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कार्यालय प्रधान महालेखाकार (लेखापरीक्षा), दिल्ली
ए.जी.सी.आर.भवन इन्द्रप्रस्थ एस्टेट
नई दिल्ली-110002

संख्या:-ई.एस/21-3/आई.आर/पावर डिपार्टमेंट/2014-15/77 दिनांक: 17-04-2015

सेवा में

अति. सचिव (पावर)

पावर डिपार्टमेंट (GNCTD)

दिल्ली सचिवालय, नई दिल्ली - 110002



विषय:- वर्ष 2013-14 पावर डिपार्टमेंट के लेखों से सम्बंधित निरीक्षण प्रतिवेदन।

महोदय,

उपरोक्त विषय पर आपके कार्यालय के लेखों का प्रतिवेदन भेज रहा हूँ। यह अनुरोध है कि उठाये गए मुद्दों का उत्तर, पत्र प्राप्ति के चार सप्ताह की अवधि के भीतर इस कार्यालय को भेज दिये जाए।

कृपया निरीक्षण प्रतिवेदन के प्राप्ति की पावती भेजें।

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वरिष्ठ लेखापरीक्षा अधिकारी (ई.एस)

संलग्न - उपरोक्तानुसार

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M. B. B. R. S.

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*Inspection Report on the accounts of Department of Power, GNCTD for the period
1.4.2013 to 31.3.2014*

Part I

I. Background

Power is a vital sector of every economy. History of power supply in Delhi dates back to 1905 when a private British Firm Known as "John Flaming and Co." established a small generation and distribution company to serve the skeleton population of Delhi. After several mutations, "Delhi Electric Supply Board" was formed as per Electricity (Supply) Act, 1948' but with the enactment of Delhi Municipal Corporation Act (1957), DSEB was replaced by Delhi Electric Supply Undertaking (DESU) as a wing of Municipal Corporation of Delhi (MCD). DESU was under obligation to develop and maintain efficiency, coordinated economical system of electric supply for whole of Union Territory of Delhi.

Population of Delhi has grown from 26.5 lacs in 1961 to 140 lacs in 2004. The demand for power has accordingly increased. The process of unplanned urbanisation has overtaken the planned development of Delhi putting extra strain on the existing transmission and distribution system. With a view to carry out the reforms and in line with the recommendation of Ballakrishan Committee, Delhi Vidut Board (DVB) was formed in 1997 as successor to DESU. Subsequently, Delhi Vidyut Board was unbundled into six entities, w.ef. 01.07.2002:-

Holding Company

Delhi Power Company Limited (DPCL)

Transmission Company

Delhi Transco Limited (DTL)

Generation Company

Indraprastha Power Generation Company Limited (IPGCL)/PPCL

Distribution Companies (DISCOMs)

Tata Power Delhi Distribution Limited (TPDDL)

BSES Rajdhani Power Limited (BRPL)

BSES Yamuna Power Limited (BYPL)

51% shareholding in the distribution business was thereafter disinvested by GNCTD and three distribution companies namely, TPDDL, BRPL and BYPL were then looking after the distribution sector in Delhi. A Regulatory Commission, namely Delhi Electricity Regulatory Commission (DERC) has also been constituted as provided under the Electricity ACT, 2003.

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Rule 2 of the Government of National Capital Territory of Delhi (Allocation of Business) Rules, 1993, provides that the business of the GNCTD shall be transacted in the Department and offices specified in the schedule and as per schedule No.26, Generation and Supply of electric power is to be dealt by the Department of Urban Development, GNCTD under Allocation of Business Rule, 1993.

The need for a separate Department of Power was not felt earlier as DESU and DVB (since 24.02.1997) was the sole agency responsible for generation, transmission and distribution of electricity in Delhi. The Electricity Branch under Department of Urban Development looked into electricity connections. Later on, work relating to tariff, Administration and policies of DVB was allocated to the Electricity Branch. Policy decisions regarding domestic and commercial connections, new projects and court cases were also back to the year 2000 when the then Pr. Secretary (Power) had strongly recommended for its creation to meet the new upcoming role of Government consequent upon the publication of white paper on Power Sector Reform by Government in 1999 for bringing structural changes/reforms in Delhi. The Cabinet of GNCTD vide its decision dated 1.9.2000 approved the proposal for the creation of a Department of Power subject to the condition that only 12 posts agreed by the Finance Department will be sanctioned.

