

**DELHI ELECTRIC SUPPLY
UNDERTAKING—BILLING
AND COLLECTION OF
ELECTRICITY CHARGES**

MINISTRY OF POWER

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**PUBLIC ACCOUNTS
COMMITTEE
1993-1994**

TENTH LOK SABHA



**LOK SABHA SECRETARIAT
NEW DELHI**

**FIFTY-FOURTH REPORT
PUBLIC ACCOUNTS COMMITTEE
(1993-94)**

(TENTH LOK SABHA)

**DELHI ELECTRIC SUPPLY
UNDERTAKING—
BILLING AND COLLECTION OF
ELECTRICITY CHARGES**

MINISTRY OF POWER



सत्यमेव जयते

*Presented to Lok Sabha on 18.12.1993
Laid in Rajya Sabha on 15.12.1993*

**LOK SABHA SECRETARIAT
NEW DELHI**

December, 1993 Agrahayana, 1915 (Saka)

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CORRIGENDA TO FIFTY-FOURTH REPORT OF THE
PUBLIC ACCOUNTS COMMITTEE (1993-94)

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** Not printed. One cyclostyled copy laid on the Table of the House and 5 copies placed in Parliament Library.

PUBLIC ACCOUNTS COMMITTEE

(1993-94)

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@Elected w.e.f., 6 August, 1993 vice Shri Atal Bihari Vajpayee resigned from the Committee.

INTRODUCTION

I, the Chairman of the Public Accounts Committee, do present on their behalf, this Fifty-Fourth Report on Paragraph 6 of the Report of C&AG of India for the year ended 31 March, 1991 (No. 12 of 1992), Union Government (Civil) on MCD and NDMC relating to 'DESU-Billing and Collection of Electricity Charges'.

2. The Report of the C&AG of India for the year ended 31 March, 1991 (No. 12 of 1992), Union Government (Civil) on MCD and NDMC was laid on the Table of the House on 5 May, 1992.

3. Expressing unhappiness over the rapidly mounting outstanding arrears of energy charges the Committee have noted 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 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 and that there is no centralised mechanism in DESU to monitor the recovery of outstanding dues from consumers. The Committee have recommended 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 and separate statistics 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 from consumers and take prompt corrective action.

4. The Committee are distressed to find that DESU has been lagging behind in the finalisation of annual accounts. The Committee 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 by October, 1992. The accounts for the years 1990-91 and 1991-92 still remain to be finalised and are targeted to be completed by March, 1994. The Committee are not convinced with the plea of Ministry of Power that the delay in finalisation of the annual accounts was attributable to the increase in work load 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 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

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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. They have recommended 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. The Committee have also observed that 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.

5. Another deficient area noticed by the Committee in DESU is billing system. The Committee are surprised to find that in 2146 cases and 125 cases pertaining to Shalimar Bagh and Janakpuri Districts, respectively, there was a delay of more than a year in sending the intimation of new connections to the Meter Supdtt. 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 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 and emphasize that standing instructions in this regard should be strictly observed and any deviation from these instructions be viewed seriously for fixing responsibility. The Committee have recommended that necessary steps be taken to reconcile all the pending cases immediately and the Committee apprised of the progress made.

6. The Committee have noted that out of 413951 defaulters of the payment of electricity charges of the order of Rs. 148.23 crores as on 30.9.1992, 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 accumulation of arrears of the dues accruing year after year and 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 according to the Committee yet another reason accounting for a heavy loss of revenue to DESU. The Committee are deeply concerned to find that in Najaf Garh 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 on 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 deprecate the 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.

7. 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 of. The Committee view with serious concern that in spite 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. 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.

8. 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. The Committee find the existence of such a multiple system to monitor and oversee the functioning of DESU has resulted in lack of clarity of functions and co-ordination among these agencies due to which they have failed to discharge their functions effectively. This in turn has contributed to a total neglect of DESU badly affecting its performance both financially and administratively.

9. 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. 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.

10. The Committee (1992-93) examined audit paragraph 6 at their sitting held on 18 November, 1992. The Committee (1993-94) considered and finalised this Report at their sitting held on 24 November, 1993. Minutes of the sitting form Part II* of the Report.

11. For facility of reference and convenience, the observations and recommendations of the Committee have been printed in thick type in the body of the Report and have also been reproduced in a consolidated form in Appendix-III of this Report.

12. The Committee place on record their appreciation of the commendable work done by the Public Accounts Committee (1992-93) in taking evidence and obtaining information for this Report.

