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DIRECTORATE OF AUDIT
GOVERNMENT OF N.C.T. OF DELHI
4TH LEVEL, C-WING, DELHI SACHIVALAYA
I.P. ESTATE, NEW DELHI

Department of Power
Diary No. 6105
Dt. 11/10/12

F.No.1/Audit/DA/GIII/PAO-10/1246/ 6199

Dated 11/10/12

To

✓ The Dy. Secretary (Power)
Department of Power,
Govt. of NCT of Delhi,
Delhi Sectt.,
New Delhi

Sub : Internal Audit Report of Department of Power Department, New Delhi for the period 2009-2012.

Sir,

I am forwarding herewith a copy of the Internal Audit Report in respect of Power Department, New Delhi for the period 2009-2012 containing 14 Paras + 03 TAN (Test Audit Note) audit paras with recovery of Rs.NIL for appropriate action at your end.

The following para is of serious nature and require the special attention.

Para No.	Brief details
1.	Outstanding Loans and Interest on Loans from DPCL, IPGCL & DTL NIL

The position of old outstanding audit paras are as under.

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Period	Para outstanding	Recovery outstanding
2005-09	04	NIL

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A.A.O.
11/10/12

You are therefore requested to take remedial measures in view of the shortcomings pointed out in the audit report and send the compliance report of all the outstanding paras within 45 days.

Yours faithfully,

B.P. Dwivedi

(B.P. DWIVEDI)
ACCOUNTS OFFICER (AUDIT)
Tel. Phone 23392281

Pl. put up
draft reply
11/10/12
for bank pay

Encl. : As above.

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DIRECTORATE OF AUDIT
GOVT. OF NCT OF DELHI
4th LEVEL, 'C' WING, DELHI SECTT,
I.P.ESTATE, NEW DELHI – 110002

Subject : **Audit Report of Power Department for the period 2009-12**

INTRODUCTION

The I.A.R on the accounts of Department of Power for the period 2009-12 was conducted by field Audit Party No.III comprising of Sh.Venkitachalam.P.S, IAO, Sh.Krishnan Kutty.T.T, AAO and Sh.Ombir, UDC. The audit was conducted during 12 working days w.e.f 25.07.2012 to 9.08.2012. The D.A.C.R has so far not conducted the audit of the Department of Power.

AIMS AND OBJECTIVES

The Department of Power is to provide quality & reliable uninterrupted power at affordable price to the consumers in the National Capital Territory of Delhi. To make the State power sector self sustainable in generation of its total requirement of power including replacing the Coal based Thermal Power Plants with eco friendly gas based power plants and identifying the renewable energy sources to augment the Power Generation in a pollution free environment in Delhi. And to control administrative method of Generation, Transmission, Distribution & DERC and also releasing GIA and Loans to these Power utilities and targeted subsidies to the consumers through Discoms.

The following officials have served as HOD/HOO/DDO/Cashier during 2009-2012:

Head of the Department

S.No.	Name and Designation	From	To
1.	Sh. Rajinder Kumar, Pr. Secretary	2009-10	
2.	Sh. Rakesh Mehta, Chief Secretary	2010-11	
3	Sh. P.K. Tripathi, Chief Secretary	1.4.11	Aug'11
4	Sh. Parimal Rai, Pr. Secretary	Aug'11	31.3.12

Head of Office

S.No.	Name and Designation	From	To
1.	Sh. S.M. Ali, Dy. Secretary	2009-10	
2.	Sh. Harish Ahuja, Dy. Secretary	2010-11	
3.	Sh. Harish Ahuja, Jt. Secretary	1.4.12	3.5.12
4.	Sh. Y.V.V.J. Raja Sekhar, Addl. Secretary	4.5.12	31.3.12

Drawing and Disbursing Officer

S.No.	Name and Designation	From	To
1.	Sh. A.K. Sharma	1.4.2009	Aug'09
2.	Sh. V.P. Ranjan	Sep,09	Jan,10
3	Sh. Gautam Malhotra	2.2.10	31.3.10
	Sh. S.K. Panchal	1.1.11	Till date

Cashier

S.No.	Name and Designation	From	To
1	-----	2009 -10	
2.	Sh. V.V.R.K. Nageswara Rao, UDC	2010	Till date

Budget Allocation and expenditure for the year 2010-11

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(in Lakhs)

Period	Budget		Expenditure		Excess (+)/savings(-)	
	Non- Plan	Plan	Non- Plan	Plan	Non- Plan	Plan
2009-10	537.00	1000	313.32	339.38	(-)223.68	(-) 660.62
2010-11	32148.80	25500.00	31709.96	25062.68	(-)438.84	(-)437-32
2011-12	59470.00	184236.00	58602.80	156326.08	(-)867-2	(-)27907.92

Statutory Audit :

Statutory audit of Department of Power was not conducted by AG(Audit)Delhi till now.

Vacancy Statement

S.No.	Name of Post	No. of posts sanctioned	Posts filled	Posts vacant
1	Group A	1	0	1
2	Group B	3	3	0
3	Group C	10	6	4
	Total	14	9	5

Maintenance of Records :

The maintenance of records of Department of Power for the period 2009-12 was found satisfactory subject to observations made in current audit report and in test audit note.

