Department of Power
Diary No. 1825
Dt. 10/3/16

Secy(P)/9316
09/03/2016

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OFFICE OF THE CHIEF SECRETARY
GOVT. OF NCT OF DELHI
08 MAR 2016
Dy. No.

कार्यालय प्रधान महालेखाकार (लेखापरीक्षा), दिल्ली

ए.जी.सी.आर भवन इन्द्रप्रस्थ एस्टेट

नई दिल्ली-110002

Delhi Sachivalaya
R & I Br.
Govt. of NCT of Delhi
07 MAR 2016
Dy. No. GAD/2016/11290

संख्या:- ES/21-4/Power Deptt./IR/2015-16

दिनांक:- 29.02.2016

सेवा में,

अति. सचिव (पावर)
पावर डिपार्टमेंट (GNCTD)
दिल्ली सचिवालय, नई दिल्ली - 110002

महोदय,

मैं आपके कार्यालय के वर्ष 2014-15 के लेखाओं का निरीक्षण प्रतिवेदन, प्रेषित कर रहा हूं।

अनुरोध है कि इसमें वर्णित विभिन्न आपत्तियों के उत्तर ....

....

पत्र की प्राप्ति के चार सप्ताह के भीतर सुलभ कराएं। उपलब्ध

SO to CS
08.3.16

Secy/Power

भवदीय

व.लेखापरीक्षा अधिकारी (आर्थिक अनुभाग)

अनुलग्नक: रिपोर्ट

संख्या:- ES/21-4/Power Deptt./IR/2015-16/1139 दिनांक:- 29.02.2016

निरीक्षण रिपोर्ट की प्रतिलिपि सहित इस पत्र की एक प्रति निम्नलिखित को सूचना और आवश्यक कार्यवाही के लिए प्रेषित की जाती है।

1. मुख्य सचिव (पावर), पावर डिपार्टमेंट (GNCTD), दिल्ली सचिवालय नई दिल्ली-110002

उनसे अनुरोध है की वे कृप्या .... से

प्राप्त उत्तरों की अपनी टिप्पणी सहित इस कार्यालय को अग्रेषित करें।

उनका ध्यान विशिष्टतया निरीक्षण रिपोर्ट के पैरा नं0.................की ओर आकृष्ट किया जाता है

2. मुख्य लेखा नियन्त्रक,

प्रधान लेखा कार्यालय, बी0-ब्लाक, विकास भवन आई0पी0एस्टेट, नई दिल्ली-110002

SS(P)
DS(P)

AAO

14/3/16

व.लेखापरीक्षा अधिकारी (आर्थिक अनुभाग)

प्रमाणित किया जाता है की उप-महालेखाकार (आर्थिक अनुभाग) द्वारा अनुमोदित इस लेखा परीक्षा प्रतिवेदन में..4.. पैरा पार्ट IIAव..8.....पैरा पार्ट IIB के शामिल किए गए है।

14/6/16

Mr. Fateh

3496

1350

Office of the Principal Accountant General (Audit), Delhi
A.G.C.R. Building, I.P. Estate New Delhi-110002

Inspection Report on the accounts of Department of Power, GNCTD for the period 01.04.2014 to 31.03.2015

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 urbanization 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.e.f. 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 *per cent* 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.

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

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.

(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 sh. Md. Kashif Imam, Auditor, Sh. Kushneet Kumar, AAO under the supervision of Sh. S.K.Gulati Sr. Audit Officer w.e.f. 18.2.2016 to 03.03.2016.

V List of Outstanding Para.

Nil.

Part-IIA

Para No.1: 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.8.08 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 in May 2011. The request of BRPL was forwarded to Delhi Transco Limited for examination in June 2011. On 7 September 2011, request was sent to L&B Deptt. GNCTD to take up the matter with DDA for early allotment of land and accordingly L&B Deptt had taken up with DDA for above allotment on 27 September 2011. DDA issued provisional Demand Cum allotment letter dated 13 December 2013 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 was 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 cent* per annum of the total premium). The payment of Rs.20.19 crore was released by Department to DDA in March and May 2014. (Rs 20,17,00,000 & Rs 202435/- respectively)