Power Department released loans, grant in aid and subsidy to various department/companies through Urban Development, GNCTD till March 2010 and thereafter Power Department became separate wing and started disbursing the same.

II Present Structure and functioning of the Power Department

The role and functions of Government in the changed scenario of the Power Sector reforms has become more important, vibrant and issue specific with emphasis on the need of taking appropriate policy decision, regulations and legislations in various matters. The ultimate objective of the Government is to get the vision realized in making the Power sector in Delhi to be self sustaining and financially viable. The role of the government has become such so as to see if the public interest is getting adequately protected by ensuring quality and uninterrupted power supply to the consumers in Delhi at a reasonable cost and simultaneously that of a facilitator to help the new entities through execution and legislation of various rules/Acts/policies keeping in view the new Electricity Act, 2003 or any other Act.

In the present form, Power Department is executing the following functions:

- (i) Administrative issues like appointment, fixation of seniority, fixation of pay etc. of the senior officers/Directors of the new entities created after Power Sector Reforms including DERC, Trust for DVB pensioners, Genco and Transco.
- (ii) Supervision over and getting EFC clearance for the implementation of various schemes/projects for augmented in of transmission and generation capacity, etc.
- (iii) Formulation of schemes and implementation thereof for augmentation of power supply position in Delhi to ensure 24x7 power supply.
- (iv) Settlement of various legal issues emerging from transfer Scheme Rules.
- (v) Policy formulation/legislate in/constitution of Committees etc. to implement various provisions of Electricity Act, 2003.

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- (vi) Formulation, monitoring and release of plan and non plan budget to various entities (Transco, Genco, DERC, APDRP Loan and grant to DISCOMs)
 - (vii) Allotment of land to the new entities (Genco, Discoms) for augmentation of transmission and distribution network.
 - (viii) To liaise with Ministry of Power, GOI and other Ministries, Planning Commission etc. for formulation of Annual/Five Year Plans, resource estimation, APDRP scheme in the Power sector etc.
 - (ix) Processing and taking timely action to redress public grievances.

III Organisational Structure

The Cabinet of GNCTD vide its decision No.542 dated 1.9.2000 approved the proposal for the creation of a Department of Power subject to the conditions that only 12 posts agreed by the Finance Department will be sanctioned. At present, the department revised the posts as under:

(i)	Additional Secretary	01
(ii)	Dy. Secretary	01
(iii)	Dy. Director (Plg)	01
(iv)	Office Superintendent	00
(v)	Accounts Officer	01
(vi)	AAO	01
(vii)	Assistant/Head Clerk	02
(viii)	UDC	03
(ix)	LDC	02
(x)	Peon	01
(xi)	Statistical Assistant	02
	Total	15

The actual strength is 11 at present against the revised sanctioned strength as given above.

IV Party Personnel

The transaction audit of the Department of Power, GNCTD was conducted by Smt. Neelam Mehta, Sr. Audit Officer, Sh. Vijay Kumar, Assistant Audit Officer and Sh. Ramdutt, Sr. Auditor w.e.f. 27.2.2015 to 19.3.2015 (14 working days).

V List of Outstanding Para.

Sl.No.	Year of IR	Brief of Para	Remarks
1.	2012-13- Para-1 part II A	Release of funds amounting to Rs. 9.01 crore to DTTDC for shifting of 66 KV line for development of Delhi Hatt, Mayur Vihar in violation of policy approved by the Cabinet of GNCTD	Reply not acceptable. Documentary proof in respect of reply not submitted with reply.
2.	2012-13 Para-2 part IIB	Violations of conditions of sanction order due to releasing payment of Rs. 83.32 lakh towards land premium	No Reply received.