Old Audit Report (Part – I)

There were 4 audit paras outstanding, Department of Power has made compliance of 0 paras as such NIL paras settled. Hence, all 4 paras have been incorporated with current audit report as part-I (old audit report).

(A) Details of Old Paras:

S.No.	Year	Total Paras	Paras settled	PARA No. of settled paras	Outstanding paras with para No.
1	2005-09	4	0	---	1 to 4
	TOTAL	4	0		1 to 4

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(B) Details of Old Recovery :

NIL

Current Audit Report (Part-II)

During the course of current audit, 24 audit memos highlighting various irregularities/short recoveries to the tune of Rs.3552/- were issued. Department has replied to 14 audit memos and spot recovery of Rs.3552/- was also made. After scrutiny of replies and compliances made by the department 12 memo are settled on the spot and remaining observations are included in the current audit paras and Test Audit Notes (10 Paras + 3 Tans)

Details of current recovery (Audit period 2009-12)

Audit Memo No.	Total Recoveries (in Rs)	Amount recovered (in Rs.)	Balance (in Rs.)
24	3552	3552	NIL
TOTAL	3552	3552	NIL

The internal audit report has been prepared on the basis of information furnished and made available by the Department of Power , GNCT of Delhi and disclaims any responsibility for any misinformation and/or non-information on the part of auditee.

Disputed with Adell Seey (Power)
Dr. Seey (Power), AD & AAO


(VENKITACHALAM.P.S)
IAO Party No.III


09/08/12

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Audit Report of Department of Power, Delhi Secretariat
For the period 2005-09

PART -I (First Audit)

~~PART -II~~
OLD CURRENT REPORT

Para 1

Sub. : Release of subsidy to the DISCOMs since 2003-04.

On scrutiny letter no. F.11(08)/2008/Power/933 dated 06.04.2009 it has been observed that subsidy to the DISCOMs is being released since 2003-04. Separately figures provided to the audit, following detailed amount has been released to various DISCOMs since 2003-04 as subsidy to the consumers of Delhi.

Sl. No.	Year	Amount (Rs. In Crore)
1.	2003-04	Rs. 55.33
2.	2005-06 (July 05 to July 06)	Rs. 89.19
3.	2006-07 & 2007-08 (July, 06 to March, 08)	Rs. 147.20
4.	2005-06 (March, 08 to Feb., 09)	Rs. 428.2939
5.	March, 09 to May, 09	Rs. 103.20

In this context the department was asked vide audit memo No. 4 to produce/show the relevant record of subsidy given to DISCOM and reconciliation thereof. But no records were shown in regard to rendering of account by DISCOM and reconciliation of subsidy.

However, efforts may be made to reconcile the balances on quarterly basis as it cannot be assessed whether the subsidy given in excess to DISCOM or whether any unspent amount of subsidy left with them.

Para 2

Sub.: Difference in licence fee amount deposited in bank and shown in the relevant register.

During the course of scrutiny of cheque receipt register and licence fee register pertaining to Power Department for the financial year 2005 to 2009 following irregularities have been noticed : -

1. Licence fee cheques received from BRPL, NDPL & BYPL not being deposited in bank in time as under : -

Sl. No.	Cheque No. & Date	Amount	Received on	Deposited on
1.	588375, 09.06.05	9,93,600/-	15.06.2005	27.06.2005

Moreover, the register maintained is not in proper format and some entries made in the receipt register does not show cheque No. & date. The same may be done under intimation to audit as the licence fee cheques are of huge amount and should be deposited in bank within two days.

2. The total amount of licence fee cheques deposited in bank during the year 2005 to 2009 comes to Rs. 64242238/- whereas the booking amount made in the licence fee register comes to Rs. 55223377/- resulting in a net difference of Rs. 9018861/-. Reason for this huge difference may be reconciled and outcome be intimated to Audit and the relevant register of licence fee may also be signed by the H.O.O./DDO.

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(Ret Memo No. 9).

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Subject: - Savings under Plan & Non Plan head.

As per the information furnished by the H.O.O. Power Department, Delhi Sectt. New Delhi regarding budget allotted and expenditure incurred during the financial year 2008-09 under the Plan & Non -Plan head, it has been observed that there is saving in the heads mentioned below:-

	M.H.	Budget allotted	Expenditure upto March 09	Saving (%)
1.	2052 E.1(1)(1)(6)(NP) other charges	9,00,000	1,02,580	88.6%
2.	E.1(1)(1)(7)(NP) professional charges M.H. 2052	27,00,000	2,68,360	90.06%
3.	2052 PGC (Plan)	1,40,00,000	-	100%
4.	E.2 (1)(2)(2) Estt. of Spl. courts (Plan)	1,10,00,000	-	100%
5.	M.H. 4801 EE 2(1)(2)(1)Purchase of land	14,00,00,000	2,95,32753	78.90%

As per the detail given above it is clear that more than 80 to 100% saving is there in these heads which could ~~should~~ either been utilized in time or the same should have been surrendered, as per the direction of Finance Department.

Reason may be given for this under utilization of fund/blockage of fund and the same should be surrendered well in time.

Para 4.

(Ref Memo No 13.)

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Sub. : Non production of record.

