

GOVERNMENT OF INDIA
MINISTRY OF POWER

RAJYA SABHA
UNSTARRED QUESTION NO.2710
ANSWERED ON 16.03.2026

CAG REPORT ON DDUGJY AND SAUBHAGYA SCHEMES

2710 # SHRI JAVED ALI KHAN:

Will the Minister of **POWER** be pleased to state:

- (a) whether Government has taken cognizance of the report of the Comptroller and Auditor General of India on the Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) and the Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya) schemes;
- (b) the reasons cited in the report for the failures of the said schemes;
- (c) the details of the recommendations made by the CAG for future improvements; and
- (d) the details of the action taken by Government on the recommendations made by the CAG regarding the failures of said schemes?

A N S W E R

THE MINISTER OF STATE IN THE MINISTRY OF POWER

(SHRI SHRIPAD NAIK)

(a) to (d): Government of India launched Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) and Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA) to supplement the efforts of the states to provide reliable electricity to all households. As reported by the States, all inhabited un-electrified census villages were electrified by 28th April 2018, with 18,374 villages electrified under DDUGJY, and 2.86 crore households electrified during SAUBHAGYA period. Both schemes were successfully closed on 31.03.2022.

The Comptroller and Auditor General (CAG) of India has submitted Performance Audit Report on DDUGJY and SAUBHAGYA (Report No. 17 of 2025). The report contains observations on various aspects of the schemes including financial management, implementation of schemes, quality assurance mechanism and monitoring, and achievement of the intended objectives of the schemes.

Audit has observed a delay in projects and has noted factors such as issues relating to land acquisition and permissions, challenges in field surveys and project planning, constraints in availability of resources, and other operational and administrative difficulties faced during implementation by the concerned agencies etc. as some of the reasons for the delay. The details of the recommendations made by the CAG for future improvements are enclosed at **Annexure-I**.

Ministry of Power has actively evolved its strategy by internalizing lessons from the implementation of previous flagship schemes like DDUGJY and SAUBHAGYA. The ongoing Revamped Distribution Sector Scheme (RDSS) already incorporates CAG recommendations by focusing on a "reforms-based and results-linked" framework. The broad framework of RDSS is enclosed at **Annexure-II**. Further, the improved standards and audit-driven insights would be considered and integrated into all future schemes.

ANNEXURE REFERRED IN REPLY TO PARTS (a) TO (d) OF UNSTARRED QUESTION NO. 2710 ANSWERED IN THE RAJYA SABHA ON 16.03.2026

Details of the recommendations made by the CAG for future improvements:

Para 3.1.2: Feasibility study needs to be ensured by Ministry of Power (MoP) for realistic estimation of work to avoid major variation during work sanction and execution.

Para 3.1.4: Field surveys may be carried out before preparation of DPRs, as per the provisions of scheme guidelines, to improve the scheme planning process and to minimise variations during execution.

Para 3.2.2: MoP may ensure standardisation of all procedures related to award and execution of projects to help in timely completion of award and execution process.

Para 4.1: Nodal Agency may ensure that release of funds is done as per the approved funding guidelines.

Para 5.1: Quality Assurance and Monitoring mechanism (viz. 100 per cent pre-dispatch inspection, procurement of materials in agreement with turnkey contract, ensuring the compliances of quality monitoring guidelines etc.) may be strengthened at DISCOM as well as REC level.

Para 5.3: MoP may ensure that meetings of State Level Standing Committee (SLSC) and Monitoring Committee (MC) are conducted at regular intervals for timely sanction, monitoring and review of implementation of the schemes.

Para 6.2.1: MoP may ensure accurate data/information regarding potential beneficiaries before launch of a scheme and carry out planning of fund allocation judiciously for efficient implementation of scheme based on detailed field surveys. Preparation of the DPRs may be ensured based on detailed field surveys.

