



DELHI VIDHAN SABHA

COMMITTEE ON PUBLIC ACCOUNTS

FIRST REPORT

(PRESENTED ON 26th March, 1996)

Adopted on 25 July, 1996.

DELHI LEGISLATIVE ASSEMBLY SECRETARIAT, DELHI

FIRST REPORT BY THE PUBLIC ACCOUNTS COMMITTEE

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COMPOSITION OF THE COMMITTEE

- | | |
|-----------------------------------|----------|
| 1. Shri Gauri Shanker Bhardwaj | Chairman |
| 2. Shri Rajinder Gupta (Timarpur) | Member |
| 3. Shri Sat Parkash Rana | Member |
| 4. Shri Ram Niwas Goyal | Member |
| 5. Shri Mewa Ram Arya | Member |
| 6. Shri Suraj Prasad Paliwal | Member |
| 7. Shri Mahinder Singh Saathi | Member |

SECRETARIAT

- | | |
|---------------------|----------------------|
| 1. Shri P.N. Gupta | Secretary |
| 2. Shri S.K.Sharma | Jt.Secretary |
| 3. Shri A.K.Purohit | Committee
Officer |

OFFICERS ASSOCIATED

- | | |
|----------------------|---------------------------|
| 1. Shri K.S. Baidwan | Pr.Secretary
(Finance) |
| 2. Shri Dev Trivedi | Secretary(Fin.) |
| 3. Shri B.S. Gill | A.G.(Audit),
Delhi |

1. * I, the Chairman of the Committee on Public Accounts of the Delhi Vidhan Sabha, having been authorised to submit the Report on their behalf, present this First Report relating to the examination of para 6 of 54th Report (10th Lok Sabha) of Comptroller and Auditor General of India for the year ending 31st March 1991 (no. 12 of 1992) relating to DESU - Billing and Collections of Electricity charges.
2. The Committee considered and adopted the report at its sitting held on 26/3/96.

Old Secretariat,
Delhi-110 054

(GAURI SHANKER BHARDWAJ)
CHAIRMAN

COMMITTEE ON PUBLIC ACCOUNTS
DELHI VIDHAN SABHA

Dated:

INTRODUCTION

1. The Committee on Public Accounts has been set up under Rule 181 of the Rules of Procedure and Conduct of Business in Delhi Vidhan Sabha.
2. The Committee is appointed for the examination of Accounts showing the appropriation of the sums granted by the house to meet public expenditure in scrutinising the appropriation accounts and the audit report thereon. It must satisfy itself that the moneys shown in the accounts as having been disposed were:-
 - (a) Legally available for and applicable to the service or purpose to which they have been charged.
 - (b) Every re-appropriation has been made in accordance with the provisions made in this regard in the appropriation accounts or under rules made by the competent authority.
 - (c) The expenditure has been incurred under the powers delegated to the department.
3. The function of the Committee is examination of the appropriation accounts of the capital expenditure and the reports of CAG of India and the Annual Financial Accounts of the capital expenditure or such other accounts of financial matters as are laid before it, or referred to it, on which the Committee deems necessary to scrutinize.
4. The main instrument of the Committee is the Action Taken Note sent by the various department on their concerned paras in the Report of the Comptroller and Auditor General.
5. The Committee in its meeting held on 13th June, 1995, in which the AG(Audit), Delhi was associated, had decided to take paras relating to Education Department, Transport Department, College of Engineering, Health Services, Sales Tax Department, D.E.S.U., Slum Department of MCD and the Delhi State Civil Supplies Corporation. Later on, the Committee also requested the AG, Delhi to prepare Memorandum on Important Points(MIP) on paras relating to Development Deptt. and Delhi Water Supply & Sewage Disposal Undertaking

as contained at para 3.5, 3.6 and 5.3 of the CAG Report.

DELHI ELECTRIC SUPPLY UNDERTAKING - examination of

The Public Accounts Committee of Lok Sabha took up for consideration Memorandum No. III relating to transfer of Action Taken Notes on 54th Report of Public Accounts Committee (No. 12 of 1992) (10th Lok Sabha) on 'Delhi Electric Supply Undertaking - Billing and Collection of Electricity Charges' to the Public Accounts Committee of Delhi Legislative Assembly (extract of report placed at Annexure-'A'). Keeping in view the fact that the matters relating to DESU now come under the purview of the Local Self Department of Delhi, the Lok Sabha Committee decided that the relevant Action Taken Notes alongwith other related papers be forwarded to the Secretariat of the Legislative Assembly of the Government of National Capital Territory of Delhi for further action by the State Public Accounts Committee.

Accordingly, the Public Accounts Committee of Delhi Vidhan Sabha took up in thirteen sittings the examination/consideration of the CAG Audit Report para '6' and the Action Taken Notes on 54th Report of the PAC (10th Lok Sabha) on D.E.S.U. - Billing and Collection of Electricity charges'. The Committee first of all went through the final Action Taken Notes on the recommendations of the public Accounts Committee as contained in the 54th Report (10th Lok Sabha) on paragraph 6 of the Report of C.A.G. for the year ending 31st March, 1991 (No. 12 of 1992), A.T.N. placed at annexure-'B'. The Committee unanimously felt that fresh and latest Action Taken Notes be called for and for that purpose the Committee desired in its meeting held on 31.1.1996 that a detailed questionnaire be prepared and sent to DESU so that DESU could send replies adequately and well in time.

After receipt of the reply of the questionnaire sent by the Committee to DESU, the Committee studied and examined the same. The Committee however was not satisfied fully with the explanations submitted by DESU in response to its queries. Therefore, the Committee in its meeting held on 16th Feb. '96 further desired some more information through a supplementary questionnaire. The Committee also studied and examined the reply received from DESU.

OBSERVATIONS AND RECOMMENDATIONS

After detailed discussion oral evidences, exchange of views and examination of the facts and the replies received from DESU, the Committee made the following observations, recommendations and suggestions; itemwise:

1. Realisation of revenue pending collection and outstanding dues

The Committee observed that the revenue pending collection has increased by approximately 100% instead of getting reduced. The Committee was not satisfied with the explanations submitted by DESU. The, Committee, therefore, recommends that for the recovery of the huge arrears of revenue of current dues, some effective system should be evolved and the progress be periodically reviewed by the highest authorities of the department. The Committee also observed that no concerted efforts have been made to recover the huge arrears from local bodies like MCD, NDMC, DWS&SDU. The Committee, therefore, recommends that DESU should take up the matter on top priority basis and bring it to the notice of the Lt. Governor and the Chief Minister.

128 The Committee reviewed the statistics of arrears during 1994-95 upto 31st March, '95 . The Committee was not satisfied over the system of domestic and non-domestic billing. The Committee observed that huge amounts were pending due to improper billing of demands. Therefore, the Committee recommends that there should be a centralised mechanism to review the arrear position separately and separate records for different types of consumers should be maintained and expeditious penal action be taken against the defaulters towards whom large amounts of arrears are due.

129 The Committee reviewed the position regarding sub-judice cases in DESU on account of which the outstanding arrears have mounted to Rs.156 crores very high. It was observed by the Committee after seeing the list of bulk consumers and such consumers who are in arrears of 10 lakhs and against whom court cases are pending. The Committee also observed that the litigations are pending in 8803 cases in the year 1991-92 and are increasing day by day. The explanation submitted by the DESU authorities that

it was mainly due to the basic enforcement and commercial policies and tariff regulation of DESU are the route cause for increase in litigation cases. Further, multiplicity of judicial forum including consumer forum

make it easy to obtain stay against payments as it is cheaper herein than payment of bills. The Committee was not satisfied with this explanation and, therefore, recommends that effective measures to liquidate the litigation cases should be taken and a time bound programme for the removal of the defective meters, wrong meter readings, mistakes in data punching, wrong application of tariff conditions etc. should be taken. The Committee also recommends that Legal Cell of DESU should be properly strengthened and empowered in this regard. The Committee also suggests that the maximum assistance of Bijli Adalat be taken to achieve expeditious settlement of the cases and speedy remedial actions against the erring staff be taken. The Committee further recommends that the Hon'ble Delhi High Court be approached to try all DESU cases in one court only.