The following records has not been provided to audit : -

1. Bill Register for the year 2005-06, 2006-07, 2007-08.
2. Property Register.
3. Cash Book.
4. TR-5.
5. Grant-in-aid file.
6. Postage stamp register.

The same may be provided to the next audit party.

R. K. Sharma
R. K. Sharma
12/6/09
1 AD. 18

Para No.1. (Reference Audit Memo No. 23 Dt. 07.08 .2012)

Outstanding Loans and Interest on Loans from DPCL, IPGCL & DTL

The department of power is releasing loans to Delhi Power Company Limited, Indraprastha Power Generation Company Limited and Delhi Transco Limited. The loan for the period upto March 2010 were released by Urban Development Department and accounts were maintained by PAO VI. The loan with effect from April 2010 were released by Power Department and accounts were maintained in PAO-X. As per information furnished by the department of power all the overdue amount of Principal and interest against loan sanctioned to different agencies w.e.f. April, 2010 onwards were fully repaid and no balance remained till date. Regarding loan sanctioned for the period upto March, 2010 **the status of loan sanctioned and its repayment as per information provided to audit are shown as under:**

DPCL:

Out of total sanctioned loan amounting to Rs.14449695000/- an amount of Rs.4799124000/- and Rs.6341435340/- towards principal and interest respectively were due for payment till date out of which Rs.5748951250/- towards principal and Rs.2523551875/- towards Interest were repaid by the firm and balance of Rs.(-)949827250 and Rs.3817883465/- towards Principal and interest respectively were outstanding against the firm. (Annexure 'A'). Together an amount of **Rs.286,80,56,215/-** were outstanding against the firm.

IPGCL:

Out of total sanctioned loan amounting to Rs.20418000000/- an amount of Rs.891579997/- and Rs.1242519000/- towards Principal and interest respectively were due for payment till date out of which Rs. 779433331/- towards Principal and Rs.145423267/- towards Interest were repaid by the firm and balance of Rs.112146666/- and Rs.1097095733/- towards principal and interest respectively were outstanding against the firm. (Annexure 'B'). Together an amount of **Rs.120,92,42,399/-** were outstanding against the firm.

DTL:

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Out of total sanctioned loan amounting to Rs.5772725000/- an amount of Rs.1428061668/- and Rs.2168970417/- towards Principal and interest respectively were due for payment till date out of which Rs. 1428061668/- towards Principal and Rs.2168970417/- towards Interest were repaid by the firm. Out of balance of Rs.4344663332/- an amount of Rs.2390000000/- were converted into equity and balance of Rs.1954663332/- were fully paid by the firm and balance remained nil (Annexure 'C').

It has been observed from the records that **none of repayments mentioned above were verified by the concerned PAO i.e. PAO VI** though the department requested the PAO to verify the payment made by the above agencies. Hence, the Audit is unable to ascertain the authenticity of payment made by the firms.

As per rule 219 (2) of GFR borrower shall be required to adhere strictly to the terms settled for loans made to them. However, a huge amount towards principal and interest is still outstanding from DPCL & IPGCL against overdue amount of loan.

The department may take necessary immediate action to get it verified the repayments made by the firm from concerned PAO and to recover the outstanding amount of principal and interest along with penal interest as per condition of sanction against loan sanctioned to above mentioned agencies under intimation to the Audit.

DPCL

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Annexure 'A'

S.N o.	Date of Payment	Amount	Amount of EMI due	Amount of Interest due	Total	Repayment		EMI		Balance	
						EMI	Interest	EMI	Interest	EMI	Interest
1	29.8.2003	5275500000	281360000	372098600	853458600	222656250	333861263	58703750	38237337	86941087	86941087
2	18.3.2004	5047086000	2691784000	3559884340	6251668340	1399195000	703322980	1292589000	2856561360	4149150360	4149150360
3	31.3.2006	2627100000	1225980000	1691852400	2917832400	2627100000	1024634262	1401120000	667218138	-732901862	-732901862
4	31.3.2006	1500000000	600000000	717600000	1317600000	1500000000	461733370	900000000	255866630	-644133370	-644133370
		14449695000	4799124000	6341435340	11140559340	5748951250	2523561875	-949827250	3817883465	2868056215	2868056215

