

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

UNSTARRED QUESTION NO:2947

ANSWERED ON:14.03.2013

AUDIT OF POWER COMPANIES

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Will the Minister of POWER be pleased to state:

- (a) the details of the companies which have been sanctioned transmission licences by the Central Electricity Regulatory Commission (CERC) along with the details of the auditors appointed by the CERC for audit of accounts of those companies;
- (b) whether the conditions of issuing licences includes the obligation of getting their audit done by the Comptroller and Auditor General (C&AG) to enable an independent inquiry of such companies and information regarding overcharging from consumers may come into light;
- (c) if so, the details thereof and if not, the reasons therefor;
- (d) the details of those companies whose audit has been done by the C&AG along with the details of the audit of power distribution companies of Delhi done till date and the agencies which have conducted them;
- (e) whether losses have been reported in the said audits; and
- (f) if so, the details thereof?

Answer

MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF POWER (SHRI JYOTIRADITYA M. SCINDIA)

- (a) As per the information provided by the Central Electricity Regulatory Commission (CERC), 17 companies none of which are Government companies have been granted inter-state transmission licences by the CERC during the period from November, 2003 to October, 2011. The list is enclosed at Annex.
- (b) & (c) The CERC Regulations on Terms and Conditions of Transmission Licence do not provide for audit of transmission companies by C&AG. The transmission licensees regulated by CERC recover charges on the basis of the tariffs determined and the regulations specified by CERC.
- (d) to (f) As per Section 619 of the Companies Act, 1956, an auditor of a Government company shall be appointed by the C&AG and the auditor shall audit the accounts under the control and directions of C&AG. The Government owned transmission licensees are required to get their audit done by an auditor appointed by the C&AG.