DDA vide their letter on 3rd November 2014 intimated to Deptt of Power GNCTD regarding taking over the possession of said land. The Deptt with the consent of BRPL fixed up 26 November 2014 with DDA for obtaining the possession, however, the representative of BRPL did not turned up on that date to take over the possession of land. There after also BRPL did not turn up for taking possession, instead linked it with the charging of 20*per cent* Licence fee by Deptt. being on higher side. DDA again made request to Deptt to take over the land (November 2014). Thereafter, DTL had also shown their interest (September 2014 & January 2015) for using the above plot of land for 220 kv substation along with BRPL for 66 kv substation and for which BRPL has also given their No Objection to the Deptt in February 2015. In June 2015, DTL had also raised their concern of charging of higher licence fee (20*per cent*) and asked for revision of Policy of charging Licence fee. In October 2015 DDA again intimated to Deptt to take over the land, but still land has not been taken over & handover the same to BRPL &DTL.

In regard to above, audit scrutiny revealed that matter has been lingering on since November 2014 when DDA offered the possession. Deptt has neither pressed upon the BRPL & DTL to take over

Para No.2: Loss of Licence Fee of Rs 9.49 crore due to delay in taking over of land from DDA and handling over to DTL.

Department of Power, GNCTD has requested DDA on 26 June 2014 to allot land for establishment of 220 kv sub-station at various location as per the requirement of Delhi Trans Co Limited (DTL). With reference to above requirement, DTL allotted on 24 December 2014 land measuring 40,000 sqm for construction of 400 kv Electric Sub-station at Tikri khurd, Narela, in zone P-1. The above Plot of land was allotted at a value of Rs. 47.45 crore as detailed below.

1. Premium of land measuring 40,000 sqm @468.36 lakh per Acre	Rs. 46, 29, 36,697.00
2. Ground Rent @ 2.5 PA	Rs. 1, 15,73,417.00
3. Documentation Charges	Rs. 45.00
	Rs. 47, 45, 10,159.00

A Joint inspection of the land was carried out by officials of Deptt of Power, DTL & DDA on 19 February 2015. After obtaining the consent of DTL on 10 March 2015, the payment of Rs. 47.45 crore was made to DDA on 31 March 2015. DDA vide their letter dated 13 May 2015 intimated to Deptt of Power to depute representative of Deptt of Power/DTL to take over the physical possession of the said land on 25 May 2015. Deptt of Power, however, did not attend the site office of DDA on the scheduled date sitting reason of late receipt of letter. Thereafter, Deptt has made correspondence with DDA (28 August, 4 December 2015, and 19 January 2016) and requested to fix up the date & timing of handover of land. The possession of the above plot of land has not been obtained from DDA till date.

In regard to above Audit scrutiny revealed that Deptt took unnecessary long time of 12 months to process the case (January 2015 to January 2016) from the date of allotment. Even after allotment on 24 December 2014 the Deptt took about 3 months in obtaining the consent of DTL to make the payment to DDA on 31 March 2015. Further scrutiny also revealed that even the consent of DTL (20*per cent* Licencee Fee) was obtained after the allotment of plot by DDA which could have been done before hand.

Scrutiny also revealed that letter of handover of possession by DDA of 13 May 2015 was shown as received on 29 May 2015 after the date of 25 May 2015 mentioned in the letter for site visit for obtaining possession. Moreover, scrutiny of records does not show any adequate efforts were made by Deptt to sort out matter with DDA and obtain possession of said land as early as possible in the financial interest of Department as well as timely start of construction 220 kv Sub-station by DTL.

Thus due to delay of about 10 months in obtaining possession of the land from DDA and handing over to DTL after making payment. Deptt. of Power lost revenue of Rs. 9.49 crore on account of licencee fee @ 20 *per cent* of land Premium for 2015-16.

Para No.3: Expenditure of Rs.6.95 crore was incurred in violation of policy approved by the Cabinet of GNCTD for shifting of 66 KV line for development of Delhi Haat Mayur Vihar.

For shifting of HT (11000 V 33000V/LT (400V) electricity transmission lines posing threat to human lives, a policy was approved by the Cabinet of Government of NCT of Delhi in November 2009 which stipulated the parameters and extent o funding by the Department of Power and other agencies for bearing the expenditure on shifting of HT/LT lines.