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S.N	Date of Payment	Amount	Amount of EMI due	Amount of interest due	Total	Repayment				Balance			
						EMI	Interest	Total		EMI	Interest	Total	
1	29.8.2002	13500000	8100000	11583000	19683000	7200000	4914000	12114000	9000000	6868000		75690000	
2	29.10.2002	13500000	8100000	11583000	19683000	7200000	3393000	10593000	9000000	8190000		90900000	
3	31.3.2003	28700000	17219997	24624602	41844599	15306664	7213267	22519931	1813333	17411335		19324668	
4	31.3.2003	30000000	18000000	25740000	43740000	16000000	7540000	23540000	2000000	18200000		20200000	
5	31.3.2003	75000000	45000000	64350000	109350000	40000000	18850000	58850000	5000000	45500000		50500000	
6	17.9.2003	62500000	33333336	44083332	77416668	29166669	0	29166669	4166667	44093332		48249989	
7	17.9.2003	25000000	13333336	17633332	30666668	11666669	2875000	14541669	1666667	14758332		16424999	
8	17.9.2003	75000000	40000000	52900000	92900000	35000000	8625000	43625000	5000000	44275000		49275000	
9	17.9.2003	72500000	38666664	51136668	88033332	33833331	8337500	42170831	4833333	4279166		47632501	
10	30.9.2003	2500000	1333336	1763332	3096668	1166669	287500	1454169	166667	1475832		1642499	
11	31.3.2004	75000000	40000000	52900000	92900000	35000000	8625000	43625000	5000000	44275000		49275000	
12	25.11.2004	150000000	70000000	96600000	166600000	60000000	0	60000000	10000000	96600000		106600000	
13	23.2.2005	126000000	58800000	53130000	111930000	50400000	0	50400000	8400000	53130000		61530000	
14	19.2.2005	75000000	30000000	43125000	73125000	25000000	0	25000000	3000000	25875000		28875000	
15	5.2.2006	45000000	18000000	25875000	43875000	15000000	0	15000000	8000000	16900000		17700000	
16	5.3.2006	120000000	48000000	69000000	117000000	40000000	0	40000000	5000000	43125000		48125000	
17	22.3.2006	65000000	25999998	37375000	63374998	21666665	0	21666665	4333333	37375000		41708333	
18	31.3.2006	75000000	30000000	43125000	73125000	25000000	0	25000000	5000000	43125000		48125000	
19	22.12.2006	75000000	25000000	37375000	62375000	20000000	0	20000000	5000000	37375000		42375000	
20	16.3.2007	75000000	25000000	37375000	62375000	20000000	0	20000000	5000000	37375000		42375000	
21	16.3.2007	70000000	56666665	8471667	14138332	4533332	0	4533332	1133333	8471667		9605000	
22		63000000	21000000	31386000	52395000	16800000	0	16800000	4200000	31385000		35595000	
23	9.3.2007	80000000	26666665	39866667	66533332	21333332	0	21333332	5333333	39866667		45200000	
24	31.10.2007	110000000	26600000	45954000	75554000	29600000	0	29600000	0	45954000		45954000	
25	3.3.2008	258600000	68960000	107060400	176020400	68960000	0	68960000	0	107060400		107060400	
		2041800000	891579997	1242619000	2134098997	779433331	145423267	924865658	112146666	1097095733		1209242399	

S.No	Date of Payment	Amount	Amount of EMI due	Amount of interest due	Total	Repayment			Balance		
						EMI	Interest	Total	EMI	Interest	Total
1	31.10.2002	331225000	110441667	186646417	297088084	110441667	186646417	297088084	Balance amount of Principal Rs.220883333 fully paid		
2	7.8.2003	262500000	106000000	150937500	255937500	106000000	150937500	255937500	Converted into Equity		
3	20.1.2004	525000000	210000000	301875000	511875000	210000000	301875000	511875000	Converted into Equity		
4	31.3.2004	132300000	52920000	76072500	128992500	52920000	76072500	128992500	Converted into Equity		
5	20.10.2004	337500000	112500000	169187500	280687500	112500000	169187500	280687500	Converted into Equity		
6	29.12.2004	675000000	225000000	336375000	561375000	225000000	336375000	561375000	Converted into Equity		
7	31.3.2005	134100000	44700000	66826500	111526500	44700000	66826500	111526500	Converted into Equity		
8	6.9.2006	625000000	186666667	258750000	425416667	186666667	258750000	425416667	Converted into Equity		
9	6.2.2006	500000000	133333333	207000000	340333333	133333333	207000000	340333333	Converted into Equity		
10	10.3.2006	225000000	60000000	93150000	153150000	60000000	93150000	153150000	Converted into Equity		
11	2.6.2006	300000000	80000000	96600000	176600000	80000000	96600000	176600000	Converted into Equity		
12	27.9.2006	300000000	60000000	96600000	156600000	60000000	96600000	156600000	Rs.183720000 converted in to equity		
13	21.7.2007	937500000	125000000	208437500	333437500	125000000	208437500	333437500	Rs.46280000 paid on 13.12.2010		
14	1.10.2008	172800000	11526667	19883500	31410167	11526667	19883500	31410167	Paid Rs.812500000 on 13.12.2010		
15	3.12.2008	234400000	15626667	26956000	42582667	15626667	26956000	42582667	Paid Rs.161373334 on 13.12.2010		
16	24.2.2009	530200000	35346667	60973000	96319667	35346667	60973000	96319667	Paid Rs.218773333 on 13.12.2010		
		5772725000	1428061668	2168870417	3597032085	1428061668	2168870417	3597032085	Paid Rs.494853333 on 13.12.2010		
									0		

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Irregularities in releasing Grant-in-Aids

The Department of power is releasing Grant-in-Aid to DERC, DPCL & IPGCL every year under the Non-Plan Head. The details of Grant-in-Aid released during the financial year 2010-11 and 2011-12 ,as per expenditure statement reconciled with PAO , are shown as under :

Year	Name of Agency to whom GIA released	GIA released(in crores)
2010-11	DERC	05.81
	DPCL	140.00
	TOTAL	145.81
2011-12	DERC	06.92
	DPCL	362.35
	IPGCL	05.00
	TOTAL	374.27

Sanction orders releasing the grants stipulates certain conditions to be followed by the Grantee Institutes. Some of the important conditions are given as under :