Para 6.3.1.2: MoP may develop a robust mechanism to periodically reconcile the data of household electrification under all the schemes implemented during the same period and fix accountability of the officials responsible for lapses to ensure that works executed under one scheme are not claimed under other similar schemes too.

Para 7.1: Ministry of Power/ REC Ltd. may develop a mechanism to ensure that funds through Extra Budgetary Resource (EBR) are raised strictly as per the assessed requirements after completion of modalities for release of funds.

Para 8.1 and 8.2: MoP may ensure that the control and monitoring mechanism is strengthened at all levels, as well as Quality Assurance framework is followed strictly by the Project Implementing Agencies in the upcoming schemes.

ANNEXURE REFERRED IN REPLY TO PARTS (a) TO (d) OF UNSTARRED QUESTION NO. 2710 ANSWERED IN THE RAJYA SABHA ON 16.03.2026

Steps taken by Ministry of Power under Revamped Distribution Sector Scheme (RDSS) framework

- **Addressing gaps in System Strengthening & Feeder Separation:** Under RDSS, works are sanctioned based on Action Plans and DPRs submitted by States/ UTs after recommendation from State Distribution Reforms Committee (DRC) headed by Chief Secretary of the States. Approval by State Cabinet is also mandated. DPRs focus on loss-reduction infrastructure including feeder separation and distribution system strengthening in a need-based manner.
- **AT&C loss reduction linked with comprehensive reforms:** RDSS adopts a holistic loss-reduction framework combining network strengthening with measures to improve billing/ collection and financial discipline (timely payment of Government dues/ subsidy, avoiding regulatory assets, etc.) to enable sustained reduction in AT&C losses.
- **Feasibility/ realistic estimation to minimize large variations:** RDSS requires detailed planning through Action Plans/ DPRs and technical appraisal prior to sanction to ensure estimates and component-wise works are realistic and aligned to ground requirements.
- **Field survey/ beneficiary validation and consumer indexing:** For household/ consumer-level interventions, beneficiary details/ list is mandatory for release of funds; consumer indexing is being undertaken to improve data accuracy and future planning.
- **Standardization of procedures for timely award/execution:** Comprehensive Standard Bidding Documents (SBDs) have been prepared under RDSS for key work-streams (Loss Reduction works, Smart Metering, SCADA, PMA, Unified Billing System, etc.) to bring uniformity and reduce delays.
- **Strengthening fund release controls and transparency:** Under RDSS, funds are released in phases after annual evaluations as per prescribed guidelines approved by the competent authority/ Monitoring Committee. A **TSA (Treasury Single Account)** mechanism has been introduced wherein funds remain with RBI and are mapped end-to-end for utilization, enabling real-time monitoring and enhanced transparency.
- **Improving utilization monitoring and reducing scheme-wise mismatches:** Defined end-use tracking improves monitoring of scheme-wise utilization.
- **Quality assurance strengthened (DISCOM + third-party):** RDSS incorporates strengthened quality guidelines, structured field inspections at defined stages and third-party quality monitoring through dedicated agencies. **Additional quality safeguards are introduced in the form of** random sampling/ testing of materials from site stores (in addition to manufacturer-stage checks) and testing in NABL-accredited labs to improve reliability and deter dummy material substitution. Field quality inspections by DISCOM officials are also mandatory under the scheme.
- **Governance/ monitoring strengthened:** Inter Ministerial Monitoring Committee meetings under RDSS are held regularly; reviews are also conducted at senior levels to ensure timely decisions and close monitoring.
- **Strengthening scrutiny before sanction/ release:** RDSS is a reform-based result linked scheme and release of funds, except 10% of GBS as advance, under the scheme is contingent upon DISCOMs/ Power Departments qualifying the annual evaluations for a particular financial year and based on the actual physical progress under the scheme. Basic structure for providing financial assistance under the scheme is linked with the reforms, and grant are only released to distribution utilities if they undertake reforms and achieve desired results as per the scheme guidelines. Accordingly, the fund utilisation under the scheme has been in line with the basic reform linked structure of the scheme.