2. Need for timely finalisation of financial accounts

Timely finalisation of financial accounts is the most important pre-requisite for ensuring efficient functioning of any organisation. As per rules, the annual accounts are required to be submitted within six months from the end of the financial year. The Committee desired to know the position of finalisation of accounts of arrears as well as current with reference to 1991-92 and onwards upto 1994-95, the reasons for accumulation in arrears of accounts after 1990-91. The Committee also observed that inspite of huge expenditure on the Accounts Wing of DESU, nothing tangible has been done towards finalisation of accounts right from 1992-93 for the one reason or the other. The Committee strongly recommends that a time bound crash programme in this regard should be chalked out and as per the Bar-Chart placed before the Committee, the accounts should be finalised. The Committee desired to review the progress of finalisation of accounts within six months from the date of submission of its report. The current accounts be computerised and as it will be great help in not only finalising accounts but also in decision making at the top.

Para - 130

3. Deficiencies in billing system

The Committee has observed that the most deficient area in DESU is the billing system. According to the prescribed procedure, a report of the connection has to be made to the Meter Supdt. on first and fifteenth of each month for issue of bills, but the Committee found that in several areas of Delhi like Najafgarh, Nehru Place, Shalimar Bagh, Janakpur, a large number of connections have been given but the bills have not been sent resulting into accumulation of arrears of revenue. Moreover, apparently no action is being taken against the defaulting officials. More so, despite the computerisation of the accounts of the consumers in all the districts there has been inordinate delay in sending information of the new connections. As such the Committee finds the entire situation to be in a mess. It, therefore, recommends that the system of billing should be reactivated. The time schedule as prescribed under the rules for sending the report to the Meter Supdt. should be strictly adhered to and action against the staff responsible for delay should be taken on priority basis. The Committee also recommends that the activity of sending information of new connections may also be computerised to reduce the time lag.

4. Non-receipt of Bills by thousands of consumers particularly in Group Housing Societies

The Committee expresses grave concern that DESU is yet to issue Bills in respect of consumption of electricity to thousands of consumers in various parts of Delhi. The Committee particularly cited the cases of Group Housing Societies in Patparganj Area where meters have been installed for the last 5-6 years but the consumers are yet to be issued Bills therefor. The Committee expresses surprise that although consumers are longing to pay for the electricity consumed and are running helter and skelter for payment of money due to them on this account, the DESU has miserably failed to inform them of the amount payable by them on this account. The Committee feels sorry that because of DESU's own inaction and not that of consumers, the Undertaking has all along been and continues to be deprived of its own legitimate earnings.

Accordingly, the Committee recommends that -

1. DESU should immediately send them Bills based on each consumers monthly consumption of electricity.

2. Where the Bills are sent on the basis of lump sum consumption, the amount charged should be spread into easy instalments and ignoring the prevalent slab system without putting the consumer to any disadvantage.
3. DESU should devise a card system to be issued to each consumer in which the Meter reader should make regular entries about the electricity consumed as and when he visits the premises for meter reading. By devising such a system, the consumer would also know as to the quantum of electricity being consumed by him.
4. A method should be devised whereby instead of consumer being made to run from one district centre to another, the DESU staff should visit each colony/Group Housing Society and issue bills in respect of the electricity consumed by each flat owner/society.

Para - 132

The Committee noticed that after issue of orders dated 22nd Sept. '94 as many as 9833 meters were removed but the DESU authorities did not take any penal or remedial action against the erring officials whereas it is a quite well known that continuance of meters inspite of default by consumers in payments is always due to connivance of the concerned staff. The Committee took serious note of involvement of DESU staff and recommends that enquiry in all these cases should be completed urgently and deterrent punishment be awarded to the persons found guilty. The Committee would like to know the concrete action taken to avoid the recurrence of such cases.

para -133

The Committee has observed that there are 77 vacancies of Meter Readers in DESU. The DESU authorities have created 60 additional posts in relaxation of the ban imposed by the Government of India. The Committee has also observed that as per rough assessment, a meter reader is required to read about 3000 meters in a month on an average. The Committee observed that the existing strength of the Meter Readers was sufficient to discharge the duties of meter reading. Therefore, there seems to be no justification for the creation of additional posts. If all the 459 meter readers are put to task properly, there should be no delay in sending the reading report

to the concerned officer/Branch and consequently no delay would be caused in billing. The Committee, therefore, recommends that the creation of the 60 additional posts of meter readers is not required and these posts may be abolished. It further recommends that a system of proper monitoring be evolved and erring staff put to task.

The DESU should have a proper audit of total energy and the energy accounted for by all consumers together and the reasons for its non-accounting to a great extent. The Committee notices with distress a whooping loss of 40% of electricity supplied in Delhi due to various reasons. The Committee feels that such huge loss cannot occur but with the active connivance of the DESU staff and it seems no action has been taken against any of the staff. The malady needs to be set right by taking more effective action against the officials who have indulged with impunity in getting the electricity stolen and thereby getting richer at the cost of DESU. The consumers who also indulge in theft of electricity should not be spared and effective action must be taken against them even by disconnecting their connections. DESU may in selective cases lodge criminal cases for theft of electricity and successfully prosecute to convey the message to the public at large that DESU will not more tolerate theft of electricity.

Para - 134

The Committee has observed that timely action to disconnect electricity in cases of premises locked has been taken. This clearly shows that DESU staff was in collusion with the defaulters. The Committee recommends that DESU should collect and compile this data on regular basis, monitor them and take preventive and positive steps to effectively tackle such cases in the interest of timely realisation of outstanding dues.

Para 135

5. Transmission and Distribution Losses

The Committee has observed that there have been large number of transmission and distribution (T&D) losses and the theft of electricity because of the tapping of energy through various sources. Moreover, no regular departmental action is being taken against the erring officials found involved in the tapping and theft of energy. The Committee, therefore, recommends that regular inspection should be carried out to check the menace of theft by illegal tapping. The Committee also recommends that a drive to provide Bijli Cards and charging Rs.15/- as a flat rate in the Jhuggi Clusters should be stepped up on war-footing.

Para 139

The Committee notes that there is an urgent need to remove the inherent defects in the existing transmission and distribution (T&D) system to obviate the transmission and distribution losses. The Committee, after going into the submissions made by D.E.S.U. in this regard, strongly recommends that the transmission and distribution losses of 40% should be brought down by evolving an action plan. The Committee also recommends that effective measures should be taken to curb the theft of energy and to improve the metering, billing and commercial policies so as to reduce the transmission and distribution losses.

Para 135
and 136

The Committee notes that the Ministry of Power had suggested -

1. A Special Protection Branch of Police
2. Mobile Magistrates
3. Settings up of effective prosecution and increase in enforcement and vigilance strength to curb large scale theft of energy.

The DESU has submitted before the Committee that action in this regard has already been taken. The Committee would like to emphasise that besides taking physical and technical actions to ward off the theft of energy, the Department should take strict action against the involved staff found responsible for the theft of energy.

6. Theft of energy, involvement of DESU officials and penalties imposed

The Committee desired to know the latest position in finalising the major/minor penalty cases against the staff of DESU found involved in various offences. The DESU authorities have submitted before the Committee that upto February, 1996, major penalty in 783 cases and minor penalty in 313 cases has been imposed. The Committee, not being satisfied with the explanation of the DESU, feels that keeping in view the large incidence of theft of energy, shifting of meters, tampering of meters, unauthorised connections etc. in connivance with the DESU staff, the pace of taking action in such cases was not very prompt and deterrent. The Committee, therefore, recommends that prompt action to book the involved officials be taken immediately.

It was brought to the notice of the Committee that in the remaining 2439 cases, action has already been taken but the D.E.S.U. were not able to inform the Committee about the penalty levied in such cases.

7. Need for conversion of DESU into a Board or Corporation

The Committee observes that there has been a multiplicity of authority resulting into multiplicity of control and interpolation of various functionaries. The Committee also observes that neither DESU has the status of a Board nor that of a Corporation and it is being treated only as a wing of M.C.D. The DESU is not even empowered to enhance tariff on its own. As such, it is not in a position to generate additional resources on its own. This, Committee feels, ^{is a} ~~is a~~ serious predicament and something needs to be done in this regard. The Committee, therefore, recommends that the DESU may be converted into a Board with a view to improve its over all functioning and avoid multiplicity of control.

(GAURI SHANKER BHARDWAJ)

CHAIRMAN

COMMITTEE ON PUBLIC ACCOUNTS

DELHI VIDHAN SABHA

APPENDIX

DELHI ELECTRIC SUPPLY UNDERTAKING

6. Billing and collection of electricity charges

6.1 The Delhi Electric Supply Undertaking (DESU) has divided Delhi into 24 DESU districts and in each district an Assistant Finance Officer is in charge of billing and an Executive Engineer of technical matters. The number of consumers in all the districts is 15,15,300 out of which, 14,46,782 are domestic consumers. The billing was computerised 1988.