1. Separate account for grant should be maintained.
2. The assets so acquired wholly or substantially out of Government grants would not, without the prior sanction of this department disposed of encumbered or utilized for purposes other than those for which the grants are sanctioned.
3. The audited statements of accounts and utilization certificates should be submitted as per GFR.
4. Expenditure will be incurred only for the purpose for which GIA has been sanctioned and for the targets, which have been assigned to the grantee institution by the Administrative Department.
5. The procedure as prescribed in GFR 2005 and the OM/Circular by FD/CVC is duly followed while purchasing goods/services and the norms/procedure as laid down in CPWD Manual/GFR are/is observed while executing projects/works contract.
6. The Administrative Department will also formulate the 'Pattern of Assistance' with concurrence of the FD, prescribing therein purpose for which grant may be used, the procedure & manner in which GIA may be utilized and condition/stipulation which may be fulfilled.

During the scrutiny of files regarding release of grant-in-aids, it has been observed that most of the conditions mentioned above are not fulfilled by the Grantee Institutes while submitting their request for release of further grants as no such undertakings found available in these files. Also the department further releases the grants without obtaining the requisite documents as required for the release of GIA like Audited Statement of Accounts etc. except in the case of DERC. Department not yet prepared the 'Pattern of Assistance' as mentioned in the sanctions, as per provisions of GFR and conditions of sanction.

Department is also releasing the GIA on re-imbursement basis to agencies like IPDCL. Under Note-1 of Rule 212(1) of GFR it is mentioned that 'Utilization certificates need not be furnished in cases where the grants-in-aid are being made as reimbursement of expenditure already incurred on the basis of duly audited accounts. In such cases, the sanction letters should specify clearly that utilization certificates will not be necessary'. But scrutiny of records shows that firstly department is releasing the grants as re-imbursement of expenditure without obtaining the audited accounts of expenditure. Secondly the sanction letter doesn't show that the grants are being released as re-imbursement of expenditure and in violation of above mentioned provisions of GFR it contains the conditions that the audited statements of accounts and utilization certificates should be submitted as per GFR.

Department vide Audit Memo No. 7 dated 26.07.12 was requested to provide the details of grants released during the audit period and the status of Utilization Certificates etc. But no reply was received in this regard. In the absence of the requisite information/documents audit could not ascertain whether the grants were utilized for which it was released or not.

Reasons for not adhering to the instructions on the Grant-in-Aid may kindly be elucidated to audit. Department may also take immediate steps to obtain the UCs and Audited Accounts Statement for the grants released by them. Department may also ensure that in future the grants will be released only after obtaining the audited accounts in the cases of re-imbursement of expenditure.

Non-Proper Maintenance of GIA register

As per Rule 212(4) of GFR, a Register of Grants shall be maintained by the sanctioning authority in the format given in form GFR-39. The details of Grants released like purpose of grant, conditions attached to the grant, amount sanctioned, dated initials of the sanctioning authority, date by which statement of accounts along with utilization certificate are to be furnished by the grantee, unspent balance if any etc, are to be mentioned in the relevant column of the said register. Further as per the said Rule, no bill should be signed unless it has been noted in the Register of Grants against the relevant sanction.

But the scrutiny of the register maintained by the department, it is noticed that only columns (i) to (v) is being filled by the department and none of the other details as required under column (vi) to (xii) were mentioned. It is also noticed that the signatures of the Dealing hand, DDO / sanctioning authority were also not obtained in the said register.. Hence the authenticity of the entries cannot be verified by the audit.

Reasons for not maintaining proper register as required under Rule 212(4) of GFR and non obtaining signatures of the officers/officials in order to authenticate the entries may be elucidated to audit. Department should take immediate steps to remove the irregularity in maintaining the register under intimation to audit.

Subsidy on consumption of electricity to consumers through DISCOMS

- Department of power is providing subsidy to consumers of electricity in Delhi through DISCOMS. As per the policy decision of govt. regarding consumption of electricity * Domestic Consumers who limit their electricity consumption to 200 units per month will be entitled to get GNCTD subsidy of Rs.1/- per unit*.

The total amount spent by the department for the audit period is as shown below:

2009-10	:	Rs.252,00,00,000
2010-11	:	Rs.169,93,00,000
2011-12	:	Rs.210,00,00,000.

Department is releasing the subsidy on advance basis and DISCOMS have to submit the accounts in detail for the utilization of these subsidy and to adjust the unspent balance towards next year's subsidy or to return the excess money held by them on this account. From the records made available to audit, it is noticed that department has not received any account in this regard from DISCOMS for the period mentioned above. The same issue has been raised at the time of conducting special audit on this subject for the period 2003-04 to 2010-11 (upto June,2010) by Dte. Of Audit, GNCT of Delhi and its findings and suggestions communicated to the department after completion of the special audit. But the department still not incorporated/implemented the audit findings/suggestions till date.

Reasons for not obtaining the account details on the utilization of subsidy advanced by the department as shown above may be elucidated to audit and necessary action may be initiated to obtain the detail of accounts and utilization of Government money on subsidy to consumers of electricity under intimation to audit.