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		which was under encroachment and resulting non possession of land required for setting up a 66 KV grid Sub-station at village meethapur.	
3.	2012-13 Para-3 Part IIB	Releasing of 50% share of Rs. 1.01 crore towards cost of shifting of HT overhead line passing over Gopal Pur Chaupal and Laxmi Park Feeder (Rs. 21.15 lakh to TPDDL and Rs. 80.18 lakh to BRPL) without synchronizing with releasing of 50% share by Urban Development Department.	No Reply received.
4	2012-13 Para-6 Part- IIB	Non recovery of interest/penal interest amounting to Rs. 20.08 lakh on the loan of Rs. 77.25 lakh to DTL in 2002-2003 and on verification of repayments of principal amount of loan made by DTL.	No Reply received.
5.	2012-13 para-7 Part- IIB	Non taking over the possession of land from DDA despite making payment of Rs. 11.43 crore in March 2013 by Power Department for setting up a 220/66 KV and 66/11 KV of GIS substation jointly by DTL and BRPL at Molar band.	No Reply received.

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Part IIA

Para 1: Default of Rs.632.01 crore in payment of principal and interest on non-plan loan of Rs.3326.39 crore and consequent attraction of penal interest of Rs.83.15 crore.

Ministry of Finance, Government of India extended non-plan loan of Rs.3326.39 crore on 5th February 2013 as assistance to Government of National Capital Territory of Delhi (GNCTD) towards settlement of outstanding dues of erstwhile Delhi Electricity Supply Undertaking (DESU) to four CPSUs viz. NTPC Ltd., NHPC Ltd., Power Grid Corporation of India Ltd., Nuclear Power Corporation of India and Ministry of Railways. The standard terms and conditions of loan to state government were to apply in this case. The Ministry of Power, GoI sent the cheque of Rs.3326.39 crore to GNCTD on 30.3.2013 in this regard. The then Chief Minister of Delhi had written a letter to the Prime Minister stating that DESU period dues are the liabilities of the Central Government and expressed inability to service the loan assistance and requested for conversion of this loan assistance as a onetime grant to GNCTD. However, Minister of State for Power, GoI replied (21st June 2013) that the loan sanctioned was to be passed on to the respective organizations within two weeks from receipt of the loan and GNCTD neither made the payment to respective organizations nor submitted Utilization Certificate till then. Delhi CM had against requested Minister of Power, GoI to withdraw the loan assistance and replace it with GoI taking on the liabilities of DESU for the period when it was under its control. However, the request was again declined. The Department of Power, GNCTD further extended the liability to pay CPSU dues relating to DESU period to Delhi Power Company Limited and gave the loan of Rs.3326.39 crore to DPCL on 21st January 2014. Audit has made following observations in this regard:

1. The Power Department was to commence the re-payment of loan as well as interest from 31st March 2014. However, the Power Department has defaulted the payment of principal amount of Rs.332.64 crore and 9% interest of Rs.299.37 crore on 31st March 2014 and which has not been paid till date whereas the due date of payment of Rs. i.e. 31st March 2015 is nearing.
2. The default in payment of principal and interest also attracted penalty of 2.5% over and above normal rate as per GFR 228(1) i.e. the GNCTD may have to pay Rs.83.15 crore as penal interest due to default on 31st March 2014.
3. The Power Department received the loan of Rs.3326.39 crore on 30.3.2013 and devolved the liability to pay upon DPCL on 21.1.2014. The Government of India has sought the utilization certificates of the payment dues to CPSUs. However, the Power Department, GNCTD has not done the same.
4. As per Delhi Electricity Reform (Transfer Scheme) Rules, 2001, all liabilities of the erstwhile Board including all contingent liabilities other those specifically included in Schedules B, C, D, E and F are transferred to DPCL. However, this liability pertains to the DESU period. Thus, the transfer of liability to pay CPSU dues of DESU period to DPCL was in accordance with the rules. Further, the loan was extended to DPCL on interest of 9.50% i.e. 0.50% above than the rate imposed by Government of India. The reasons for charging extra 0.50% interest may please be furnished.

Para 1: Ignorance of execution of work by Discoms due to non obtaining of utilization certificates/work completion certificates after releasing of Rs.6.20 Crore (50% share of Department of Power) to Discoms towards cost of shifting of HT/LT Electricity line.