In August 1990 DESU changed over to the bimonthly billing system from monthly billing on account of expected reduction in collection cost.

6.2 Billing and Poor collection

Details of demand raised and collection of energy charges made by DESU during the years 1986-87 to 1990-91 are as under:

(Rupees in crores)

	1986-87	1987-88	1988-89	1989-90*	1990-91*
total demand raised	201.28	239.38	298.49	418.91	533.19
collected					
domestic	68.26	79.64	101.91	106.18	114.76
commercial	72.78	77.61	90.59	110.78	139.12
industrial	174.14	191.50	248.45	288.75	354.53
others.					

3. Total demand	516.46	588.13	739.44	924.62	1,141.60
4. Revenue realised	277.08	289.64	320.53	391.43	525.37
5. Revenue out-standing	239.38	298.49	418.91	533.19	616.23
6. Percent-age of revenue outstanding to total demand.	46.35	50.75	56.65	57.66	54.00

* Provisional

It will be seen that the percentage of outstanding arrears to total demand for the year had increased from 46.3 per cent in 1986-87 to 54 per cent in 1990-91.

Year-wise details of actual realisation from each category of consumers (i.e domestic, non-domestic and others) was not on record. In the absence of the details, DESU was not aware of the arrears pending against each category for analysing cases.

6.3 Delays in billing

According to the prescribed procedure, new connections must be given in 14 days of application and report of the connection made to Meter Superintendent on 1st and 15th of each month for issue of bills. The Meter Superintendent is allowed only 3 days to record the particulars in the meter book and send particulars to the computer agency for billing.

In Shalimar District it was observed that the

Assistant Engineer of the zone delayed sending the intimation of new connections to the Meter Superintendent in 2,146 cases by more than a year. In Janakpuri District also in 125 cases delay was more than a year. The delays resulted in delay in meter reading and billing for energy consumed.

6.4 Disconnections

In Shakti Nagar district out of 74,023 domestic consumers (March 1990) 13,088 consumers had defaulted on payment of electricity bills amounting to Rs.39.61 crores upto 31st May, 1990. From 152 consumers amounts due ranged from Rs.30,000 to Rs.80 lakhs totalling Rs.33.94 crores. Rs.5.67 crores was due from 12,936 consumers as on 31st May, 1990.

In 1,077 of the 12,936 cases supply was stated to have been disconnected and orders were issued between July 1988 to July 1989 for removal of meters. But meters in all these cases continued to remain connected and were working despite removal orders having been made by DESU. The Assistant Finance Officer, Shakti Nagar District stated (October 1991) that in all the 1,077 cases reference had again been made to the Zonal Officer. A further review of the defaulting consumers indicated 7,487 cases with dues amounting to Rs.4.94 crores (September 1991). DESU had neither disconnected the supply nor effected any recovery from the defaulters even after more than 15 months. Interest lost on dues at 18 per cent per annum amounted to Rs.1.11 crores. The defaulters lists in Shakti Nagar district, were prepared at the instance of Audit. Such lists have not been prepared by DESU at its own initiative in other 23 districts so far (October 1991). DESU paid interest of Rs.22.85 crores for 1989-90 (actual) and Rs.27.85 crores for 1990-91 (RE) towards loans taken from Government, which would

come down if its Management of the marketing of electricity improves.

6.5 Locked premises and meters not read

In Najafgarh District in 173 locked premises 60 were cases of Locked Premises since 1987, 52 were so observed from 1984 to 1988, 20 cases pertained to the period 1971-72 to 1984-85 and balance 41 to period 1984-85 to 1987-88.

On the failure to take action in such cases being pointed out in audit, in 35 cases for the period March 1983 to April 1991 bills were raised for Rs.79,541. Action to raise bills for energy consumed in other cases was still pending (November 1991). Position in the remaining 23 districts not audited has not been reviewed by DESU.

6.6 Failure to finalise cases of theft of energy and install working meters

Direct tapping on power supply mains is a cognizable offence under Section 39 of the Indian Electricity Act. Theft of energy is to be reported to police by the officers with two or three photographs of the location as evidence of illegal drawal of energy. Under section 44 of the Indian Electricity (Amendment) Act, 1986 penalty for interference with meters is punishable with imprisonment or fine upto five thousand rupees or both.

In Najafgarh District meters were removed from the site or were disconnected and power supply was taken directly from overhead lines. In 138 such cases the district officers did not register offences against the defaulters.

In 12 such cases, after Audit pointed out bills amounting to Rs.15,185/- were raised. DESU suffered a loss of Rs.16.10 lakhs on the 138 cases at minimum load billable and on penalty leviable.

In six districts, on 8,769 cases of misuse of electricity, action was not taken to levy penalties.

Name of Distt.	Cases awaiting final action	Period
Shankar Road	926	7/89 to 3/90
Chilmil	380	1988 to 4/90
Mizamuddin	938	7/88 to 2/90
Shalimar Bagh (a)	223	8/89 to 4/90
(b)	2,255	upto 4/89
Shakti Nagar	1,061	4/89 to 4/90
Majafgarh (a)	1,590	12/87 to 5/90
(b)	1,396	upto 11/87
Total	8,769	

In six districts in 17,565 cases defective were meters reported by the Meter Readers or in inspection during the years 1988-90. Action was still pending on changing meters as per details given below:

Name of Distt.	No. of pending cases on defective meters.	Period
Shankar Road	4,063	5/88 to 3/90
Chilmil	4,673	2/89 to 1/90
Mizamuddin	1,097	4/88 to 5/90
Shalimar Bagh	3,630	9/88 to 5/90
Shakti Nagar	742	6/89 to 12/89
Anakpuri	3,360	22/7/88 to 2/90
Total	17,565	

7. Irregularities in procurement and utilisation of Stores-Cables and Joint Boxes

7.1 Cables and joint boxes constituted between 15 per cent and 18 per cent of the expenditure incurred on purchase of stores in DESU.

(Rupees in crores)

Year	Expenditure on stores including cables and joint boxes	Expenditure on cables and joint boxes
1988-89	174.29	26.73 (15.34%)
1989-90	238.81	39.63 (16.59%)
1990-91	301.19	53.68 (17.82%)

7.2 Avoidable extra payment

Tenders for supply of 2000 numbers of joint boxes were floated in February 1989. Seven firms responded as detailed below:

(Rate per piece in rupees)

Name of the firm	Epoxy & other type		Heat shrink type	
	Quoted	Computed*	Quoted	Computed*
A	-	-	911	1,001.88
B	-	-	3,000	3,472.00
C	1,250.00	1,250.00	2,505	2,505.00
D	770.00	770.00	1,030	1,030.00
E	701.68	858.71	Nil	Nil
F	606.85	606.85	Nil	Nil
G	703.00	703.00	Nil	Nil

* Computed rates are arrived at from the rates quoted by adjusting excise duty, sales tax etc. for purpose of comparison.

The requirement of joint boxes was raised to 2,500. In October 1989 orders for only 400 Epoxy type joint boxes at Rs.606.85 each were placed on firm 'F' on trial basis as its kit had not included two items. The decision involved an extra expenditure of Rs.1.92 lakhs on the orders placed on firms 'G' and 'D', in that orders for 2,000 Epoxy type joint boxes at Rs.703 each were placed on firm 'G' (1,200 Nos.) and firm 'D' (800 Nos.) after negotiations in October 1989 and June 1990 (additional quantities). No additional order was accepted by firm 'F' in June 1990.

375 Heat shrink type joint boxes on firm 'A' at Rs.911 each and 250 boxes on firm 'D' at Rs.1,001.88 each were ordered in October 1989 and June 1990. The tender did not give specification for either type of joint boxes and since both were acceptable, the reasons for ordering the costlier Heat shrink type joint boxes were not on record.

7.3 Excess procurement

4,674 metres of cables costing Rs.14.67 lakhs and 14 joint boxes costing Rs.0.51 lakh were issued for use but remained unused for periods ranging from one to four years. The requirement of material for purposes of procurement was also not properly assessed and stock available for use with the consuming units had also increased. As on April 1, 1991, 22 items of cable and joint boxes purchased before 1988-89 and valued at Rs.52.77 lakhs remained in stock. While joint boxes had remained in stock since 1980, the periods for which cables had remained in stock were not available on record.