Expenditure on shifting of HT Electricity Lines

Vide decision No.1310 dated 20.11.07 of Cabinet of GNCT of Delhi it was decided that expenditure on shifting of HT(11000V) LT(400V) electricity lines posing threat to human lives in respect of unauthorized colonies, including urbanized villages, regularized, unauthorized colonies and resettlement colonies, 50% of the cost shifting will be borne from the MLA Fund and balance 50% would be borne by the Government from the budget of the Power Department.

Department is releasing the 50% of the amount in advance on the basis of the estimate submitted by DISCOMS to the power department. As per the expenditure statement of the department, reconciled with PAO, it shows that the department had spent the below mentioned expenditure on transfer of HT/LT lines :

2010 - 11 - Rs.21,08,000

2011 - 12 - Rs 94,14,000

On scrutiny of records provided to audit, it is noticed that the department is not obtaining any final report/utilization certificate from DISCOMS after release of advance payment of 50% on the estimated cost. It is also noticed that no refund from the DISCOMS and additional payment to DISCOMS after completion of work were reported on records during these two years. Department has no mechanism to check whether all the works for which the advance have been released are taken place and if so, what is the actual expenditure met out on these projects and the excess amount, if any, refunded by the DISCOMS etc. In the absence of the same audit could not ascertain whether all the advances paid to DISCOMS are utilized by them or not and balance, if any, returned by the DISCOMS or not.

The reason for not taking any follow-up action to confirm whether the advance released to DISCOMS are utilized fully and whether all these works are undertaken and completed by DISCOMS may be elucidated to audit and immediate steps may be taken to obtain the detail of work completed by them and expenditure incurred in each project. Department may also to take steps to get refunded the excess amount unutilized by the DISCOMS on this account.

License Fee Register

Department of power is earning revenue in the form of License Fees from DISCOMS as land premium at the rate of 20% of land cost. As per valuable register maintained by the department, it shows that the department has received license fees from these DISCOMS for the last 3 years as detailed below:

2009-10 : Rs.3,77,16,056

2010-11 : Rs.7,02,51,560

2011-12 : Rs.11,94,05,372

But the License Fees Register maintained by the department is improper and has no authenticity of its entries as the entries are neither signed by any official nor by any officer in token of supervision of such entries. It does not have the columns for total in order to ascertain the total license fee received by the department from all the three DISCOMS and the total license fees received from each DISCOMS separately for the financial years. No entries are in the register to show when the land is handed over to DISCOMS and detail of license fees to be deposited by the DISCOM annually etc. Moreover, the department is not maintaining any other register/records to show a consolidated picture of Number lands, description of land handed over to DISCOMS except the handing over papers in the file. No consolidated figures of License fees to be obtained from each DISCOM annually were worked out by the department as per the License Fees Register and other records provided to audit.

As the Power Department is one of the major revenue earning department of GNCT of Delhi, department should have maintained a proper and authenticated records for its revenue on account of license fees. In the absence of the same, the audit could not ascertain the fact that whether all license fees due are received by the department or not.

Reasons for not maintaining records - DISCOMS wise - from where and how much License fees are to be obtained and non-proper maintenance of register already maintained by the department may be elucidated to audit. Department is requested to take action to rectify the above mentioned discrepancies/irregularities under intimation to audit.

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Para No.7. (Reference Audit Memo No. 19 Dt. 06.08.12)

Non-Proper accounting of revenues received from DERC

Department of power is receiving cheques from DERC and the same is being deposited in the receipt head of the department. These revenues are in the form of License Fees, processing fees, sale of Books/Forms, other receipts, penalty, receipt under RTI Act, interest on deposits etc. as per the statement of revenues submitted by DERC. The total revenue received from DERC for the audit period is shown below:

2009-10	:	Rs.5,87,18,006
2010-11	:	Rs.4,50,93,389
2011-12	:	Rs.5,36,18,503

But instead of depositing these receipts under different receipt heads provided by Govt. for different types of revenue department is depositing all the receipts in only one receipt head i.e. MH-0801 – Other receipts. Department may also take up the matter with DERC for separate cheques for different types of payments.

Department has not monitoring whether all receipts received by DERC are being deposited with the department or not. Department simply deposits the cheques received by them from DERC. No register has been maintained by the department for watching the revenues like license fees etc.

Reasons for not deposing the payments in the relevant allotted receipt heads may be clarified to audit and efforts may be made to make transfer entries between the accounts in consultation with the concerned PAO. Department may also work out some mechanism to watch whether all regular revenues are being deposited by DERC with the department and also immediately after receipt of that revenue in order to avoid the interest loss to government under intimation to audit.

Sub: Re-imbursement of professional Fee of Advocate.