For development of Delhi Haat at Mayur Vihar by Delhi Tourism and Development Corporation Ltd. (DTTDC), 66 KV overhead lines were required to be shifted. DTTDC approached BSES Yamuna Power Ltd (BYPL) in August 2012 for shifting of 66 KV line and preparation of estimate thereof. BYPL submitted the estimate of Rs. 901.22 lakh with completion of work in two months after depositing the money with them. The estimates were vetted by DTL at Rs 900.51 lakh and forwarded to Department of Power in March 2013. The Department of power GNCTD sanctioned the expenditure of Rs.900.51 lakh and 100 per cent advance drawl for payment to M/s DTTDC for shifting of 66 KV HT line from Delhi Haat Mayur Vihar New Delhi. The same work was completed by BYPL in June 2014 for Rs.6.95 crore and unutilised amount of Rs.2.06 crore was refunded back to the Deptt. of Power in December 2014.

Audit scrutiny of records revealed that the policy approved by the Cabinet of Government of NCT of Delhi in November 2009 clearly mentions the scope of HT/LT lines to be covered will include the HT transmission lines of 11KV as well as 33 KV and LT lines of 400V associated with the HT network. Audit, however, observed that the shifting of 66KV lines which was not covered under the policy approved by the Cabinet and thus the sanction of Rs. 900.51 lakh was not in order.

Moreover, it was also revealed that the Planning Department of GNCTD also objected (January 2013) to the proposal on the grounds of non coverage under the approved policy and recorded that inclusion of this proposal requires extension of the scope of the current policy approved by the Cabinet. Audit noticed that despite the Planning Department did not agree to the proposal, the same was approved and payment was released by the Department of Power.

It was also noticed that as per the cabinet policy "*In case of HT/LT lines passing through government institution, public authority building, schools. Hospitals colleges of public nature and which are owned by the government, 100 per cent of the funding would be met by the concerned department/agency for shifting of the line.*" In this case the concerned department/agency was DTTDC (State PSU); therefore, the funding was required to be met by DTTDC.

Further it was also noticed that as per BYPL's submission, the work was to be completed after 2 months from the date of releasing the payment to them. Audit however noticed that the work was completed in December 2014 i.e. delay of more than 18 months. The unutilised amount was also refunded back after a lapse of six months.

Part-IIB

Para No.1: Non Payment of annual ground rent @2.5 per cent of land premium paid by GNCTD to DDA and recovery 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*per cent* of land premium from concerned power utilities/DISCOMs. The details of land pieces allotted by Department of Power to DISCOMs till March 2015 are given below:

Name of DISCOM	No. of land pieces allotted till 31st March 2014	Total land premium paid by the Department of Power	Annual licence fee @20*per cent*
TPDDL	77	29,79,34,273	5,95,86,854
BRPL	91	24,03,55,631	4,80,71,130
BYPL	29	2,81,87,861	56,37,572
Total	197	56,64,77,766	11,32,95,556

The Delhi Development Authority/Land Owning Agency allots land to Department of Power on payment of following:

1. Land premium at the prescribed Zonal Variant Rates,
2. Ground Rent @2.5*per cent* for the first year 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*per cent* for the year.

Audit scrutiny revealed that Deptt of Power has not been making payment of annual Ground Rent to DDA after taking possession of the land except Ground rent of first year included in the total demand paid to DDA before taking possession of the land. As per the terms of allotment by DDA, in case of default in payment of Ground rent, DDA would charge interest @10*per cent* per annum or any such rate as DDA/lesser may in their discretion decide from time to time. Scrutiny further revealed that Deptt of Power has neither worked and paid the annual Ground rent on land/properties purchased from DDA since beginning of purchasing such land parcel on behalf of DISCOMs/DTL nor recovered from the DISCOMs/DTL.