7.4 Unused cables

Cables valuing Rs.1.54 lakhs purchased in July 1988 have not been put to use because they were

received without DESU's monogram thereon (to discourage theft). But full payment was made though supplier did not fulfill the condition in purchase order in this respect. _____

ACTION TAKEN NOTES

on the

Recommendations of the

PUBLIC ACCOUNTS COMMITTEE

as contained in the

*Fifty-Fourth Report (Tenth Lok Sabha)
on paragraph six of the Report of
Comptroller and Auditor General of India
for the year ended 31st March, 1991
(No 12 of 1992).*

*Union Government (Civil) on MCD and
NDMC relating to DESU - Billing and
collections of Electricity charges.*

(Ministry of Power)

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APPENDIX

Comments of Accountant General (Audit), Delhi
along with replies.

31-32

it is understood that the demand had been calculated & raised for all 173 cases of Najafgarh district. But credit for excess demand had been given for part cases. The final demand raised and recovery made against all the 173 cases may also be intimated to PAC

134

In Rohini district the percentage is still high. Similar exercise should be done in respect of other remaining districts and intimated to PAC

135

Whether the decision dated 20.2.91. for individual connections in JJ clusters has been fully implemented. If yes, to what extent has it reduced the losses (which were 22.14 percentage in 1991-92).

136

In the reply it has been stated that the difference between the cases detected & (FIRs lodged is due to the fact that in JJ clusters, one FIR is lodged against several offenders in one port of. Break-up of theft cases and FIR lodged both for individual & combined may be prepared and furnished to PAC

137

No comments.

138

No comments

139

No comments.

140

No comments

141

Revision of tariff for bringing down the losses, is no solution. Instead, DESU should try to plug the losses and reduce the cost of generation, transmission & distribution.

The information as regards the exact amount recoverable in these 173 cases after allowing credit for the provisional demand raised is being collected and will be furnished.

The incidence of PL cases has come down in the five districts. However percentage in Rohini district is still higher which is being looked into and suitable remedial measures would be taken. The position in respect of all other districts is also being ascertained and the same will be furnished.

The decision could not yet to be implemented. The necessary schemes are being drawn up in this regard.

The information as desired by audit will be ascertained and furnished.

There is no doubt that the Transmission & Distribution losses should be brought down and minimised. However, periodical increase in the cost of all major inputs in beyond the control of Delhi Electric Supply Undertaking. The cost of coal petroleum products and freight are regulated by the Government and the cost of purchase of power is also determined as per the Government notifications. The cost of establishment also increases on account of increments and the instalments of Dearness allowance sanctioned from time to time. Such factors would necessitate revision of tariff periodically.

APPENDIX

Audit comments on Action Taken Notes and replies there to

Sl No.	Para No.	Comments	Replies
1.	127	No Comments	—
2.	128	Position of arrears in the last three years should be incorporated in the report in order to gauge the effect of the efforts taken on liquidation of arrears	As desired by the audit, the position in last three years is being compiled and the same will be furnished.
3.	129	As on 31.3.92 the overall arrears against the three categories given below was Rs. 454.70 crores as under: <div style="text-align: right; margin-right: 50px;">(Rs./Cr.)</div> <div style="margin-left: 40px;"> i) Subjudice cases Rs. 156.35 ii) Govt /Local bodies Rs 267.57 iii) Sundry Consumer Rs. 30.78 <hr style="width: 100px; margin-left: 0;"/> Total Rs 454.70 </div>	As desired by the audit, the position of recovery in respect of these three categories is being ascertained and the same will be furnished.
		The amount recovered from the above, should be included in the action taken note.	
4.	130	After finalisation of the annual accounts for 90-91 in July 1993, DESU, has remained unable to finalise the accounts for 91-92 even within 14 months (Sept. 94). The delay in finalisation is for want of timely reconciliation of initial books of accounts.	As already stated, the accounts of 91-92 are about to be finalised simultaneously the work relating to accounts for 92-93 is also in progress. Although the work could not be speeded up for the past years the reconciliation of accounting information in the various districts and in other accounting units is being streamlined to expedite action in this regard. The position is closely monitored by the ministry.
5.	131	Action taken to streamline the progress and reduce the time lag in intimation of the new connections to the billing sections may be intimated.	Further information has been added to the Action Taken Note.
6.	132	The action taken is silent about <div style="margin-left: 20px;"> i) Final action taken to fix the responsibility for non-compliance of the orders for removal of meters. ii) Steps taken by DESU to avoid the recurrence of such cases. </div>	<div style="margin-left: 20px;"> i) As stated in the Action Taken Note a further enquiry has been ordered to fix the responsibility for non-compliance of orders for removal of meters. ii) Further information has been added to the Action Taken Note. </div>

Position in respect of above may also be included in action taken.

NAME OF MINISTRY/DEPARTMENT : MINISTRY OF POWER

RECOMMENDATIONS

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Report of PAC (10th Lok Sabha).

Delhi Electric Supply Undertaking (DESU) is an autonomous organisation of the Municipal Corporation of Delhi for the development and maintenance of an efficient, coordinated and economical system of electric supply for the whole Union Territory of Delhi. DESU has divided Delhi into 24 DESU districts and in each district an Assistant Finance Officer is incharge of billing and an Executive Engineer is incharge of technical matters. The number of consumers for the purpose of billing of electricity charges was 17,69,550 as in 1991-92 which excludes about 1400 large industrial consumers. The billing of large industrial consumers is centralised at the office of Commercial Officer, Bulk Supply (Rajghat Power House). The billing system in DESU was computerised in 1988. In August, 1990, DESU switched over to the bimonthly system from monthly billing to effect reduction in collection cost. The unsatisfactory and dismal performance of the functioning of DESU is clearly revealed in the succeeding paragraphs.

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(Ministry of Power O.M. No. 8/56/91-DESU

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← No comments, as no action point is involved in this para.

(A.H. JUNG)
Jt. Secretary
Ministry of Power

RECOMMENDATIONS

(Sl. No. 2 Appendix ...III....
 Para 128 of ★FIFTY-FOURTH★
 Report of PAC (10th Lok Sabha).

The Committee note that DESU's revenue in respect of energy charges pending collection which was of the order of Rs. 201.28 crores at the beginning of 1986-87, had gone upto Rs. 573.64 crores in 1990-91. The Committee are extremely unhappy to find that the outstanding arrears are rapidly mounting year after year and the percentage of outstanding arrears to total demand which was 46.3 per cent in 1986-87 has increased to 61.56 per cent in 1989-90. It is also regrettable that figures of collection against arrears and current demand are not maintained by DESU. The Committee's examination has revealed that concerted efforts have not been made so far to liquidate the huge quantum of outstanding dues. It is indeed surprising that there is no centralised mechanism in DESU to monitor the recovery of outstanding dues from consumers. Depositing before the Committee, Secretary, Ministry of Power, conceded that "the arrears of revenue pending collection are cause of concern though they are attributable to a significant degree to litigation and failure on the part of civil organisations." The Committee recommend that purposeful and effective administrative measures should immediately be taken not only to liquidate the huge arrears but also to ensure that the current demands are not allowed to fall into arrears. With a view to achieve this, the Committee recommend that separate statistics to be compiled and maintained of collection against outstanding arrears and current demand and effectively monitored. There should also be a centralised mechanism to regularly review the arrears separately for different types of consumers and take prompt corrective action.

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Dated Sept. 1994

DESU is making every effort to liquidate the arrears but the bulk of its outstanding is involved in subjudice/disconnected cases and dues from Govt. and local bodies. A Comprehensive inhouse system has been developed in the EDP centre to monitor the recovery of outstanding revenue from the consumers. In order to liquidate the arrears, category wise monitoring of defaulters is being done at different levels right up to top management. The subjudice cases are being pursued through legal department. Separate statistics for arrears and current demand are

being compiled in respect of Domestic & SIP categories of consumers. Such system for other categories of consumers is being evolved. There is a centralised mechanism in the EDP centre of DESU to review the arrears separately for different type of consumers. The position is closely monitored to minimise the arrears to the extent possible. An officer of the level of Director has now been deployed since June, 1994 to supervise and monitor the recovery of dues from consumers.