13. The Committee also place on record their appreciation of the assistance rendered to them in the matter by the office of the Comptroller and Auditor General of India.

14. The Committee would also like to express their thanks to the Officers of the Ministry of Energy (Department of Power), Ministry of Home Affairs and DESU for the cooperation extended by them in giving information to the Committee.

NEW DELHI

December 9, 1993

Agrahayana 18, 1915 (Saka)

BHAGWAN SHANKAR RAWAT

Chairman,
Public Accounts Committee.

REPORT

DELHI ELECTRIC SUPPLY UNDERTAKING—BILLING AND COLLECTION OF ELECTRICITY CHARGES

The Report is based on Paragraph 6 of the C&AG Report, Union Government (Civil) for the year ended 31 March, 1991 (No. 12 of 1992) on MCD and NDMC relating to Delhi Electric Supply Undertaking—Billing and Collection of Electricity Charges, which is appended at Appendix-I.

Billing and Poor Collection

2. The Delhi Electric Supply Undertaking (DESU) has divided Delhi into 24 DESU districts and in each district an Assistant Finance Officer is incharge of billing and an Executive Engineer of technical matters. The number of consumers in all the 24 district offices of DESU for the purpose of billing of electricity charges is 17,69,550 which does not include large industrial consumers.

3. According to DESU, the large industrial consumers are not billed district-wise. Their billing is centralised at the office of commercial officer, Bulk Supply (Rajghat Power House). There are approximately 1400 consumers in this category. The billing was computerised in 1988.

4. In August, 1990 DESU changed over to the bimonthly system from monthly billing to effect reduction in collection cost.

5. According to the audit Paragraph, details of demand raised and collection of energy charges made by DESU during the years 1986-87 to 1990-91 are as under:

Sl. No.	Year	1986-87	1987-88	1988-89	1989-90*	1990-91*
1.	Revenue pending collection at the beginning	210.28	239.38	298.49	418.91	533.19
2.	Revenue assessed					
i)	Domestic	68.26	79.64	101.91	106.18	114.76
ii)	Non-Domestic	72.78	77.61	90.59	110.78	139.12
iii)	Industrial & others	174.14	191.50	218.45	288.75	954.53
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

* Provisional

S. No.	Year	1986-87	1987-88	1988-89	1989-90*	1990-91*
5.	Revenue outstanding	239.38	298.49	418.91	533.19	616.23
6.	Percentage of revenue outstanding to total demand	46.35	50.75	56.65	57.66	54.00

6. The aforesaid data reveals 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. The audit scrutiny also revealed that year-wise details of actual realisation from each category of consumers (i.e. domestic, non-domestic and others) was not on record.

7. According to Ministry of Power & NES, a broad analysis of the amounts due from the consumers indicates that a major portion of the outstanding arrears relate to the subjudice cases and dues recoverable from Government/Local bodies like NDMCMES, MCD, Water Supply & Sewage Disposal, DDA etc. Further analysis of the outstanding dues against various categories of consumers of DESU as on 31st March, 1992 reveals that if outstanding demand pertaining to subjudice cases (Rs. 156.35 crores) and dues recoverable from Government/Local bodies (Rs. 267.57 crores) are excluded, the dues recoverable from sundry consumers were only of the order of Rs. 30.78 crores against the overall arrears of Rs. 454.70 crores.

8. The Committee desired to know the actual details about the years 1989-90 & 1990-91 as provisional details have been indicated for these years. According to the Ministry of Power, the accounts for 1990-91 are still under compilation and the actual details for the year 1989-90 are as follows against the corresponding columns in the Table:

S. No.	Year	1989-90 Actual (Rs./Cr.)
1.	Revenue collection at the beginning	418.91
2.	Revenue assessed	
	i) Domestic	111.55
	ii) Non-Domestic	102.15
	iii) Industrial & others	299.13
3.	Total Demand	931.74
4.	Revenue realised	358.10
5.	Revenue outstanding	573.64
6.	Percentage of revenue outstanding to total demand	61.56

9. The Committee enquired whether any period-wise analysis has been done on the outstanding demand pertaining to *sub judice* cases and how were the cases effectively pursued for ensuring early finalisation. In a note, the Ministry of Power stated:

“Period-wise analysis has not been done in the past.

The subjudice cases are pursued by the Legal Cell of DESU with

the competent courts of Law. Outside legal experts are engaged where considered necessary for effective presentation of DESU's cases. Bijlee Adalat have also been constituted since 1991-92 to dissuade the consumers from going to courts. Some cases withdrawn by the consumers from courts have also been considered by Bijlee Adalats."