As per policy approved by GNCTD in November 2009 regarding shifting of HT(11/33 KV)/LT (400V) electricity transmission lines posing threat to human lives in respect of regularized unauthorized colonies including urbanized villages and resettlement colonies, 50% of the cost of shifting will be borne from MLALAD funds and the balance 50% would be borne by the government from the budget of the power department.

The following procedure is to be followed for releasing of funds for shifting of HT/LT lines.

- 1) A request is submitted by MLA for shifting of HT/LT lines to power Department under intimation to Urban Development (UD) Department.
- 2) The power department will request concerned DISCOM for studying the feasibility of the proposal.
- 3) Estimates are prepared by DISCOMs and verified by DTL.
- 4) DISCOMs will obtain necessary approvals from the road owning agency.
- 5) After vetting the estimate, the Power Department would release its share of total estimated cost to concerned Discom and forward a copy of estimates to UD department for release of balance 50% cost of estimate.
- 6) The UD department will release the balance funds.

Under the above policy, the Department of Power released Rs.8.87 crore (27 Cases) to three DISCOMS (NDPL, BRPL & BYPL) during the year 2012-13 and 2013-2014 towards 50% share of Department of Power for shifting of HT/LT Lines as per details given in Annexure.

In this regard the following was observed in audit:

1. Audit scrutiny revealed that after releasing its 50% share to the DISCOM, there were no correspondences on records with DISCOM/Urban Development Department to show that the work was satisfactorily completed by the DISCOMs. The Department of Power did not enquire from DISCOMs cases about (i) whether the work has been completed, (ii) details of actual expenditure incurred on the work, (iii) furnishing of work Completion Certificate, (iv) furnishing of utilization certificate for funds released by the Department of Power.
2. In the absence of details of completion of work, the Department of Power was not aware whether the funds released by it were actually utilized for the intended purpose. Audit noticed that the department after releasing of its share of 50% of estimated cost did not reflect any concern on the issues. Status of completion of work/utilization certificate may be obtained from DISCOMs and may please be intimated to audit.
3. Audit also noticed that the Department had not maintained any register for recording the funds released to DISCOMs for shifting of HT/LT lines which may reflect various details viz. Date of sanction, amount of sanction, schedule date of completion of work, actual date of

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completion of work, receipt of utilization certificate etc. It is suggested that a register should be maintained for proper monitoring of funds released by the Government to private DISCOMs.

4 It was noticed that DISCOMs submitted Utilization Certificates of only 9 cases and 1 case pertaining to year 2012-13 and 2013-14 respectively. Utilization Certificates of 17 cases are yet to be received from DISCOMs.

Para 2: Non taking over the possession of land from DDA despite making payment of Rs.20.19 crore in March 2013 and May 2014 by Power Department for setting up a 66 KV Grid Electric Sub Station at Sector 26 Dwarka near Bhartal Village resulting in loss of licence fee of Rs.4.03 crore.

BRPL had submitted a request to Department of Power for allotment of land for setting of one no of 66 KV Grid Sub Station. The request of BRPL was forwarded to Delhi Transco Limited for examination. On 7.9.11 request was sent to L&B Deptt. GNCTD to take up the matter with DDA for early allotment of land. DDA submitted provisional Demand Cum allotment letter dated 13.12.13 towards allotment of land measuring 8550 sqm for construction of 66 KV Grid ESS at Sector 26 Dwarka (Near Bhartal Village) and Department of Power is required to pay Rs.20.19 Crore (premium of the land @ Rs.932.33 lakh per acre and with annual ground rent @ 2.5% per annum of the total premium and Documentation charges Rs.45). The payment of Rs.20.19 crore was released by Department to DDA in March and May 2014.

Audit observed that despite the payment of Rs.20.19 crore was released to DDA in March 2014, the possession of land was not given to the Department of Power till March 2015. Thus the work for setting up of 66 KV substation could not be started and further, it also resulted in loss of licence fee of Rs.4.03 crore i.e. 20% of land premium.