Delhi Power Co. Ltd. Has submitted their request for re-imbursement of payment of professional fees paid to Dr. A.M. Singhvi, Advocate for defending the case on behalf of Power Department vide letter dated 7.03.2005 and 10.05.2005 amounting Rs. 3,69,900/- and the department has approved for reimbursement of the above amount to DPCL vide note at 30/N to 33/N of file No. 11/34/2003/Power. The details payments are as under:-

Sl. No.	In the matter of	Bill No.	Court	Amount
1	Kuldeep Kumar vs DPCL & others	16413	Supreme Court 31.01.2005	48,400
2	NDPL Vs DERC & others	16412 dated 5.2.2005	High Court 31.01.2005	1,40,000
3	NDPL Vs DERC & others	16437 dated 5.2.2005	Conference on 31.01.2005	48,400
4	Kuldeep Kumar Vs. PPCL & others	16588 dated 12.3.2005	Supreme Court 11.3.2005	48,400
5	Kuldeep Kumar Vs. DPCL & others	16603 dated 12.3.2005	Conference on 10.3.2005	36,300
6	Kuldeep Kumar Vs. DPCL & others	16614 dated 19.03.2005	Supreme Court 14.3.2005	48,400
Total				3,69,900

However, while issuing the sanction for re-imbursement the Department authorized the payment to Delhi Transco Ltd. (DTL) instead of DPCL and the Cheques was prepared in favour of DTL by the PAO and payment has been made to DTL accordingly (Sanction letter No. F.11(31)/2000/Power/1940-1944/ dated 11.8.2006). On realizing the mistake, the Department wrote a letter to DTL to return the amount of Rs. 3,69,900 to DPCL as the payment relates to them vide letter No. F.11(134)/03/Power/2899 dated 30.10.2009.

From the records made available to audit in this regard, audit is of the view that :

1. Department processed the proposal for repayment of legal fees paid by DPCL wrongly and was not noticed till the payment made to another firm DTL.
2. Department has not accorded any prior approval to DPCL for making payment to DR.A.M.Singhvi, Advocate in the above mentioned cases.
3. Department instead asking the DTL to return back the payment wrongfully made to them requested them to transfer the amount directly to DPCL.

4. Department has never confirmed whether these payment has actually transferred to DPCL by DTL and in the absence of the same correction entries in all the records of the department has not been made . And the audit could not ascertain whether the payment has been made to the eligible person or not.
5. Department made the payment as re-imbusement to DPCL , when the arrangement and budget for direct payment of professional fee already exists in the department.

Reasons for the above mentioned discrepancies/irregularities may be explained audit and confirmation may be made whether DPCL has been received the payment actually. If not, the same may be paid to them after recovering the amount from DTL under intimation to audit.

94/1

Non-adjustment of AC Bills

As per Rules amount withdrawn for contingent expenditure has to be settled within one month from the date of drawal of such advances. However, as per the information provided by the department it was noticed that the following bills were still pending for adjustment despite lapse of more than one month.

S.No.	AC Bill No./Date	Purpose	Agency to which the payment was made	Amount (Rs.)
1	150 dt.16.02.12	Shifting of HT/LT lines	BSES Rajdhani Power Ltd.	3,83,398
2	181 dt.27.03.12	Shifting of HT/LT lines	Tata Power Delhi Distribution Ltd.	14,36,082
3	181 dt.27.03.12	Purchase of Desk tops & printers	NICSI	1,76,425

Reasons for non-settlement of these bills may please be elucidated to audit and may be adjusted immediately under intimation to audit.

93/4

Non-Production of Records

The following records were not shown to audit. The same may be shown to next audit.

1. LTC/TA/Conveyance allowance registers.
2. Fidelity and Surety Bonds.
3. Equity Payment Register/Files.


(VENKITACHALAM.P.S.)
INTERNAL AUDIT OFFICER
AUDIT PARTY NO.III

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Test Audit Note of Department of Power for the period 2009-12

TAN.No.1

Budget and Expenditure for the year 2009-12

As per the statement of Budget and Expenditure for the year 2009-12 of Power Department provided by the department and as per the Demand Book issued by Finance Department of GNCTD for the years 2009-10, 2010-11 and 2011-12, it is observed that estimation of budget was not realistic and not as per guidelines issued by Finance (Budget) Department of GNCT of Delhi from time to time, as a result certain percentage of budget was lapsed from the allotted budget for the office as per table shown below :

2009-10

(in thousands.)

Major Head/ Sub-Head	Budget allotted	Expenditure	Budget lapsed	Percentage of budget lapsed
Non-Plan MH-2052 E.1(1)(1)				
(1) Salaries	1700	257	1443	84.88
(3) OE	50000	29343	20657	41.31
(6) Other Charges	100	Nil	100	100.00
(7) Professional services	2000	1733	267	13.35
Total	53800	31333	22467	
Non-Plan MH-2801 E-2(1)(2)(2)				
(2) Estt.of Spl Courts	5000	Nil	5000	100.00%
E-2(2)(1)				
(2) Subsidy to consumers through DISCOMS	2520000	Nil	2520000	100.00
(3) Grant-in-Aid to DERC	81500	Nil	81500	100.00
(4) GIA to IPGCL	750000	Nil	750000	100.00
Total	3356500	Nil	3356500	
Plan MH - 4801 EE-2(1)(2)				
(1) Purchase of Land	85000	19044	65956	56.06
(2) Estt. of spl. courts	15000	14894	106	00.70
Total	100000	33938	66062	
Grand Total	3510300	65271	3445009	

(in thousands.)