10. The Committee desired to know the reasons for outstanding dues to the tune of Rs. 267.57 crores from Govt./Local bodies. The Committee also enquired as to since when these outstandings were due from them and regular and concrete steps being taken to recover the amounts. The Ministry of Power stated as follows:

"The main reason for non-payment of dues by local bodies is their inability to pay because of their own financial constraints and because of disputes raised by them in some cases. The dues have been accumulating over the past several years. Periodical meetings are held at the level of Delhi Administration, Ministry of Power, Ministry of Home Affairs and Cabinet Secretariat for persuing recovery."

11. The Committee have been informed by the Ministry of Power that figures of collection against arrears and current demand are not available in respect of past years as no separate records have been maintained. According to the Ministry as period-wise analysis of the pandency has not been done in the past, such information is not available in respect of the past years. According to the Ministry, the position about the outstanding dues against local bodies for the last three years is as follows:

S.No.	Name of Agency	1988-89	1989-90	1990-91	1991-92
1.	N.D.M.C.	101.67	105.13	9.64 113.89	91.97
2.	M.E.S.	0.66	1.11	0.14	3.56
3.	Delhi Water Supply & Sewage Disposal Undertaking	79.22	94.11	98.53	110.04
4.	M.C.D.	5.57	6.15	7.21	8.14
5.	D.D.A.	10.40	11.62	9.97	24.86
6.	Delhi Police for Traffic Signals & Blinkers	—	0.53	1.16	—
		197.54	218.65	240.54	238.57

12. In regard to arrears of NDMC, the Chief Secretary Delhi Administration stated during evidence as follows:

"These figures are slightly outdated, NDMC has been a good paymaster of late. A total amount of about Rs. 72 crores is due and we have recommended to the Government of India for writing off this amount on the same basis as the amount payable to DESU by

Badarpur was written off, for the same reason that they were under an obligation to sell power at lower rate to getting it themselves at a higher rate.”

13. As regards, the outstanding of Rs. 26.73 crores, against Government the Committee enquired about its details and reasons for their non-recovery. The GM, DESU during evidence stated as follows:

“We have large number of Central Government quarters and also quarters of Delhi Administration, Local bodies, public sector undertakings.....”

14. On the same subject the Chief Secretary, Delhi Administration added:

“We monitor it every fortnight. Heads of all bodies collect in my room. Recently NDMC has been able to pay about Rs. 30 crores. We are looking at the ways by which we can make various institutions to come out with payments.”

15. Asked whether in such cases disconnection orders could be issued, the JS, Ministry of Power stated:

“I am afraid not, Sir, because they involve hospitals also.”

16. To a further query whether for disconnection purposes supply to hospitals could be separated from supply to Government offices etc. in case of default in payment by them the GM, DESU stated during evidence:

“As a matter of fact we wanted to disconnect but the general consensus was this being a capital city it will not be a good thing.”

17. As regards recovery of outstandings to the tune of Rs. 267.57 crores as on 31.3.1992 from Government/local bodies, the Committee enquired about regular and concrete measures being taken by DESU to recover them. In a note the Ministry of Power stated:

“The main reason for non-payment of dues by local bodies is their inability to pay because of their own financial constraints and because of disputes raised by them in some cases. The dues have been accumulating over the past several years. Periodical meetings are held at the level of Delhi Administration, Ministry of Power, Ministry of Home Affairs and Cabinet Secretariat for pursuing recovery.”

18. The Committee enquired about the monitoring mechanism available in DESU for the recovery of outstanding dues. In reply, the Financial Advisor, DESU during evidence stated as follows:

“After the payments are received, the receipts are also fed into computers and those people who had not paid, an exception list is made for them every month. We classify it value-wise. Defaulters of more than Rs. 1 lakh, Rs. 25,000, Rs. 10,000 and so on. We tell our field officers to check up these cases and take action even to

disconnect the supply. We tried to focus as far as possible on the higher values.”

19. Asked at what level the monitoring was done, the witness added:

“In the Headquarters, both the General Manager and Financial Advisor monitor it every month. It is a fact that we are not able to realise 100 per cent. Every month some people do not pay it; and some others go to the court and courts stay the process.”

20. To a further query whether there was any centralised cell in DESU to monitor the recovery of outstanding dues from various consumers, the Ministry of Power in a post evidence note stated that there was no centralised “Cell” in DESU for this purpose. The position of outstanding dues was monitored by the FA&CAO in his monthly meetings.