Para 3: Non recovery of license fees amounting Rs.60.83 lakh from BSES Rajdhani Power Ltd.

According to Para 3 of the License Deeds in respect of ESS Plots executed by the DISCOMs with Department of Power, Government of National Capital Territory of Delhi (GNCTD) provides that the licensee hereby agrees to pay the Licensor as under:

- i. Twenty Percent (20%) of premium at the prevailing ZVR of DDA as license fee per annum,
- ii. The Licensee hereby agrees to deposit the first annual license fee in Government treasury at the time of signing of the License Deed and subsequent annual license fee shall be paid by the 31st March of every financial year and intimation thereof shall be given to the Licensor.

During the audit scrutiny, the following observations have been made:

- i. BRPL has not made the payment of license fee arrears of Rs.48.11 lakh plus Rs.12.72 lakh as interest and the same has not been deposited by BRPL despite reminders being issued by the Department of Power. In case if default continues, Power Department can take steps to recover the amount due as arrears of land revenue. However, the Department has not taken any such steps.
- ii. Department of Power vide letter dated 9.2.2012 had intimated BRPL that it had not made payment of 1st license fee for 10 numbers of ESS plots amounting Rs.78.65 lakh

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for FY 2009-10 and 2010-11. It may please be furnished to audit as to how much dues have been recovered from BRPL out of this amount.

Para 4: Violation of conditions of sanction order due to releasing payment of Rs 1.16 crore towards land cost which was under encroachment and resulting non possession of land required for setting up a 66 KV grid Substation at village Razapur Khurd, Mohan Garden in Uttam Nagar Assembly Constituency.

In order to strengthen the power distribution network for reliable power supply, a urgent need to establish a 66 KV Grid Substation at Village Razapur Khurd, BRPL submitted a request in Department of Power for allotment of land around 8550 sq m in Uttam Nagar Assembly Constituency. The matter was taken up with Principal Secretary of L&B deptt for allotment of land. BRPL vide letter dated 27.2.13 informed that the said land is Malkiyat land at Khasra No.23/7,6/2.14.15 owned by two private parties as per two khatoni/sizra documents. The Department vide letter dated 7.3.13 had requested L&B Department for initiation acquisition process. Land Acquisition Branch had conducted a joint survey on 7.6.13. Upon inspection, it was seen that on the land identified by BRPL, a number of boundary walls in the form of Houses/Plots and road pavements were existing. Two sign boards were also found erected on their site indicating that the land was under litigation before the Hon'ble High Court.

The sanction of Power Department GNCTD for incurring expenditure of Rs. 1,16,46,971 was conveyed vide sanction order dated 18.9.13 for making payment to Secretary, L&B Department subject to condition that the land should be handed over to Power Department, free from any type of encroachments which would be responsibility of Revenue Department, GNCTD. The Department of Power made payment of Rs.1, 16, 46,971 to Land and Building on 18.9.13 (vide cheque No.392547 dated 18.9.13).

In this regard following was observed in audit

The joint survey report and the map area made on 7.6.13 clearly show that not only the area had built ups but it is also under litigation in the Hon'ble Court. When the land is under litigation in court, the reasons of Department for releasing 1.16 crore to L& B Department may be intimated to Audit.

Further despite making the payment by the Department to Land and Building Department in September 2013, the required land has not been transferred under the possession of the Department till March 2015 and thus the intended purpose of setting up of 66 KV grid substations could not be achieved.

Para 5: Releasing of 50% share of Rs.17.10 lakh towards cost of shifting of overhead 11 KV Line passing over Mianwali Nagar without synchronizing with releasing of 50% share by Urban Development Department.

As per policy approved by GNCTD in November 2009 regarding shifting of HT/LT electricity transmission lines posing threat to human lives in respect of regularized unauthorized colonies including villages and resettlement colonies, 50% of the cost of shifting will be borne from MLALAD funds and the balance 50% would be borne by the government from the budget of the Power Department.

