

# CAG Report Summary

## Deen Dayal Upadhyaya Gram Jyoti Yojana and Pradhan Mantri Sahaj Bijli Har Ghar Yojana

- The Comptroller and Auditor General of India (CAG) released its audit report on ‘Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) and Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA)’ on December 18, 2025. DDUGJY was launched in 2014 to strengthen rural electricity distribution. SAUBHAGYA was launched in 2017 to provide last-mile connectivity and electricity to all unelectrified rural households. Key observations and recommendations of CAG are as follows:
- **Performance under DDUGJY:** The central government approved total outlay of Rs 75,893 crore under the scheme, inclusive of budgetary support of Rs 63,027 crore. The actual expenditure was Rs 64,495 crore, which included budgetary support of Rs 45,025 crore. The total number of agricultural feeders separated as of March 2022 was 7,833, against the sanction for 9,019 and cabinet approval for 16,500. Projects were to be awarded within six months and completed within 24 months from approval. 82% projects observed delay in award of works, and 92% in completion. There was a delay of more than two years in completion of 47% projects. The target of reducing losses in power distribution was not achieved in 13 out of 26 states and UTs.

CAG noted that Ministry of Power did not conduct feasibility studies. This led to substantial variation in achievement of component-wise targets in feeder separation and system strengthening works, ranging between 47% and 218%. It further observed that Detailed Project Reports (DPR) were prepared without field surveys, violating scheme guidelines. CAG recommended the Ministry to conduct feasibility studies and detailed field surveys before sanctioning work. This will improve planning and reduce variations during execution.
- **Quality assurance under DDUGJY:** CAG observed gaps in quality control under DDUGJY. The scheme guidelines required in-house quality checks by discoms and third-party monitoring by the Rural Electrification Corporation (REC). Out of 6.13 lakh defects flagged during REC inspections, 1.09 lakh were not resolved on time. It further noted that discoms in six states/UTs did not prepare mandatory quality assurance plans, and 11 states/UTs failed to
- upload authorised vendor lists. CAG recommended stricter quality checks and monitoring mechanism at both discom and REC levels.
- **Performance under SAUBHAGYA:** The sanctioned outlay under the scheme was Rs 14,082 crore, against which the actual expenditure was Rs 9,246 crore. Against an initial target of three crore households, 2.62 crore households were electrified as per the SAUBHAGYA dashboard. Out of this, 74 lakh households were electrified under DDUGJY and 37 lakh households under state schemes. CAG observed that achievement of 100% target was declared by March 2019. However, as of March 2019, seven states reported 19 lakh unelectrified households. CAG further noted DPR submissions were delayed, and field surveys were not carried out. It recommended: (i) collecting accurate beneficiary data before launch of a scheme, (ii) ensuring field surveys before DPR preparation, and (iii) planning fund allocations based on verified household lists.
- **Quality assurance under SAUBHAGYA:** Scheme guidelines required in-house quality checks by DISCOMs and third-party monitoring by REC under SAUBHAGYA. CAG noted that DISCOMs did not prepare comprehensive quality assurance plans in 224 of 479 projects across 21 states. In 80 projects, such plans were not included in contractor agreements. It also observed that REC appointed Quality Monitors in May and October 2019, while the scheme was to be completed by March 2019. This defeated the purpose of monitoring. CAG recommended that the Ministry of Power must ensure strict adherence to quality assurance frameworks in future schemes and strengthen control and monitoring mechanisms.
- **Financial management by REC:** Under SAUBHAGYA, REC released funds to discoms for carrying out works. In March 2020, REC raised Rs 500 crore through extra budgetary borrowing (EBR), of which Rs 96 crore was spent by March 2021. Rs 404 crore remained unutilised with an additional Rs 352 crore already available. CAG noted that fund requirements were overestimated under the scheme. It recommended that REC should raise EBR funds only as per assessed requirements.

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