21. In regard to the arrears of Rs. 201.28 crores pending collection at the beginning of 1986-87, the Committee enquired as to how much was still outstanding and what was the year-wise break up of the amounts outstanding recovery at present. In reply, the Ministry of Power in a note stated that the energy dues of Rs. 201.28 crores represented the running account in respect of sale of energy under different categories of consumers including local bodies/Govt. connections, no separate account for arrears was kept. According to them, the age-analysis of dues was not being done and as such it was not practically possible to indicate year-wise break up of the outstanding recovery.

22. The following is the extent of loss suffered by DESU from the year 1982-83 onwards:

(Rs. in Crores)

Year	Revenue Deficit (Loss)	
1982-83	70.25	Deficits shown in the balance sheets were reduced to Rs. 32.92 crores as on 31.3.1989 due to waiver of dues to NTPs (Rs. 1109.73 crores) and interest on Govt. Loans (Rs. 297.42 crores)
1983-84	100.12	
1984-85	118.06	
1985-86	62.25	
1986-87	136.37	
1987-88	269.04	
1988-89	247.16	
1989-90	241.71	
1990-91	(Prov.) 200.09	
1991-92	(Prov.) 107.15	

23. The Committee desired to know the revenue deficit in case of DESU during the year 1992-93. In a note dated 20 September, 1993, the Ministry of Power have stated as follows:

“The revenue deficit of DESU as per revised budget estimates for 1992-93 is Rs. 243.76 crores. Actual deficit is not known since the Annual Accounts for 1992-93 have not been finalised so far.”

24. The financial recovery plan for DESU was approved by the Cabinet Committee on Economic Affairs in its meeting held on 23.8.1989. This included waiving of Badarpur Thermal Power Scheme dues along with interest (Rs. 1109.73 crores) and accumulated interest on Central Government loans amounting to Rs. 297.42 crores upto 31.3.1989 treating the Central Loans to DESU as perpetual loans etc.

With a view to achieve financial viability, DESU raised its tariff with effect from 1.3.1991.

25. The Committee desired to know the views of the Secretary, Ministry of Power on the working of DESU in the light of the audit paragraph. The Secretary, Power stated as follows:

“Audit para has rightly focussed on ‘Billing and Collection of Electricity charges’ there has been a major concern about that area; and that is why, in 1985, DESU decided to go in for computerisation. After that, some of the problems have been overcome. That has been completed in March, 1991. There are some distinctive advantages of the computerisation process. If you permit me, I will mention it. The cost of the billing has been nearly halved from 5 per cent of the revenue billed in 1987-88 to 2.53 per cent in 1990-91. The gap between reading and billing under the manual system ranged between 14—20 months. This gap has narrowed and the bill is being issued within a month after the meter reading. In spite of growth of the consumers the staff component has remained the same. It has become possible to keep a better track of billing discrepancies which have come down to around 2 per cent—the figure which admittedly needs to be improved further. It has now become possible to identify the number of connections not billed earlier; during the last two years it has become possible to identify over one lakh such connections and issue the bills. Retrieval of information has led to a superior billing system and would now throw up analytical data (including age-wise analysis of arrears) which in turn can lead to a more purposeful and effective administrative action.”

The witness further stated as follows:—

“There is, however, absolutely no room for complacency. There are still many areas where DESU has to overcome shortcomings and burnish its social and economic image. The arrears of revenue pending collection are cause for concern though they are attributable to a significant degree to litigation and failure on the part of civic organisations. The collections of the organisation in respect of

current year's demand are touching nearly 90 per cent. There are still failures both due to the mechanical and human factors which call for strong and systematic response both preventive and punitive. It shall be our joint endeavour to strive towards better levels of efficiency and efficacy and shall be grateful for the enlightened guidance of this august Committee."

Delay in Finalisation of Annual Accounts

26. It is seen from the audit paragraph that the details about the demand raised and collection of energy charges made by DESU during the years 1989-90 and 1990-91 have been shown as provisional. The Committee enquired the position about the finalisation of accounts for these years. In reply, the General Manager, DESU during evidence stated as follows:

"In the last two and a half years, we had completed the finalisation of accounts for the past four years, i.e. for the years 1986-87, 1987-88, 1988-89 and 1989-90. For the accounts that are pending for the years 1990-91 and 1991-92, we have given ourselves the target of completing the work by March, 1994."

27. The Committee further enquired as to since when the accounts of DESU have started falling into arrears, the witness stated as follows:

"Sir, the fact is that we completed four years accounts by October, 1992, in 2½ years time. The arrears have been accumulated for a number of years."