Major Head/ Sub-Head	Budget allotted	Expenditure	Budget lapsed	Percentage of budget lapsed
Non-Plan MH-2052 E-1(1)(1)				
(1) Salaries	2300	2034	266	11.56
(3) OE	20000	6202	13798	68.99
(6) Other Charges	200	Nil	200	100.00
(7) Professional services	4000	3252	748	18.70
Total	26500	11488	15012	
Non-Plan MH-2801 E-2(2)(1)				
(2) Subsidy to consumers through DISCOMS	1700000	1699300	700	0.04
(3) Grant-in-Aid to DERC	78380	58102	20278	25.87
(4) GIA to IPGCL	500000	Nil	500000	100.00
(4-5) GIA to DPCL	1400000	1400000	Nil	Nil
Total	3678380	3157402	520978	
Plan MH-2801 E-2(1)(2)				
(6) Shifting of HT/LT transmission electric lines	10000	2108	7892	78.92
Total	10000	2108	7892	
Plan MH - 4801 EE-2(1)(2)				
(1) Purchase of Land	50000	6268	4372	87.44
(4) Equity to PPCL-Ph-III	1000000	1000000	Nil	Nil
Total	1050000	1006268	43732	
Plan MH-6801 EE-1(5)				
(2)- Loan to DTL	1500000	1500000	Nil	Nil
Total	1500000	1500000	Nil	Nil
Grand Total	6264880	5677266	587614	

(in thousands.)

Major Head/ Sub-Head	Budget allotted	Expenditure	Budget lapsed	Percentage of budget lapsed
Non-Plan MH-2052 E.1(1)(1)				
(1) Salaries	5000	4764	236	04.72
(3) OE	20000	12067	7933	39.66
(5) Motor Vehicle	200	Nil	200	100.00
(6) Other Charges	200	Nil	200	100.00
(7) Professional services	2000	490	1510	75.50
(8) Medical Treatment	600	291	309	51.50
Total	28000	17612	10388	
Non-Plan MH-2801 E-2(2)(1)				
(2) Subsidy to consumers through DISCOMS	2100000	2100000	Nil	100.00
(3) Grant-in-Aid to DERC	95500	69156	26344	
(4) GIA to IPGCL	100000	50000	50000	50.00
(5) GIA to DPCL	3623500	3623515	(-)15	Excess drawal of Rs.15,000/-
Total	5919000	5842671	76329	
Plan MH-2801 E-2(1)(2)				
(6) Shifting of HT/LT transmission electric lines	10000	9414	586	05.86
Total	10000	9414	586	
Plan MH - 4801 EE-2(1)(1)				
(4) Equity contribution to PPCL-Ph-II	3000000	3000000	Nil	Nil
(5) Equity contribution JVC Power Plant, Jajjar, Haryana	500000	500000	Nil	Nil
(5) Equity to Delhi Renewable Energy and Power Company- DREPC	90000	Nil	90000	100.00
(5) Equity to DPCL for DISCOMS	5000000	5000000	Nil	Nil
EE-2(1)(2)(1) Purchase of Land	160000	159595	405	0.25
Total	8750000	8659595	90405	
Plan MH-6801 EE-1(3)(3)				
(1) Loan to Pragati Power Project-III, Bhawana	2000000	2000000	Nil	Nil
EE-1(5)				
(2)- Loan to DTL	4663600	4663600	Nil	Nil
(3)- Loan to IPGCL/PPCL	3000000	3000000	Nil	Nil
Total	9663600	9663600	Nil	Nil
Grand Total	24370600	24192892	177708	

Department had not only prepared the budget realistically but also not surrendered the excess budget available with them. The total budget lapsed by the department is shown below year-wise:

89/-

2009-10 : Rs.344,50,09,000

2010-11 : Rs.58,76,14,000

2011-12 : Rs.17,77,08,000

In the year 2011-12 department has overdrawn an amount of Rs.15,000/- from the allotted budget under the head E-2(2)(1)(5)-GIA to DPCL as detailed below which needs regularization from Finance Department:

Head of Account	Budget Allotted (in Rs.)	Expenditure (in Rs.)	Difference (Excess drawn)
Non-Plan MH-2801			
E-2(2)(1)(5) GIA to DPCL	3623500	3623515	(-)15

Reasons for not adhering to the orders issued by Finance Department for preparation of RE and BE which resulted lapse of funds running into several crores may be elucidated to audit.

Non-Reconciliation of receipts

Department of power is earning revenue in the form of License Fees from DISCOMS and DERC etc. regularly and depositing the same with PAO in the their receipt head

MH-0801. The figures shown in the valuable register maintained in the department for the audit period is as below :

2009-10	Rs.13,93,79,248/-
2010-11	Rs.11,66,26,095/-
2011-12	Rs 12,12,05,407/-

But the records provided to audit, it shows that the department has never reconciled the receipts which was deposited in PAO through Bank Challan. In the absence of the same audit could not ascertain that whether all the cheques deposited by the department has been cleared and accounted for by the concerned PAO in department's Receipt Head.

Reason for non-reconciliation of receipts of the department may be elucidated to audit. Department may be requested to reconcile the receipts for the period 2009-10, 2010-11 and 2011-12 with PAO under intimation to audit.

TAN.No.3

87/c

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Stock Register

During the test check of stock register for consumable and non-consumable items maintained by Department of Power, the following shortcomings were noticed :

1. Certificate regarding annual physical verification of stock were not recorded in the register as required under Rule 192 of GFR.

Department is requested to remove the above mentioned shortcomings and compliance may be shown to Audit.


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