(A.H. JUNG)
Jt. Secretary
Ministry of Power

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According to the Ministry of Power, major portion of the outstanding arrears relate to the sub judge cases and dues recoverable from Government/Local bodies like NDMC/MES, MCD; Water Supply and Sewage Disposal and DDA. Analysis of the outstanding dues against various categories of consumers of DESU as on 31st March 1992 reveals that outstanding demand pertaining to sub judge cases was of the order of Rs. 156.35 crores and dues recoverable from Government/Local Bodies stood at Rs. 267.57 crores. The Committee take a serious view of the above. The Committee recommend that sub judge cases should be effectively pursued by the legal cell of DESU and maximum assistance of Bijlee Adalats be taken to achieve expeditious settlement of cases.

The Committee also recommend that the position relating to sub judge cases should be reviewed on a monthly basis at the highest level and suitable measures devised to minimise the same. The pendencies of Govt /Local bodies should also be effectively pursued at the highest level.

The committee would like to know the concrete steps taken and the results achieved within a period of six months.

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Steps have been taken to realise the amount from the Govt./Local bodies.

The matter has also been brought to the notice of the Govt. of Delhi for realising the huge outstandings from NDMC and DWS&SDU. These two Govt./Local bodies constitute the bulk of the outstanding. For other Govt./local bodies also the undertaking has taken up the matter at appropriate level.

Besides above, DESU has taken measures to minimise the cases of litigation by evolving the following forums to hear the public complaints/grievances :

- a) DESU has issued instructions to all its districts offices where the public dealing is involved that senior officers should be available to hear the public on every working day between 12 to 1 P.M. The instructions have also been issued to senior officers

at circle level to follow the same course of action.

- b) Besides above, a Senior Officer has been nominated by General Manager (E) in DESU as a Grievance Officer to attend to public grievances every Monday and Friday between 12-1 P.M. Even the General Manager himself and the Financial Advisor & Chief Accounts Officer are available to consumers on all working days between 12.00 & 1.00 P.M. when in office.
- c) Besides above, DESU has also held 21 Bijlee Adalats since 1991-92 where a senior retired IAS officer as well as an engineer are the members of this Adalat alongwith senior officers of DESU. Out of the total of 1248 cases before the Bijlee Adalats 1023 cases have been settled to the satisfaction of the consumers as per break-up given below :

Year	No. of Bijlee Adalats held	Cases taken	Cases decided
1991-92	9	431	370
1992-93	6	384	312
1993-94	6	433	341

In 1994-95, the number of Bijlee Adalats to be held, has been increased to 16 upto December 1994.

The computerisation of legal cases is also being evolved. In order to contest the litigation cases at all levels effectively, DESU has engaged 12 Nos. lawyers for the Lower Courts and 14 Nos. of lawyers for High Courts/Supreme Court, besides our own legal staff, comprising 6 Nos. Assistant Legal Officers and 16 Nos. Legal Asstts. who are also contesting the cases in lower courts, Industrial Tribunal/ District and State Forums etc.

Due attention is being paid to review and monitor the cases particularly pending in the Hon'ble High Court of Delhi in fortnightly /monthly meetings, held by Addl. General Manager (Administration) to review the progress of each case in the High Court so as to ensure timely action in these cases. Besides, General Manager (E) has nominated Nodal Officers of the rank of Superintending Engineers and above to ensure timely action in each case, particularly pending before the High Court of Delhi, concerning to their department/Section.

A special recovery drive was also launched in 1993-94 for liquidating the arrears. To achieve the goal, a special recovery cell was constituted for monitoring/disconnecting the supply of electricity to the defaulters where the amount involved is more than one lakh.

(A.H. JUNG)
Jt. Secretary
Ministry of Power

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Report of PAC (10th Lok Sabha).

Timely finalisation of annual accounts is the most important prerequisite for ensuring efficient functioning of any organisation.

According to Electricity (supply) Annual Accounts Rules, 1985, made applicable to DESU, annual accounts are required to be submitted within six months from the end of financial year. The Committee are distressed to find that DESU has been lagging behind in the finalisation of annual accounts. It is disquieting to note that accounts of DESU had been falling into arrears since 1977-78 and the accounts for the financial years 1986-87 to 1989-90, had been finalised within a period of two and a half years time by October, 1992. The accounts for the years 1990-91 and 1991-92 still remain to be finalised and are targetted to be completed by March, 1994. According to the Ministry of Power the delay in finalisation of the annual accounts was attributable to the increase in workload without corresponding increase in the manpower, efforts made to liquidate the arrears and the time involved in coordinating the data and accounts from various accounting units of DESU. The Committee are not convinced with this plea since DESU was required to finalise accounts for each year within six months of the end of the financial year and all necessary steps in this regard should have been taken. The Committee treat it as a grave lapse on the part of DESU for which apart from DESU, Ministry of Power and Delhi Administration cannot absolve themselves of the responsibility.

The Committee recommend that all efforts should immediately be made to finalise the pending annual accounts at the earliest. Necessary remedial steps should also be taken to ensure that in future such accounts are invariably completed within the prescribed time limit. Any deviation on this score should be viewed seriously by the Ministry of Power and Delhi Administration with a view to fixing responsibility. The Committee are convinced that if proper and timely monitoring in this regard had been done both by the Ministry of Power and Delhi Administration, the situation would not have deteriorated to such an extent.

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The accounts for 1990-91 have already been completed and the accounts for 1991-92 are at a very advanced stage of completion and are expected to be completed within a month. In the

meanwhile to expedite the process of compilation of accounts, notwithstanding allround shortage of manpower and complexity of accounting work due to increase in the work-load, computer programme has been attempted on experimental basis and consolidated trial balance for April 1992 and related monthly accounts have been prepared on that. These are under scrutiny. Soon after computerisation of work for consolidating of monthly accounts, long delays in compilation of accounts would be avoided.

(A.H. JUNG)
Jt. Secretary
Ministry of Power

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Another deficient area in DESU is billing system. According to the prescribed procedure, new connections are required to be given within 14 days of application and a report of the connection made to the Meter Supdt. on 1st and 15th of each month for issue of bills. The Meter Supdt. is allowed 3 days to record the particulars in the meter book and send particulars to the computer agency for billing. The Committee are surprised to find that in 2,146 cases and 125 cases pertaining to Shalimar and Janakpuri Districts, respectively, there was a delay of more than a year in sending the intimation of new connections to the Meter Supdt. This delay obviously resulted in consequential delay in Meter reading and billing for the energy consumed to the tune of Rs.52 lakhs. The Committee have also been informed that new connections in respect of all the districts pending reconciliation, which were 99586 in January, 1991 have been brought down to 5505 in November, 1992. The Committee, however, find that the position about Najafgarh and Nehru Place was still very bad and in October, 1992, the new connections pending reconciliation were 2,812 and 3,583 respectively. The representative of the Ministry of Power while deposing before the Committee conceded that such delays are inexcusable. The Ministry have also informed the Committee that necessary instructions have been reiterated once again to all the concerned officers and Billing Departments so that the delay in meter reading and billing is avoided. The Committee emphasize that standing instructions in this regard should be strictly observed and any deviations from these instructions be viewed seriously for fixing responsibility. Necessary steps to reconcile all the pending cases should be taken immediately and the Committee apprised of the progress made.

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The new connection sheets in respect of Janakpuri, Najafgarh and Shalimar Bagh Districts have been inserted in all the cases mentioned in the Report. The latest position of insertion of Sheets pending relating to current connections in the following districts upto November 1993 is as under :

Janakpuri	—	Nil
Najafgarh	—	Nil
Shalimar Bagh	—	Nil
Nehru Place	—	Nil

The reconciliation of connections is a continuous process. As regards missing K.Nos. their reconciliation has been completed for all the Districts up to May 1993 and remaining cases are under reconciliation.

Fresh instructions have been issued for updating the reconciliation of K. Nos. and to do the same on fortnightly basis at the district level. Further to this, it is also added that it has been decided to computerise the new connections particulars. Instructions in this regard have also been issued to avoid delay in the billing of new connections.

(A.H. JUNG)
Jt. Secretary
Ministry of Power

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 Report of PAC (10th Lok Sabha).

The Committee note that in respect of 1077 cases of defaulters pertaining to Shakli Nagar District, orders were issued between July, 1988 to July, 1989 for removal of meters for non-payment of electricity dues. The Committee are, however, surprised to find that meters in none of these cases were discontinued. This shows connivance and corruption by the concerned staff of DESU with the defaulters. According to the Ministry of Power, an enquiry has been instituted in these cases for fixing responsibility. The Committee take serious note of the involvement of DESU staff and recommend that the enquiry in all these cases should be completed urgently and deterrent punishment should be awarded to the persons found guilty. The Committee would also like to know the concrete action taken to avoid the recurrence of such cases.