28. Subsequently, in a note, the Committee were informed by the Ministry of Power that the accounts had been falling into arrears since 1977-78.

29. The Committee desired to know by what time the annual accounts for each year were required to be finalised as per the Rules/Law on the subject and the penalty prescribed for delay in finalisation of accounts within the stipulated period. In reply, the Ministry of Power informed the Committee as follows:

"As per regulation 6 of the Maintenance of Accounts Regulations, 1959, the date of submission of Annual Accounts is 15th June, each year. However, according to Rule 3, Chapter-II of the Electricity (Supply) Annual Accounts Rule, 1985, made applicable to DESU, Annual Accounts are required to be submitted within six months from the end of the financial year. There is no provision for penalty under the Rules *ibid*, if the accounts are not finalised by the stipulated time period."

Asked about the reasons for such an inordinate delay in finalisation of the annual accounts, the General Manager, DESU stated during evidence as follows:—

"The basic problem is that there has been a large volume of work

which has been increasing and also the City has been expanding. We have been adding about 80,000 to one lakh new connections every year but there has been no corresponding increase in the hands to handle this work. This is the basic problem. Secondly, since major efforts are to be guided towards the completion of the arrears, it naturally affected our own completion of the current accounts. And thirdly, there has been a system of change over, that is, from the normal accounts to commercial accounts and that also took some time."

31. To a further query as to when DESU had switched over to commercial accounting, the witness during evidence stated as under:

"About three years back, we appointed a Consultant and we have been able to switch over completely and now we are simultaneously doing the work of collection of data. We hope that after 1½ years or two years, there will be no cause to worry about the completion of accounts in time."

32. Subsequently, in a note, the Ministry of Power detailed the following reasons for the delay in finalisation of annual accounts:

"The reason for the inordinate delay in the finalisation of the annual accounts is delay in completion of the accounting statements by the district officers and general accounting units of DESU and the time taken in reconciliation of trial balances and other accounting statements from all the accounts units. The volume of work has increased substantially over the years. There were about 12 lakh consumers as on 1.4.1983 which have increased to over 17 lakh consumers in 1992. The budget of DESU which were only about 53 crores in 1978-79 has increased to over Rs. 1300 crores in 1992-93."

33. When enquired about the contemporaneous steps taken to attend to timely finalisation of annual accounts, the Ministry of Power in a note stated as follows:

"After the long delay of 44 months which occurred in completion of accounts for the year 1981-82, in February 1986, efforts were made to complete each year's pending accounts in a period of less than one year so that the delay in submission of the accounts could be curtailed as far as possible. To facilitate speedier action in this direction, the district billing accounting units, which were earlier functioning under the control of Chief Engineer (Distt.) were placed under the control of Financial Advisor and Chief Accounts Officer with effect from July, 1988. The result of the effort could be appreciated from the fact that the period of delay which was 44 months for 1981-82 accounts has been reduced to 28 months for 1989-90 accounts. Efforts are being made to reduce the gap further so as to complete the accounts of 1993-94 by the stipulated date."

34. In regard to fixation of responsibility for such an inordinate delay in the finalisation of accounts, the Committee have been informed by the Ministry of Power that no one could be considered responsible for delay in finalisation of the accounts as the delay was attributable to the increase in workload without corresponding increase in the manpower and the time involved in coordinating the data and accounts from various accounting units with DESU.

35. Asked about the steps taken by the Ministry of Power to secure timely finalisation of accounts, the Ministry of Power in a note stated:

“DESU is an autonomous organisation of the MCD. According to the provisions contained in Section 204-209 of the DMC Act, 1959, the responsibility for maintenance, scrutiny and audit of the accounts of DESU vests with the MCD/Municipal Chief Auditor. However, Ministry of Power have advised DESU from time to time for early finalisation of the Accounts. Administrator, MCD and Chief Secretary Delhi are being asked to ensure early completion of pending accounts.”

Delay in Billing

36. According to the prescribed procedure, new connections are required to be given within 14 days of application and report of the connection made to the 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 the same to the computer agency for billing.

37. It is seen from the audit para that in Shalimar District the Assistant Engineer of the Zone delay sending the intimation of new connections to the Meter Superintendent in 2146 cases by more than a year. Similarly, in Janakpuri District, in 125 cases delay was more than a year. These delays obviously resulted in delay in meter reading and billing for energy consumed.