Audit observed that the Department of Power without synchronizing the releasing of funds by the Urban Development Department, released its share of Rs.17.01 lakh to M/s. BSES Rajdhani Power Limited on 14.8.2013 for shifting/conversion of overhead 11 KV line of PVC market R-Block feeder on BC Road Mianwali Nagar from R Block PLM S/s to I/D Mianwali S/Stn. No. 3 which is passing over houses into U/G 11 KV cable size 3X300 sq mm. However, Department of Urban Development sent a copy of letter dated 24.9.2013 written to Dr. Bijender Singh, Ex. MLA of Nangloi Jat Assembly Constituency stating that the amount could not be released due to insufficiency of funds. No further correspondence could be found in the file. In this regard, the following observations have been made in audit:

1. No further developments regarding work have been recorded in the file. It may kindly be intimated to audit as to whether M/s BRPL returned the amount of Rs.17.01 lakh or not along with status of work.
2. Dr. Bijender Singh, Ex. MLA had also requested for shifting O/H 11KV line of 50 feet Road Nihal Vihar from G-Block Nihal Vihar to DP at T-point Shiv Ram Park into U/G 11 KV cable size 3x300 sq mm. Power Department sanctioned Rs.53.26 lakh on the same date i.e. 14.8.2013 on which it also sanctioned Rs.17.01 lakh for Mianwali Nagar. It may please be stated as to whether the UD Department could release the remaining portion of Rs.53.26 lakh for shifting O/H 11KV line of Nihal Vihar along with status of work. And if UD Department could not release the remaining 50% amount, whether M/s BRPL returned amount of Rs.53.26 lakh.
3. The Department of Power has released Rs.2.66 crore for 10 numbers of cases regarding shifting of overhead HT/LT electricity line during 2013-14 wherein the Urban Department was also required to release the remaining 50% of amount from the MLALAD fund in accordance with the policy. However, no record is maintained in Department of Power as to whether the Urban Development Department has released the remaining 50% of amount. It may please be furnished to audit as to how many cases are the UD Department could not release the remaining 50% due to insufficiency of fund.

Para 6: Directly taking over of land by DISCOMs from land owning agency in violation of land allotment policy.

As per policy approved (June 2011) for allotment of land to power utilities for construction/expansion of power related infrastructure, the Power Department will send their requirement for land to DDA/L&DO/other land owning agencies through L&B Department. The payment of land shall be made directly by Department of Power to land owning agency. The land owning agencies will allot the land to Department of Power, GNCTD which in turn shall hand over the land to concerned power utilities. The Department of Power would sign a license/lease agreement with the power utilities and would charge annual licence fee from power utilities. The Power Department was charging annual licence fee @20% of the land premium paid by the Power Department.

Audit noticed for two pieces of land each measuring 48 Sqm in Pocket B & Pocket C in Dwarka sector 3 (near Matia Village), for setting up of two 11 KV Electric Sub-station (ESS) for electrification in the area, the Department of Power, GNCTD, released the payment of Rs.12.84 lakh to DDA on 21.8.2012. DDA vide letters dated 15 & 16 October 2012 and 19 December 2012 requested the Power Department to depute authorized representative to fix the date of taking over the land by Power Department. However, no action was taken by the Department of Power to complete the taking over formalities.

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During a joint visit of site made by Power Department on 21.2.2013 in the presence of Surveyor-IL Branch DDA & BRPL officials, it found that the land was already under possession of BRPL and both the 11 KV ESS stood constructed on the land. Further, the land in possession of BRPL was also not in conformity with the lay out plan. The Department of Power formally took up the issue with DDA for directly handing over of land to BRPL only in October 2013 i.e. after a lapse of eight months from the date of joint site visit. However, till date no formal handing over/taking over could be done with the Power Department.

In this regard the following observations have been made in Audit:

1. The Department of Power did not initiate action for taking over the possession of land from DDA, despite repeated requests from DDA and remained ignorant about directly taking over of possession of land was required to be taken over by the Power Department only.
2. As the Department of Power was unaware about taking over of possession by BRPL directly from DDA, the licence fee of Rs.2.56 lakh p.a. @20% of the land premium of Rs.12.84 lakhs could not be realise by the Power Department till date. The issue was taken up by the Department with BRPL on 27.2.2014 only after a lapse of 12 months from the date of joint site visit in February 2013. Power Department has also written letter on 10.2.2015. In this regard, however, no further development could be found on record.
3. Audit also noticed the similar issues of directly taking over of sites by BRPL at Jasola (total three pieces of land measuring 80 Sqm each total valuing Rs.27.56 lakh) in August 2009 was also on records in the Power Department, where BRPL did not make payment for licence fee of Rs.9.14 lakh for the year 2009-10 due to not formal handing over by the Power Department till March 2014.