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The matter relating to 1077 cases was inquired into but regrettably it was not possible to reconcile full details of all the 1077 cases and to pin-point the responsibility at various stages. However, as reported by the District, the position was as follows :

DETAILED BREAK UP DISCONNECTED CONNECTIONS OF SHAKTI NAGAR

Total cases	—	1077 Nos.
Reconnections Orders issued after 25.10.91 by Accounts Department	—	401 Nos.
Balance cases	—	676 Nos.

BREAK UP OF 676 METER REMOVAL CASES

Meter Removed	—	227 Nos.
Supply Restored	—	237 Nos.
Not received in Zone as per Zonal Record	—	107 Nos.
Referred back to Accounts Department for various reasons e.g., Court Cases, locked premises, wrong K.Nos., wrong address etc.	—	75 Nos.
Duplicate or Wrong K.Nos.	—	30 Nos.
		676 Nos.

It is submitted that the matter has not been closed and a further enquiry has been ordered to be conducted to pin-point the responsibility. Since action at various levels is involved, another officer from the Administration has been asked to conduct enquiry in a more detailed manner for fixing the responsibility in these cases, based on which disciplinary action will be taken against those found to be responsible for such negligence.

Instructions have again been reiterated for immediate compliance of Meter Removal Orders (MROs) by the district officers and in cases of delay, responsibility will be fixed by taking disciplinary action.

(A.H. JUNG)
Jt. Secretary
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The Committee further note that out of 413951 defaulters of the payment of electricity charges of the order of Rs.148.23 crores as on 30.9.92, the total number of disconnections effected during 1991-92 were only 31860. This clearly shows the lack of effective action on the part of DESU to realise their outstanding dues which the Committee feel is largely responsible for the sizeable accumulated arrears of the dues accruing year after year. The Committee emphasize that timely preventive steps like disconnection of power, etc. of habitual defaulters of payment of electricity bills is a must for prompt realisation of dues. Locked premises and meters not read is yet another reason accounting for a heavy loss of revenue to DESU. The Committee are deeply concerned to find that in Najafgarh District alone out of 173 cases of locked premises, 60 cases of locked premises were since 1987, 52 cases pertained to the years 1984 to 1988, 20 cases were for the period 1971-72 to 1984-85 and balance 41 related to the year 1987-88. The Committee are distressed to find that DESU did not take any action of their own in respect of these very old cases. Obviously locked premises for such long periods with no effective follow up is possible only with the connivance and collusion of DESU staff. What is further disturbing is the fact that DESU did not bother to take immediate action in these cases even when pointed out by audit. The Committee have been informed that bills have now been raised in respect of all these 173 cases amounting to Rs. 10.51 lakhs but unfortunately DESU has so far been able to recover only a partly amount of Rs.0.43 lakhs. **The Committee deprecate callous attitude on the part of DESU to realise their outstanding revenue and emphasize that all efforts should be made to realise this amount imposing the prescribed penalties.**

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The concerned district authorities initiate the action through meter reading inspector to effect recovery from the defaulting consumers. If the payment is not forthcoming then action for disconnection of supply as required under section 24(1) of the Indian Electricity Act, 1910 is taken. All the disconnections could not be carried out because of acute shortage of staff for effecting disconnection/recovery.

However, the disconnections are executed by giving a higher priority to defaulters with huge outstandings. The data on locked premises (PL cases) is also being compiled by EDP centre. To minimise such cases the Assistant Finance Officers (Distribution) have been instructed to ensure reading of previous PL cases in subsequent billing cycles. As a part of regular procedure, the meter books are checked by meter reading inspectors/supdt. in each district to ensure reading in the subsequent cycles. A system of highlighting PL cases in the computerised list has also been initiated to accelerate efforts in this direction. The latest position regarding demand and recovery effected in respect of 173 PL cases in District Njafgarh is given as under :-

Total cases of PL detected	173
Demand raised	Rs.10,94,179.92P
Credit given for Provisional Demand	Rs. 4,64,969.41P
	<u>Rs. 6,82,205.43P</u>

Besides above recovery and credit, remaining dues are under process for recovery.

(A.H. JUNG)
Jt. Secretary
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According to DESU the compilation of statistics about the locked premises resulting in non-payment of charges has been initiated only recently and on the basis of data for June, 1992 collected on sample basis from one district, it is gathered that on an average the cases of premises locked were approximately 20 percent. The Committee are surprised to note the inability of DESU to identify the number of such cases relating to the other 23 districts. Obviously there is large scale leakage of revenue on this account. The Committee recommend that DESU should collect and compile this data on a regular basis, monitor them and also take preventive and punitive steps to effectively tackle such cases in the interest of timely realisation of the outstanding dues.

ACTION TAKEN

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Instruction have been issued to the district authorities to compile data on PL cases on regular basis. The position is also being monitored centrally by the EDP centre with a view to reduce the outstanding dues on this account.

In order to have a regular monitoring of the PL cases, the system was modified to highlight such specific connections where the readings could not be taken repeatedly for more than two successive rounds of meter reading. The meter reading staff were instructed to concentrate on such readings in the next reading cycle. As a result of these corrective measures with effect from Jan' 1993 and increase in the strength of Meter Readers, the percentage of PL cases has reduced appreciably as reflected by results of a test check of 5 districts as given below :

Name of the Distt.	% of PL/NR cases prior to the exercise	% of PL/NR cases after the exercise
Chandni Chowk	24.22	7.79
Moti Nagar	15.86	6.38
Rohini	33.74	20.09
R.K. Puram	13.84	12.42
Janak Puri	9.65	3.39

(A.H. JUNG)
 Jt. Secretary
 Ministry of Power

NAME OF MINISTRY/DEPARTMENT : MINISTRY OF POWER

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The Committee find that as against the total quantum of energy of 6100 MU, 6717 MU, 7488 MU and 8292 MU, generated and imported by DESU during the years 1987-88, 1988-89, 1989-90 and 1990-91, the quantum of energy billed during these years was 4222 MU, 5139 MU, 5888 MU and 6515 M Units, respectively. It is astonishing that about 21.15 per cent to 30.78 per cent of the total energy available with the DESU has remained unaccounted for and the reasons for same have not been investigated in detail by DESU. Given the alarming extent of leakage of energy, the Committee recommend that the reasons for the same may be gone into and necessary action taken to effectively plug this leakage and whenever connivance of DESU staff noticed, punitive action be resorted to.

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As major chunk of power requirement of Delhi is met by import from the Northern Grid, it contributes to losses in transmission as the power is received from long distances on the EHV (Extra High Voltage) transmission lines. Apart from this, DESU's transmission and distribution system being a highly meshed network gives rise to more technical losses as power is transformed from higher voltage level to lower voltage levels due to several voltages of transformation used in between. The distribution system in several parts of the City of Delhi being very old is also a contributory factor to the T&D losses. The illegal extraction of electricity by the residents of J.J. Clusters and unauthorised colonies is another factor for higher T&D losses.

DESU has taken various steps to reduce the T&D losses by strengthening its enforcement machinery. To start with, the transmission & distribution system in the Walled City area, which is the oldest one, is being renovated/modernised. Similar schemes will be drawn up for other areas depending upon the availability of funds.

A decision has also been taken by the Government of Delhi to provide individual electricity connections to JJ Clusters, which would bring down the incidence of theft of electricity in JJ Clusters. Apart from this, Govt. of Delhi's Policy decision to allow connections/enhancement of load for commercial/industrial load in non-conforming areas will also have considerable impact

as theft of electricity is concerned. Action is also taken against the erring staff and if they are found conniving with the offenders in theft of energy, they are dealt with by awarding deterrent punishment.

(A.H. JUNG)
Jt. Secretary
Ministry of Power

cases.

at Rajghat Power House for registration and follow-up of power th

A decision has also been taken by the Government of Delhi to provide individual electricity connections to JJ clusters which is expected to bring down the incidence of theft of electricity in such JJ clusters. Apart from this, Govt. of Delhi's Policy decision to allow connections/enhancement of load for commercial/industrial load in non-conforming areas will also have positive impact so far as theft of electricity is concerned.