38. The Committee enquired about the remedial steps taken in all the 24 districts to ensure timely despatch of reports of new connections to Meter Superintendent each month for billing and bills issued for old and new connections without delay. The Ministry of Power, in their reply stated:

“Necessary instructions have been reiterated once again to all the concerned officers of the Zone and Billing Departments so that the delay in meter reading and billing is avoided. It has been instructed that the energisation particulars have to be sent by the Assistant Engineer (Zone) to Assistant Finance Officer (A.F.O.) within one week of the release of load. The Executive Engineer of the Zone will reconcile the K.No. etc. with the Assistant Finance Officer on every 1st and 16th of the Month. Further the Assistant Finance Officer will ensure that the meter reading sheet is inserted within a week of the receipt of energisation particulars and first bill issued immediately after taking them for reading during billing cycle of the

colony/pocket positively. It is further stated that as on 31.3.91, 99000 new connections were pending for reconciliation which have been brought down to 6000 as on 31st March, 1992. Further, in District Shalimar Bagh only 216 cases were pending as on August, 1992 and in Janakpuri only 54 cases were pending."

39. Asked about the main reasons due to which the intimation about the provision of new connections required to be given on 1st and 15th of each month was delayed for more than one year in respect of 2146 cases and 125 cases in respect of Shalimar District and Janakpuri District respectively, the General Manager, DESU, stated as follows:

"There has been a delay on the part of the people who were responsible for giving new connections. We have ordered an inquiry and taking action against the guilty persons. With reference to the district Shalimar, we have issued the bills in 2146 cases and 125 cases in Janakpuri district. There has been a delay of about one year and we have found that the amount involved was roughly about Rs. 52 lakhs in both categories. But a large amount has been recovered. Rs. 52 lakhs was the total amount involved in these cases."

40. In this connection, the Joint Secretary, Ministry of Power also added:

"Sir, you are asking why there is a delay in informing the Billing Department when the Meter has been energised. It is totally inexcusable. You are quite right. Before the computerisation, there used to be about 90,000 such cases. Today, that stands at about 6000. There has been a considerable reduction in this number. That has been made possible through the computerisation."

41. Asked whether the whole amount of about Rs. 52 lakhs involved in both the cases have since been recovered, the General Manager, DESU stated:

"It is continuous process because we have been adding the billing for the subsequent period also. Entire amount for this period, it means that Rs. 52.27 lakhs have been recovered. If they would not have recovered, then they would have been disconnected."

42. On an enquiry as to why no watch was kept at the higher level to ensure furnishing of the desired information within the prescribed period, the Ministry of Power in a note stated that the control information of this nature to enable monitoring at higher level could be available only after completion of computerisation. This was difficult in manual system.

43. In regard to new connections pending reconciliation, the Committee desired to know the latest position and its District-wise break-up. From the information furnished by the Ministry of Power, it was seen that the total number of new connections pending reconciliation which were 99586 in

January, 1991 have come down to 5505 in November, 1992. It was also seen that in two districts namely Najafgarh and Nehru Place, the position was not satisfactory. The new connections pending reconciliation as in October, 1992 were 2,812 and 3,583 respectively in Najafgarh and Nehru Place. The reconciliation in respect of Shalimar Bagh and Janakpuri was stated to have been completed.

44. In respect of old cases that have been reconciled the Committee enquired as to whether the inordinate delays have been examined with a view to fixing of responsibility. The Ministry of Power in a note have stated that the emphasis had been on reconciliation and improvement of the billing after generating control information on computer, since all districts were placed in the same situation, action was not contemplated.

Disconnections

45. Audit scrutiny of a defaulting consumers in respect of Shakti Nagar District made in September, 1991 indicated 7,487 cases with dues amounting to Rs. 4.94 crores. The Committee enquired about the reasons for the heavy amount of bills accumulating against consumers who default on payment of bills. The Ministry of Power, in a note stated as follows:

"The scrutiny of the ledger for the billing month of August, 1991 and September, 1991 reveals that several bills of inflated amounts were to the tune of Rs. 3.48 crores. Bills were also raised amount to Rs. 0.44 crores in cases where meters had been removed and the amounts were actually not recoverable. These amounts were included in the defaulter list prepared by the computer on account of the data/corrections not being fed in the computer in time, and teething problems of the new system. They were segregated manually by the billing staff before the bills were issued. After the deduction of this inflated amount of Rs. 3.48 crores and not meter cases of Rs. 0.44 crore the net arrears in October, 1991 pertaining to all defaulters work out to Rs. 1.02 crore only."