Audit scrutiny revealed that the policy for allotment of land to power utilities stipulates the recovery of annual licence fee @20*per cent* of land value from DISCOM/DTL. But licence fee recovered @20*per cent* from DISCOMs is only towards the land premium paid by Department of Power. As per the policy there is provision for recovery of annual Licence fee only, not the ground rent separately from DISCOMs. This means the expenditure on account of annual Ground rent is to be on borne by the GNCTD as per the allotment letter/ Lease Agreement with DDA Thus nonpayment of Ground rent by the Department of Power would attract payment of interest @ 10*per cent* p.m on defaulted amount.

Presently, the annual Ground rent payable to DDA comes to Rs. 1.42 crore approximate. However, the plots of land have been acquired by Dept of Power on different dates since 2002-03, and at different cost. The exact amount of Grand Rent @ 2.5*per cent* on land Premium payable to DDA may be workout & intimated to Audit.

Non Payment of such huge amount of Ground Rent to DDA (Rs. 1.42 crore annually at present) for last so many years will unnecessarily attract interest @ 10*per cent* P.A on default amount.

Para No.2: Non recovery of license fees amounting Rs. 368.43 lakh from BSES DISCOMs.

According to Para 3 of the License Deeds in respect of Electric Sub-stations (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:

1. Twenty Percent (20*per cent*) of premium at the prevailing Zonal Rates of DDA as license fee per annum,
2. 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:

1. An amount of Rs. 6.59 crore was outstanding against BRPL as on 31 March 2015. Out of above amount, BRPL paid only Rs. 4.00 crore on different dates during 2015-16 (20 July, 17 August, 1st September and 08 October, 2015). So, balance amount of

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Rs 2,59,25,863/- and interest of Rs. 48,21,753.00 are still outstanding against BRPL as on 31st October, 2015 towards arrears of Licence fee and interest.

2. Department of Power vide letter dated 9 February 2012 had intimated to BRPL that it had not made payment of 1st license fee of Rs 15,73,086/- (@ 20*per cent*) for 10 numbers of ESS plots amounting Rs.78.65 lakh for FY 2009-10 and 2010-11.

   Scrutiny revealed that out of above Licensee fee, an amount of Rs 5,09,940/- and Rs 5,51,341/- have been received and an amount of Rs. 4,70,362/- was paid by BRPL but not still confirmed by PO as receipt. The receipt of above amount may be confirmed to Audit. The above outstanding payment may be recovered along with further interest on delayed receipt of above payment

3. A sum of Rs. 60,95,837/- comprising of Rs. 55,98,932/- of Licence fee admissible as on 31 March 2015 and Rs. 496905/- as interest @ 1.25*per cent* p.m for late payment is due from BYPL. Efforts should have been made to recover the above outstanding amount from DISCOMs.

Para No.3: Non recovery of interest amounting to Rs. 20.38 lakh from L&B deptt on account of return of deposit amount after 2 years.

In order to strengthen the power distribution network for reliable power supply and to establish a 66 KV Grid Substation at Village Razapur Khurd/ Mohan Garden in Uttam Nagar, BRPL submitted a request to Department of Power for allotment of land around 8550 sq m. The matter was taken up with Deptt of Land and Building (L&B) for allotment of land. BRPL vide letter dated 27 February 2013 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 March 2013 had requested L&B Department for initiation acquisition process. Land Acquisition Branch had conducted a joint survey on 7 June 2013. 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 crore was conveyed vide sanction order dated 18 September 2013 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 crore to Land and Building on 18 September 2013 (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 June 2013 clearly show that not only the area had built ups but it was also under litigation in the Hon'ble Court. When the land was under litigation in court, the reasons of Department for releasing 1.16 crore to L& B Department were not found recorded in the concerned file.

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 July 2015. Ultimately, the Deptt of Power could able to take back an amount of Rs. 1.16 crore paid to L&B Deptt because land was not free for handing over the possession. The Deptt of L&B has refunded an amount Rs 1,16,46,971 on 18 August 2015 after a gap of about of 2 years.

Audit scrutiny revealed in regard to above payment & refund by L&B deptt, Deptt of Power has not claimed any interest when fault was clearly on the part of Land deptt for demanding and accepting the payment towards plot which was encroached upon. Thus by making payment of Rs. 1.16 crore towards encroached law and not claiming interest, the Deptt of Power has lost revenue of about 20.38 lakhs @ 10*per cent* for 21 months.