(A.H. JUNG)
Jt. Secretary
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The Committee note that direct tapping of power supply from the mains is a cognizable offence under Section 39 of Indian Electricity Act. Further under Section 44 of the Indian Electricity Amendment/Act, 1986, penalty for interference with meters is punishable with imprisonment or fine upto five thousand rupees or both. There is an Enforcement Branch in DESU specially set up to carry out inspection and checking of consumer connections where theft of energy is suspected. Joint raids are also stated to be conducted by the Enforcement Branch and Vigilance Department. Further, the help of police is also stated to be enlisted to check theft of energy. The Committee are constrained to observe that inspite of the existence of such an elaborate machinery to check the theft of energy, the results achieved do not even touch the fringe of the problem. Lack of serious efforts on the part of the concerned agencies to curb the theft of electricity is borne out by the fact that out of 2267, 1309 and 30108 theft cases detected during the years 1989-90, 1990-91 and 1991-92, FIR was lodged only in respect of 220 cases, 306 cases and 832 cases respectively. What is further disturbing is the fact that after the cases were reported to Police, no efforts were made by DESU to pursue these cases or even call for periodic reports about their disposal from the Police. The Committee strongly deprecate the indifference shown by DESU to curb large scale theft of energy.

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Theft of energy by direct tapping of street lighting mains or tubewell lines is a common menace in most of the JJ clusters and unauthorised colonies. DESU has launched rigorous enforcement drive to check cases of theft in such pockets. The statistical data about thefts detected vis-a-vis FIR lodged has been given in the succeeding paragraph at Sr No 11.

The main reason for difference between theft cases detected and FIRs lodged is due to the fact that in many cases (particular JJ clusters) one FIR is lodged against several offenders in one pocket. Since the theft of electricity is a cognisable offence under the Indian Electricity Act, 1910, greater involvement of Police, provision of mobile magistrates and special courts would be necessary. Accordingly anti-theft police squads are being created and a police station is

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The Committee are extremely distressed to find that despite the existence of Vigilance and Enforcement Organisations in DESU, there is undisputed evidence of large scale corruption and gross mismanagement in DESU. Consequently, not only the public at large is harassed and cheated but DESU's own finances are badly affected. There was also delay in taking action against the delinquent officials. Out of 1071 cases of corruption registered against DESU officials during 1988 to 1992 only 530 cases were disposed off. Desposing before the Committee, the Chief Secretary Delhi Administration conceded that there is large scale theft both by the rich and the poor people of this city. There is large scale evidence of our staff conniving with thieves of the city. Secretary (Power) also admitted during evidence that there were still many areas where DESU has to overcome shortcomings and refurbish its social and economic image. The Committee view with serious concern that inspite of numerous proven instances of collusion of DESU staff in the fraudulent extraction of electricity, the authorities have miserably failed to take adequate punitive and preventive steps to control the malady of theft of energy. For instance, collusion of DESU staff detected in respect of 107 and 155 cases in 1991-92 punishment is stated to have been awarded in 25 cases only and charge-sheets issued in 96 cases. Of the 25 cases where punishment have been awarded, except for reduction in rank in 2 cases, minor penalties like censure, withholding of increment have been awarded in 23 other cases. The Committee were further informed that in respect of 96 charge-sheet cases, minor penalties like censure and withholding of increment has since been awarded in the 14 cases decided so far and the other 82 cases are still stated to be under process. The Committee strongly deprecate the callous approach of the authorities in dealing with the proven cases of collusion of DESU staff in the theft of energy. The Committee need hardly emphasise that the action taken in such cases should be prompt and deterrent.

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VIGILANCE DEPARTMENT

The recommendations of the Hon'able committee are noted for compliance in regard to finalising vigilance cases expeditiously for deterrent action. The position of cases in which

Punishments were awarded in 1992-93 and 1993-94 is as follows :

No. of penalties awarded		92-93	93-94
a)	MAJOR PENALTY		
i.	Dismissal	—	3
ii.	Removal	1	—
iii.	Other type of penalty	—	4
b)	MINOR PENALTY	26	71

As per the laid down policy, the major penalty cases under regulations 7 are required to be enquired into by the Enquiry officers. They can be either departmental officers or CDIs appointed by the CVC. Here the jurisdiction of the Vigilance Department ends and no further delay can be attributed to the Vigilance Department, as Enquiry Officers are independent to the Investigating Agency and the proceedings followed are quasi-judicial. Proceedings are carried out, as per laid down procedure. More than 240 cases of major penalty relating to the period 1992-93, 1993-94 already stand referred to the Enquiry officers and are pending with them. In order to speed-up the investigations of the enquiry cases, a proposal is already under active considerations with the Admn. for engaging the retired Govt. officers on a fixed honourarium as Enquiry Officers, to cut down the time of enquiry proceedings. This would help in speedy finalisation of the cases.

From the above analysis it would be clear that the minor penalty cases against the employees had been finalised with utmost speed. However, in respect of over 240 cases of major penalty proceedings, which stand already referred to the Enquiry Officers, action to award penalty by the Disciplinary Authority can be taken only after receipt of enquiry reports.

ENFORCEMENT DEPARTMENT

The data regarding detection of various violations including theft of energy is as under :

S.No.	Particulars	1991-92	1992-93	1993-94
1.	Total connections checked	8222	21091	20897
2.	Theft detected (L.T.)	719	430	324
3.	Theft detected (Bulk Supply)	12	4	2
4.	Direct Theft	N.A.	12211	11405
5.	F.I.R. lodged	533	944	1218

In the event of direct tapping of power supply by the residents of JJ clusters colonies in various parts of Delhi, FIR is normally lodged giving the names of those indulging in such activities. Concerted efforts are being made to curb this menace by intensifying the raids in theft prone areas. DESU is also initiating action against the erring staff if they are found conniving with the offenders in theft of energy and are dealt with by awarding deterrent punishment.

(A.H. JUNG)
Jt. Secretary
Ministry of Power

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Report of PAC (10th Lok Sabha).

The Committee also find that in 8769 cases of misuse of electricity in six districts, action has not been taken to levy penalties. The Ministry of Power have indicated that the main reason for pendency of such cases is limited manpower resources as compared to very large number of such cases. The Committee deplore the arguments advanced by the Ministry and recommend that immediate steps should be taken to ensure that all such cases are urgently and effectively pursued and disposed of in the interest of controlling large scale pilferage of energy and realisation of revenue.

ACTION TAKEN

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In case where misuse is reported, penalty is levied after issue of notice to the consumers. Instructions have also been issued for expeditious disposal of cases relating to misuse of energy and the position is being monitored.

(A.H. JUNG)
Jt. Secretary
Ministry of Power

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The Committee note that against DESU's power generating capacity of 544 Megawatt, the energy requirements during 1991-92 and 1992-93 was 9274 million units, 10095 million units respectively and the projection for 1993-94 is stated to be 11196 million units. At the end of June 1993, applications for 5785 domestic and 445 industrial connections were pending for long. In addition to power available from DESU's own generating stations, the power requirements of Delhi are met from the allocated share of DELHI in the other Power Stations. Power is also made available to DESU out of the un-allocated share from the Central Power Stations in the Northern Region. As the existing availability of power with DESU is not adequate to meet the pending as well as the future demand, the measures enumerated in para 118 of the Report have been taken or are proposed to be taken to meet the demand. The Committee have been informed that according to the 14th Power Survey Report prepared by the Central Electricity Authority the peak demand in Delhi will increase to 2532 MW by the end of 8th Five Year Plan.

Further, long and frequent power cuts is a common phenomenon in Delhi. The Committee, therefore, emphasize the urgent need for chalking out a comprehensive planned strategy to fully meet the existing and anticipated future demands for electricity in Delhi and to obviate frequent power shedding so as to ensure continuous and trouble free supply of energy to the citizens. The Committee also stress the urgent need for removing the serious inherent defects in the existing transmission and distribution system, as according to the views of Central Electricity Authority the transmission and distribution losses under the present state of affairs can be about 14 to 15 per cent which is a huge national loss.

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In order to meet the growing demand of electricity in Delhi, the following measures have already been initiated :

- (i) The matter has been taken up with the Govt. of India to lift the restriction on natural gas allocation to the gas turbine station and enhance the gas linkage from the present level of 0.6 MCMD to 1.0 MCMD, so as to maximise generation from DESU's gas turbine station

- (ii) Installation of 3 x 34.07 MW waste heat recovery generating units at the existing gas turbine station during the 8th five year plan. One unit of 34 MW is scheduled to be commissioned during 1994-95.
- (iii) A combined cycle gas based power generation project at Bawana in Delhi with a capacity of 400/500 MW has also been envisaged.
- (iv) DESU has also signed MOU for obtaining a share of 15% for equity participation in Parvathi Hydro Electric Power Project to be constructed in Himachal Pradesh as a Joint Venture between member States in the Northern Region. This project has a potential to generate 2051 MW progressively in 3 stages spread over a period of 7-8 years.
- (v) DESU shall have a share of 90% in Dadri Thermal and share of 11% Dadri gas power station of NTPC.
- (vi) DESU has also started getting power from the new NHPC Hydel station at Chamera in H.P.