46. Asked as to how many months' consumption is represented by the amounts due from defaulters in the Shakti Nagar District, the Ministry of Power stated:

"The average monthly demand of SKN District works out to Rs. 130 lacs. This figure of Rs. 102 lacs represents the demand of 27 days. However, this amount (Rs. 102 lacs) outstanding pertains to all the defaulting consumers of SKN District as on October, 1991."

47. In this connection, the Committee wanted to know the reasons for raising bills of inflated amounts to the tune of Rs. 3.48 crores and also in respect of the cases where meters were since removed amounting to Rs. 0.44 crores. In reply, the Committee were informed by the Ministry of Power in a note furnished after evidence as follows:

"The inhouse computerised system was started from the year 1988.

The system was in the process of stabilisation. District Shakti Nagar which was already on the computer with M/s. Computronics, was transferred as it is, from one computer to the other computer. This has resulted in inflated billing. The bills in respect of cases where meters were removed also continued to be raised for the same reason."

48. When enquired about the remedial measures taken to avoid recurrence of such mistakes in future, the Ministry of Power in a note have stated that to minimise this problem, a system was developed to prepare area-wise list of inflated bills separately and these bills were checked by the district billing staff before they were issued.

49. Asked about the prevailing mechanism by which information relating to meters that have been removed were brought on to the ledger, the Ministry of Power in a note stated:

"Once meters are removed, the Zonal Engineer sends the information to meter section under the Asstt. Finance Officer of the district. The meter section enters this information on the meter books and the same is picked up by the data entry operators alongwith the meter readings. Since there is still a manual intervention in sending the information, the system is not foolproof. However, instructions were issued on 28.9.92 to the districts to get such cases attended to promptly."

50. The Committee enquired about the latest position of recovery of net arrears amounting to Rs. 1.02 cores in October, 1991 pertaining to all the defaulters of Shakti Nagar District. In reply, the Ministry of Power stated in a note that the entire amount had been recovered either through reconnection orders or by pursuance by MRI's upto December, 1992.

51. The audit paragraph also reveals that 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 informed audit in October, 1991 that in all the 1,077 cases reference had again been made to the Zonal Officer.

52. The Committee enquired about the reasons for non-implementation of disconnection orders/meter removal orders in 1077 cases. The Ministry of Power in a note stated as follows:

"Meters are required to be removed after a specific period if the consumer does not have the supply restored after payment of dues. In some cases, the following reasons also come in the way of implementation of such orders.

- (i) Premises are normally found locked.
- (ii) Stay order from the Court is available with consumer.

(iii) Even after dis-connection the party reconnects the supply illegally through meters. Even in the above cases all efforts are normally made to disconnect and remove meters by taking help of Police authorities as well as making appeal in Court cases.”

53. Asked whether lapses in these cases have since been examined and responsibility fixed on defaulting officials, the Ministry of Power in a post evidence note stated that an inquiry had been ordered to ascertain the reasons and fix responsibility.

54. In this connection, the Committee enquired as to how the dues were being realised in respect of the above illegally connected meters. The Ministry of Power stated in a note as under:

“When dues remain outstanding against illegally connected meters, the same are recovered together with applicable penalties when the consumers come with a request for reconnection of supply, if the dues remain unrecovered and the consumer also does not come back for reconnection, the meter is got removed and recovery action is taken through the legal cell.”

55. In regard to status of defaulters in the 24 districts and the amounts due from them as on 31st March, 1992, the following table has been furnished by Ministry of Power:

(Amount in cr. as on 31.3.92)

Circle	Distt.	Domestic		SIP	
		3	4	5	6
1	2	3	4	5	6
CENTRAL	Ch. Chowk	31038	3.51	393	2.17
	Paharganj	23799	2.04	420	0.68
	Shanker Rd.	22859	2.73	1408	2.97
EAST	Jhilmil	17912	1.19	1398	6.19
	Krishna Ngr.	18471	3.00	802	2.32
	Mayur Vihar	18802	1.21	584	1.60
	Yamuna Vihar	19025	1.88	1028	3.09
NORTH	Civil Lines	10977	3.42	798	2.13
	Lawrence Rd.	18249	1.35	1602	4.48
	Moti Ngr.	13146	9.94	2094	6.67
	Shakti Ngr.	21619	3.63	1323	2.09
NORTH/ WEST	Bawana	6405	0.26	766	1.57
	Narela	6376	0.20	885	1.34
	Rohini	10998	0.58	986	2.41
	Shalimar Bagh	9515	0.47	1300	3.16
SOUTH	Mehrauli	12088	1.70	1016	2.40
	Nehru Place	19391	5.45	2039	9.33
	Nizamuddin	16240	4.46	734	1.32
	R.K. Puram	15819	4.90	683	3.16