Para No.4: Arrears of Rs.2498.33 crore on loan provided to power sector PSUs of GNCTD along with poor monitoring on the management of outstanding dues.

The Department of Power has been releasing loans to Delhi Power Company Limited (DPCL), Indraprstha Power Generation Company Limited (IPGCL), Pragati Power Corporation Limited (PPCL) and Delhi Transco Limited (DTL) since 2002-03 onwards. 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 sector PSUs and arrears as on 31.03.2015 are given below:

(in Rs. crore)

S.No.	Name of the PSU	Loan Outstanding as on 31.03.2014	Loan released during 2014-15	Total Loan as on 31.03.2015	Arrears (Principal plus interest) as on 31.03.2015
1	DTL	818.36	195.00	1013.36	212.07
2	IPGCL	705.18	Nil	705.18	747.14
3	PPCL	800.00	100.00	900.00	587.77
4	DPCL	3326.39	Nil	4296.56	951.35
Total		**5649.93**	**295.00**	**5944.93**	**2498.33**

In this regard, the following was observed in Audit:

wrong estimation of Grant in aid and persistent approval of unutilised Grant in aid to DERC may be intimated to Audit.

Moreover it was also revealed during the scrutiny of records that certain conditions were inserted by GNCTD on DERC for utilisation of Grant in aid so that due prudency and frugality may be exercised by DERC on exercising the expenditure. However, no such check on the terms and conditions for release of Grant in aid were exercised by the Deptt. of Power. It is being suggested by Audit that the Deptt. of Power can exercised its right for prudence check on DERC by asking for the compliance on the observations of C&AG in the *Compliance Audit Report* which has been conducting every year by means of Action Taken Note. The action taken by the Deptt. of Power on the prudence and frugality check on expenditure by DERC may also be intimated to Audit.

Para No.6: Irregularities noticed in the working and monitoring of Deptt of Power on the cabinet policy on shifting of HT/LT electricity transmission lines.

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

The following procedure is to be followed for releasing for 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*per cent* cost of estimate.
6) The UD department will release the balance funds.

The year wise amount released by Deptt. of Power for shifting of such HT/LT lines may be seen as below:

Year	No. of cases for which amount released	No. of cases where cases still pending as on date	Total amount released (Rs. in crore)
2009-10	1	Nil	3.37
2010-11	4	1	21.08
2011-12	5	1	94.14
2012-13	18	6	1521.59
2013-14	10	7	265.79
2014-15	1	1	93.61
	39	16	1999.58

In this regard, the following was observed in Audit:

1) During the period 2009-10, a total of 39 cases were approved for release of fund for the above purpose. Out of these 39 only 23 cases were completed but amount remained unutilised out of the total released amount on estimates which ranged between four *per cent* to 76 *per cent*. The reason for such a huge deviation of actual expenditure vis-à-vis estimate prepared by DISCOMs and approved by DTL may be furnished.
2) Moreover it was also noticed that there were instances of completion of the work over and above of the released amount in the concerned individual case or scheme i.e. work done more than the estimated price which ranged between seven *per cent* to 47 *per cent*. The reasons for such a variation vis-à-vis to estimates along with the approval of such expenditure by Finance Deptt may also be intimated to Audit.
3) It was also noticed in Audit scrutiny that there were three instances where work was not taken up at all and the amount released by Deptt. of Power was refunded back by DISCOM. The case wise reason for not taking up the work and refund of the total amount may also be intimated to Audit. Whether the Deptt. of Power has initiated any action to take such cases so that in future the same may not repeated may also be intimated to Audit.
4) The respective DISCOMs has submitted the Utilisation certificate after completion of the work in total no. of 15 cases, however, the work was completed with unutilised amount available with DISCOMs. That unutilised amount works out to be Rs.4.35 crore. Audit scrutiny revealed that the DISCOMs have refunded the above amount from June 2014 onwards but the amount was in the custody of DISCOMs from 2009-10 onward period. The reason for delayed refund of unutilised amount may be intimated to Audit as the cabinet policy has not mentioned about the charging of interest on delayed payment. Whether the Deptt. of Power has initiated any plans for inserting clause for charging of interest on delayed payment of unutilised interest. The same may also be intimated to Audit.
5) It was also revealed during the scrutiny of records that the Deptt. of Power has 24 contingent bills which were charged under the head pertaining to shifting of HT/LT lines. As these bills were supposed to be submitted in simple receipt form but were charged under the head of shifting of HT/LT lines. What are the steps taken by the Deptt. to rectify the mistake and actions taken for not repeating the same mistake in future may be intimated to Audit.