The transmission and Distribution system is also being augmented continuously at all voltage levels within the available resources. DESU is paying special attention in this area which should be clear from the fact that almost 80 percent of the total allocation of plan funds during the 8th Five Year Plan have been earmarked for T&D works. A 400 KV transmission ring is under construction on the periphery of Delhi to ease the position of power from the Grid as the existing 220 KV transmission ring is already saturated. To improve the stability of supply in Central and North Delhi, a 220 KV Grid Sub-Station at Subzi Mandi has been completed and commissioned. A Gas insulated switchgear 220 KV sub-station at Park Street in NDMC area has also been commissioned to improve the power supply position in the VIP areas of the NDMC as well as the MCD areas in Central Delhi. 66/33 KV lines and Grid Sub-stations have been commissioned in several areas to meet the growing load and ensure better voltage regulations. In order to improve the voltage profile in the system, 1065 MVAR capacitors have been installed up to 31.03.1994. A scheme for improvement of the Distribution system in the walled city area of Delhi, which is the oldest and the most congested part of the capital with high population density, is also under implementation. There are plans to establish two 400 KV, 17 Nos 220 KV, and 50 Nos. of 66/33 KV by the end of the 8th Plan.

The year-wise break up of availability of energy and energy requirement as per projections of 14th Power Survey Report would be as under:

	Energy availability (in MKWH)	Energy Requirement (in MKWH)
1990-91	7698	8512
1991-92	8323	9353
1992-93	9810	10247
1993-94	11878	11196
1994-95	13302	12214

As a result of the special measures taken, DESU was able to meet an unprecedented maximum demand of 1820 MW in June 1994. since, DESU is dependent on supplies from the Northern Grid, any desruption due to low frequency in the grid is beyond the control of DESU. Also in a vast and meshed network, like DESU, breakdowns do occur but all the efforts are made to restore supplies in the least possible time.

(A.H. JUNG)
Jt. Secretary
Ministry of Power

linking DESU administratively from the Delhi Municipal Corporation for which enactment has already been passed by the Parliament by amending the Delhi Municipal Corporation Act, 1957.

(A.H. JUNG)
Jt. Secretary
Ministry of Power

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The Committee find that a multiplicity of control has been prescribed to oversee the functioning of Delhi Electric Supply Undertaking viz. Municipal Corporation of Delhi, Delhi Administration, Ministry of Energy and Ministry of Home Affairs. As per Delhi Municipal Corporation Act, 1957 the Delhi Electric Supply Committee is responsible for the conduct and management of DESU. According to the Chief Secretary, Delhi Administration, all the powers of Delhi Electric Supply Committee are presently vested in the Commissioner, Municipal Corporation of Delhi, who is also the Administrator and is required to monitor the functioning of DESU. The ultimate responsibility for the functioning of MCD including DESU vests with the Delhi Administration which is accountable to various Ministries of Union Govt. as far as the organisational matters of DESU are concerned, the same are reported to the Ministry of Home Affairs by Delhi Administration. Ministry of Power/Central Electricity Authority conduct a review at the time of recommending to DESU for consideration of the Planning Commission. The Committee are of such a multiple system to monitor and oversee the provisions of plan funds. Coordination among these agencies have been are deeply concerned to find the existence. Effectively, This, in turn, has functioning of DESU. The clarity of functions and coordination is lacking due to which they have failed to discharge their functions effectively contributed to total neglect of DESU badly affecting its performance both financially and administratively. The Committee have been informed that a Bill to amend the DMC Act, 1957 has since been amended and the proposal to create an Electricity Board in place of DESU is under consideration.

According to the Ministry of Power, once DESU becomes a Board, the number of agencies exercising control thereon will be minimised and the Electricity Deptt. of Delhi Administration under the overall control of Ministry of Power shall be responsible to enforce the provisions of the Electricity Supply Act, 1948. The Committee desire that an early decision be taken in this regard to improve the overall functioning of DESU and avoid multiplicity of control.

ACTION TAKEN

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To avoid multiplicity of control and to improve the functioning of DESU, it is proposed to constitute a Delhi Electricity Board under the provisions of Electricity (Supply) Act, 1948 by de-

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The Committee take serious note of the mal-functioning of Delhi Electric Supply Undertaking and the manner in which the Ministries of Power and Home Affairs, Delhi Administration and the Commissioner, Municipal Corporation of Delhi allowed the financial and administrative functioning of DESU to drift resulting in this chaotic state of affairs. For instance, concerted efforts have not been made to liquidate huge outstanding arrears in respect of energy charges which were of the order of Rs. 573.64 crores in 1990-91. There has been a great back log in the finalisation of annual accounts and the accounts for the years 1990-91 and 1991-92 have not been finalised so far. In 2271 cases, there was a delay of more than one year in sending the intimation of new connections to the Meter Superintendent. There were large scale proven cases of connivance and corruption by DESU staff in fraudulent extraction of electricity but suitable punishment was generally not awarded in such cases. 21.15 per cent to 30.78 per cent of the total-energy generated and imported by DESU has remained unaccounted for and no serious efforts have been made to control the leakage of energy to such an alarming extent. Due to its inefficient functioning and total neglect by the various agencies charged with the responsibility to oversee and monitor its functioning, DESU had continuously been running into heavy losses which were of the order of Rs. 269.04 crores, 247.16 crores, 241.71 crores, 200.09 crores, Rs. 107.15 crores and Rs. 243.76 crores during the years 1987-88 to 1992-93. The Committee are surprised to find that the Cabinet Committee on Economic Affairs approved the financial recovery plan for DESU including waiving of Badarpur Thermal Power Scheme dues alongwith interest to the tune of Rs. 1109.73 crores and accumulated interest on Central Government loans amounting to Rs. 297.42 crores upto 31.3.1989 and treating the loans to DESU as perpetual loans. The Committee deem these concessions as nothing short of paying a high premium for inefficiency, dishonesty and lack of responsibility. The Committee are further distressed to find that instead of taking concrete steps for improving the working of DESU and controlling the deficit the authorities decided to adopt a softer option by proposing to effect a hefty hike in the power tariff which would yield additional revenue of Rs. 446.51 crores in a full financial year. The Committee are extremely unhappy over the easy option adopted without taking any serious and effective steps for improving the functioning of DESU and bridging the deficit. The Committee have no doubt that if earnest efforts had been made to effect timely realisation of large amounts of outstanding energy dues, control the large scale theft and leakage of energy and put an end to the rampant corruption in DESU, the financial position of DESU would have been totally different. The Committee view the absence of monitoring the working of DESU by all the concerned agencies including Delhi Administration and Ministries of Home Affairs and Power

inexcusable and recommend that immediate steps should be taken to improve the functioning of DESU in the light of various recommendations made by them in this Report. The Committee would like to know the concrete remedial measures taken within a period of six months. The Committee also feel that there should be thorough shake up at the top for their failure to look after the affairs of DESU as narrated in the Report.

ACTION TAKEN

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Dated _____ Sept. 1994

With a view to improve the management of electricity supply in Delhi, it is proposed to constitute an autonomous Electricity Board for Delhi under the Electricity (Supply) Act, 1948. This step is likely to avoid multiplicity of authority over the affairs of DESU and would help streamlining the monitoring and supervision mechanism over the Organisation. The need for tariff revision was necessary to bring down the heavy losses incurred by DESU as a result of around increase in cost of various inputs including cost of generation/purchase of power and other administrative expenses. There has been considerable improvement in revenue realisation of DESU which has gone up from an average of Rs.44 crores per month in 1990-91 to Rs.97 crores per month (average) during April to August 1994.

With a view to reduce the T&D losses and theft of electricity, DESU is augmenting and strengthening its transmission and distribution system at various voltage levels and has intensified enforcement activities against theft and pilferage of power, as is evident from the statistics given in respect of ATN at Sr. No. 11 (Para - 137). In addition, policy initiatives have also been taken by the Govt. of Delhi to allow electricity connections in JJ Clusters and to allow enhancement of load in industries upto certain limits.

(A.H. JUNG)
Jt. Secretary
Ministry of Power