Para 7: Non levy of annual ground rent @2.5% of land premium paid by GNCTD from DISCOMs.

As per policy for land allotment to public utilities, the Department of Power makes payments to the land owning agency and take over the land for onward handing over to power utilities/DISCOMs. Thereafter, the department of power recovers licence fee @20% of land premium from concerned power utilities/DISCOMs. The details of land pieces allotted by Department of Power to DISCOMs till March 2014 are given below:

Name of DISCOM	No. of land pieces allotted till 31 st March 2014	Total land premium paid by the Department of Power	Annual licence fee @20%
TPDDL	71	10,61,63,652	2,12,32,730
BRPL	90	8,83,08,670	1,76,61,734
BYPL	29	2,81,87,861	56,37,572
Total		22,26,60,183	4,45,32,036

Audit noticed that the Delhi Development Authority/Land Owning Agency allot land to Department of Power on payment of following:

1. Land premium at the prescribed Zonal Variant Rates,
2. Ground Rent @2.5% per annum on the total land premium charges.

The Department of Power was taking over possession of land after making payment of land premium and ground rent @2.5% thereon. Audit, however, observed that the ground

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rent paid by the Department was not being recovered from the DISCOMs at all i.e. neither first instalment of ground rent nor annual ground rent paid subsequently to DDA.

Audit scrutiny revealed that the policy for allotment of land to power utilities stipulates the recovery of annual licence fee @20% of land value. But licence fee recovered @20% from DISCOMs only on the land premium paid by Department of Power.

Due to non charging of ground rent paid by the Department of Power at the time of allotment of land as well annual ground rent paid by it, the expenditure was being borne by the GNCTD. Thus non recovery of ground rent from DISCOMs was like unaccounted subsidy given by the Department of Power. The details of Ground Rent paid by Department of Power to DDA/land owning agency at the time of first allotment of land and subsequently till March 2014 may be intimated by the Departments audit.

Para 8: Poor monitoring of the disbursal of loan funds of Rs.6620.10 crore by Power Department.

The Department of Power has been releasing loans to Delhi Power Company Limited (DPCL), Indrapratha Power Generation Company Limited (IPGCL), Pragati Power Corporation Limited (PPCL) and Delhi Transco Limited (DTL) since 2002-03 onwards. The loans for the period up to 31.3.10 were released by Urban Development Department (under which the Power Department was working till 31.3.10) and with effect from April, 2010, Power Department was releasing loan to below mentioned companies. A scrutiny of records of the Power Department revealed that although huge sums of loan were given to these companies, but their recovery of loan/interest/penal interest was not monitored by Power Department in violation of terms and conditions of loan/government rules. As per records produced to audit the details of loans disbursed by GNCTD to Power PSUs upto March and recoveries thereof are given below:

Details of loans given by Department of Power GNCTD to Power Companies (PSUs) as on 31st March 2014.

S. No.	Name of the PSU	Loan Outstanding as on 31 March 2013	Loan released during 2013-14	Total Loan	Amount of Principal paid till date	Outstanding Principal
1	DTL	616.36	202.00	818.36	70.88	747.48
2	DPCL	970.17	3326.39	4296.56	945.78 ¹	3350.78
3	IPGCL	705.18	0	705.18	94.28	610.90
4	PPCL	700.00	100.00	800.00	13.33	786.67
	Total	2991.71	3628.39	6620.10	1124.27	5495.83

In this regard, the following was observed in audit:-

1. The GFR Rule 220(1) (viii) and Govt. of India, Ministry of Finance Office Memorandum dated 31.12.2013, specifically states that the Ministries/Departments are required to keep close watch on timely repayments of loans advanced by them recovery of interest thereon. GFR Rule (220) provides for a notice in Form GFR-36 to be given to the borrowers a month in advance of the due date of payment of instalment of principal and/or interest thereon.