Para No.7: 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 per cent 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.

During a joint visit of site made by Power Department on 21.2.2013 in the presence of Surveryor-II. 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 No.8: Violation of conditions of sanction order due to releasing payment of Rs. 83.32 lakh towards land premium which was under encroachment and resulting in non possession of land required for setting up a 66 KV grid Substation at village Meethapur.

In order to strengthen the power distribution network or reliable power supply, an urgent need to establish a 66 KV Grid Sub-station at village Meethapur, BSES Rajdhani Power Limited (BRPL) submitted a request in department of power for allotment of Gram Sabha Land to establish 66 KV Grid Electric Sub-station (ESS) at MeethaPur in Badarpur constituency, South Delhi in February 2011 and a piece of land measuring 3250 sqm (4 Bigha 18 Biswa or say 1.02 acre) was identified in at village Molarband Tehsil Kalkaji South Delhi. The matter was taken up with Dy. Commissioner South for allotment of 3250 sqm land in July 2011. It was brought on records that out of the total land required on 1500 sqyds (1254.19 sqm) was free from encroachment and rest of land was under encroachment. BRPL declined in August 2011 to accept the 1500 sq yards land and requested for allotment of 3250 sqm of land for setting up of 66 KV grid ESS. The SDM, Kalkaji requested (17.09.2011) the Power department to take the possession of vacant land to avoid further encroachment by public as the demarcation process of the land will take more time.

The demand for 4 Bigha 18 Biswa (1.02 acre) land was raised by the Director Panchayat, GNCTD. On 05.07.2012 for Rs. 8332042/- @ Rs. 81.62 lakh per acre and ground rent of Rs. 2.08 lakh @ 2.5per cent of premium money p.a.)

The sanction of Finance Department of GNCTD for incurring expenditure of Rs. 8332042 was conveyed vide sanction order dated 07.08.2012 for making payment to Gram Sabha Molarband subject to condition that the land/plot in question is free from encroachment/encumbrances. The Department of Power made payment of Rs. 8332042/- to Gram Sabha on 03.10.2012. (Cheque No. 183952 dated 20.09.2012). The possession of partial land measuring 1500 sqyd which was free from encroachment was taken over by Department of power/BRPL on 23.11.2012. The remaining piece of land measuring 1995.81 sqm (2387 sqyds1) was yet to be handed over to the Department of Power/BRPL till February 2014.

In this regard the following was observed in Audit:

1. The sanction order for payment of Rs. 83.32 lakh clearly mentioned that the expenditure was sanctioned subject to the condition that the land/plot in question was free form encroachment/encumbrances; however, the entire payment was made by the Department of Power despite having will aware of the fact that only 1500 sq yds of total land was free

from encroachment. The department of planning also (July 2012 recorded before making payment that the land is free from any type of encroachment. This was also not adhered to. Thus releasing the payment amounting to Rs. 83.32 lakh was in violation of sanction order and also of Planning Department's approval.

2. Despite making the entire payment by the Department to Gram Sabha in October 2012, the required land has not been under the possession of the Department till February 2014 and thus the intended purpose of setting up of 66 KV grid sub-station could not be achieved. Audit noticed that there was inadequate follow up by Department of power, as reminders to Director (Panchayat) were issued only on two occasions during the period January 2013 to February 2014.
3. Audit further noticed that out of 1500 Sqyds. Land handed over to Department, there was further encroachment on the 500 sqyds reflecting that proper safeguard of land was not taken after taking over the possession of 1500 Sqyds. The action taken in this regard may please be intimated to audit.
4. It may be intimated whether the annual lease license fee @20 per cent has been paid by BRPL for 1500 sqyds of land handed over to BRPL from the date of handing over. The details may be made available to Audit.

Senior Audit Officer