12-2020	91	9.83	14082108	10.58	15156531	1074423
5746000000		20-12-2020	19-03-2021	90	9.83	13927359	10.58	14989976	1062617
5746000000		20-03-2021	19-06-2021	92	9.83	14236856	10.58	15323086	1086230
5746000000		20-06-2021	19-09-2021	92	9.83	14236856	10.58	15323086	1086230
Total						166045072		178713821	12668749
5001000000	15-10-2018	15-10-2018	19-12-2018	65	9.83	8754490	10.58	9422432	667942
5001000000		20-12-2018	19-03-2019	90	9.83	12121602	10.58	13046444	924842
5001000000		20-03-2019	19-06-2019	92	9.83	12390971	10.58	13336365	945394
5001000000		20-06-2019	19-09-2019	92	9.83	12390971	10.58	13336365	945395
5001000000		20-09-2019	19-12-2019	91	9.83	12256286	10.58	13191405	935118
5001000000		20-12-2019	19-03-2020	91	9.83	12256286	10.58	13191405	935118
5001000000		20-03-2020	19-06-2020	92	9.83	12390971	10.58	13336365	945394
5001000000		20-06-2020	19-09-2020	92	9.83	12390971	10.58	13336365	945394
5001000000		20-09-2020	19-12-2020	91	9.83	12256286	10.58	13191405	935118
5001000000		20-12-2020	19-03-2021	90	9.83	12121602	10.58	13046444	924842
5001000000		20-03-2021	19-06-2021	92	9.83	12390971	10.58	13336365	945395
5001000000		20-06-2021	19-09-2021	92	9.83	12390971	10.58	13336365	945395
Total						144112378		155107725	10995347
10746000000	28-12-2018	28-12-2018	19-03-2019	82	9.83	23731290	10.58	25541917	1810627
10746000000		20-03-2019	19-06-2019	92	9.83	26625349	10.58	28656785	2031436
10746000000		20-06-2019	19-09-2019	92	9.83	26625349	10.58	28656785	2031436
10746000000		20-09-2019	19-12-2019	91	9.83	26335944	10.58	28345298	2009354
10746000000		20-12-2019	19-03-2020	91	9.83	26335944	10.58	28345298	2009354
10746000000		20-03-2020	19-06-2020	92	9.83	26625349	10.58	28656785	2031436
10746000000		20-06-2020	19-09-2020	92	9.83	26625349	10.58	28656785	2031436
10746000000		20-09-2020	19-12-2020	91	9.83	26335944	10.58	28345298	2009354
10746000000		20-12-2020	19-03-2021	90	9.83	26046538	10.58	28033812	1987274
10746000000		20-03-2021	19-06-2021	92	9.83	26625349	10.58	28656785	2031436
10746000000		20-06-2021	19-09-2021	92	9.83	26625349	10.58	28656785	2031436
10746000000		20-09-2021	19-12-2021	91	9.83	26335944	10.58	28345298	2009354
Total						314873698		338897631	24023933
Grand Total						942249608		1014140474	71890866

Note: The DISCOM paid interest on a quarterly basis as per the terms and conditions of the loan document.

LIST OF ABBREVIATIONS

List of Abbreviations	
Abbreviation	Full form
AB Cable	Aerial Bunched Cable
AT&C	Aggregate Technical and Commercial
CAG	Comptroller and Auditor General of India
CCEA	Cabinet Committee on Economic Affairs
CGST	Central Goods and Services Tax
DDUGJY	Deendayal Upadhyaya Gram Jyoti Yojana
DISCOM	State Electricity Distribution Company
DISHA	District Development Coordination and Monitoring Committee
DPR	Detailed Project Report
DT	Distribution Transformer
DVVNL	Dakshinanchal Vidyut Vitran Nigam Limited
FRP	Financial Re-Structuring Plan
GoI	Government of India
GoUP	Government of Uttar Pradesh
GST	Goods and Services Tax
HT	High-Tension
IPDS	Integrated Power Development Scheme
KESCO	Kanpur Electricity Supply Company Limited
LOA	Letter of Award
LT	Low-Tension
MLA	Member of Legislative Assembly
MoP	Ministry of Power
MVVNL	Madhyanchal Vidyut Vitran Nigam Limited
NOFN	National Optical Fiber Network
PCC	Prestressed Cement Concrete
PFA	'24x7 Power for All'
PMA	Project Management Agency
PuVVNL	Purvanchal Vidyut Vitran Nigam Limited
PVVNL	Pashchimanchal Vidyut Vitran Nigam Limited
REC	Rural Electrification Corporation Limited
RESSPO	Rural Electrification and Secondary System Planning Organisation
RGGVY	Rajiv Gandhi Grameen Vidyutikaran Yojana
SAUBHAGYA	Pradhan Mantri Sahaj Bijli Har Ghar Yojana
SGST	State Goods and Services Tax
SIR	Stock Issue Rates
SLSC	State Level Standing Committee
SPV	Solar photovoltaic
TKC	Turnkey Contractor

Abbreviation	Full form
UPNEDA	Uttar Pradesh New & Renewable Energy Development Agency
UPPCL	Uttar Pradesh Power Corporation Limited
VAT	Value Added Tax
WCT	Works Contract Tax

© COMPTROLLER AND
AUDITOR GENERAL OF INDIA
www.cag.gov.in

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