¹ Intimation of payment of APDRP loans of Rs.28.36 crore has not been received from PAO.

- M/C
2. It may be seen from the above table that the Power Department failed to monitor the recovery of huge sum of loans of Rs.6620.10 crore advanced to PSUs up to 31st March 2014 against which an amount of Rs.1124.27 crore could be recovered till the year 2013-14 i.e. Rs.70.88 crore, Rs.945.78 crore, Rs.94.28 crore, Rs.13.33 crore from DTL, DPCL, IPGCL and PPCL respectively. Further, Power Department has not received the due intimation from Pay & Accounts Office regarding payment of Rs.28.36 crore in respect of APDRP loan as DPCL claimed to have paid. Audit noticed that repayment of loans and interest plus penal interest are not properly being done by the Department and reconciliation of the loans given is yet to be done by the Department.
 3. Power Department has been releasing loan to above Govt. Companies for the last eleven years i.e. 2002-03 onwards. Non-monitoring of the recovery of loan/interest by the Department has further resulted in a situation that after a time span of more than eleven years, it is not in a position to recognize the amount due towards interest/penal interest on the disbursed loan of Rs.6620.10 crore. This being involving possible loss to government revenue, is a serious matter and requires immediate attention.

Para 9: Non adjustment of advances drawn on Abstract Contingent bills amounting to Rs.19.66 crore.

Rule 118 of Receipt and Payment Rules stipulates that money drawn on abstract contingent (AC) bills for payment of advances to supplier of stores should be adjusted within a period of one month from the date of drawal by submission of detailed bill. A scrutiny of Contingent Advance Register revealed that 30 advances amounting to Rs.196680394/- pertaining to the period between October 2012 to February 2014 were pending for adjustment as of March 2015.

Due to failure of the Department to settle the advances for such long period possibility of misappropriation or fraud cannot be ruled out steps taken for the settlement may be intimated to audit along with reasons for delay in settlement of advances.

Para 10: Obsolete/ condemned items worth Rs. 2.66 lakh.

Information furnished by the office of the Power Department revealed that the some obsolete/Condemned items are lying in the store with purchase value of Rs. 266430/- To avoid accumulation of such goods and consequential blockage of space and also deterioration in value, such items need to be disposed off by taking suitable action in this regard.

General

General condition of the accounts of the Power Department, GNCTD, Delhi Secretariat for the period from 1.4.2013 to 31.3.2014 was found to be satisfactory subject to remarks made in the Inspection Report.

Disclaimer

The Draft Inspection Report has been prepared on the basis of the records and information furnished and made available by Power Department, GNCTD, Delhi Secretariat. The office of the Pr. Accountant General (Audit), Delhi disclaims any responsibility for any misinformation and/or non-information on the part of the auditee organization.


Sr. Audit Officer (ES)

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Test Audit Note

TAN - 1: Short deduction of Income Tax amounting of Rs3733/-

During test check of Form- 16 with Income Tax Calculation sheet as well as with PBR for the period from 2013-14 it was revealed some irregularities, resulting short deduction of Income Tax amounting to Rs.3733 /- has been noticed. Detail is as follow:

ShVijender Kumar, D.D(2013-14)			
Particulars	As per Form 16	As per Audit Calculation	Difference
Gross Salary	706308	721308	
Less: TPT	9600	9600	
Less: HRA	55074	54978	
Less:Interest of HBA	51310	51310	
Total Salary	590324	605420	
Less: Rebate U/s 80C	100000	100000	
Less: Rebate U/s 80D	-----	-----	
Less: Rebate U/s 80G	4463	4463	
Taxable Income	485660	500957	
Tax as per Slab	26566	30191	
Add: Education Cess @ 3%	797	905	
Tax Payable	27363	31096	3733

Recovery amounting to Rs 3733/- may be done after due verification and deposit in Govt. account under intimation to audit.


Sr. Audit Officer (ES)