1	2	3	4	5	6
WEST	Janakpuri	13500	1.00	615	1.30
	Najafgarh	21857	1.88	584	1.20
	Punjabi Bagh	16873	1.37	1662	2.95
	Vikas Puri	19146	1.14	869	1.30
Total :		384105	56.74	23989	65.83

56. On an enquiry as to whether any action to issue the disconnection order/meter removal order have been taken in all such cases, the Ministry of Power in a note stated as follows:

"Action is first taken by the respective district through Meter Reading Inspector to initiate recovery from these defaulting consumers. If the payment is not forthcoming then dis-connection orders are issued and despite that if the consumer does not come forward for payment meter removal orders are issued. This is an on-going process and the number of defaulters being high, dis-connection cannot be affected in all cases. Stress is laid on taking action against major defaulters. Approx. 31860 disconnections have been affected during 1991-92.

57. It is seen from details furnished by Ministry of Power & NES in regard to district-wise outstanding dues from domestic and SIP consumers as on 31.3.1992 that there were outstanding dues of more than Rs. 3 crores in districts of Motinagar (9.94 crores), Nehru Place (Rs. 5.45 crores), R.K. Puram (Rs. 4.90 crores), Nizamuddin (Rs. 4.46 crores), Shakti Nagar (Rs. 3.63 crores), Chandni Chowk (Rs. 3.51 crores), Civil Lines (Rs. 3.42 crores) and Krishna Nagar (Rs. 3.00 crores) in cases of Domestic Consumers and in Nehru Place (Rs. 6.19 crores), Moti Nagar (Rs. 6.67 crores), Jhilmil (Rs. 6.19 crores), Lawrence Road (Rs. 4.48 crores), Shalimar Bagh (Rs. 3.16 crores), R.K. Puram (Rs. 3.16 crores), Yamuna Vihar (Rs. 3.09 crores) in case of SIP consumers. The Committee desired to know the main reasons for such high outstanding relating to various Districts. The Ministry of Power in a note stated:

"The main reasons for such high outstanding amounts are subjudice and inability of the district offices to effectively follow-up recovery action due to shortage of meter reading inspectors, who are responsible for the recovery from the defaulting consumers and for taking necessary action for dis-connections."

58. When enquired about the specific measures taken by DESU for the recovery of such huge outstanding dues from major defaulters, the Ministry of Power in a post evidence note informed the Committee as under:

"The lists of defaulters are prepared on computer under different categories of amounts. Separate lists are prepared where the dues are Rs. 25000/- and more, Rs. 15000/- and more, Rs 10,000/- and

more and Rs. 5,000 and more, to facilitate concentration of recovery efforts on defaulting consumers with higher amounts.”

59. When asked about the procedure adopted regarding final settlement of bills once disconnection orders were issued, the Ministry of Power in a note stated as follows:

“In regard to the procedure adopted for finalisation of the final bills, it may be mentioned that defaulters lists are prepared at the end of each billing cycle and the disconnection orders are issued giving 7 days’ notice to the consumers to make payment. In case the payment is not made within 7 days, disconnection orders are issued. Therefore, after the payment is awaited for another 15 days and in case the payment is still not forthcoming even after 15 days period then the meter removal orders are issued. It generally takes about 2 months’ time to remove the meter. In most of the cases involving disconnection of supply in DESU, the cases become subjudice and final settlement of such bills await the decision of the courts. Roughly 15 days to one month time is taken for feeding the computer after final settlement of the bill is made as data is fed alongwith each billing cycle scheduled and not day to day basis.”

60. In regard to latest position of realisation from the defaulters, the Committee informed by Ministry of Power that the recovery from defaulters was an original process and the latest defaulters position in respect of 24 districts is as follows:

DISTRICT-WISE OUTSTANDING DUES

PCR, DOM & SIP CONSUMERS

Amount in crores As on 30.9.1992

Circle	Distt.	Domestic		Sip	
		Nos.	Amount	Nos.	Amount
1	2	3	4	5	6
CENTRAL	CC	31471	4.33	402	2.52
	PG	24131	3.06	430	0.82
	SR	23178	3.86	1441	3.47
EAST	JM	18162	2.04	1429	7.28
	KN	18728	4.18	820	2.73
	MV	19064	2.08	600	1.86
	YV	19291	2.79	1051	3.64
NORTH	OL	11130	4.69	816	2.51
	LR	18504	2.19	1639	5.24
	MN	13330	1.99	2142	7.83
	SN	21921	4.93	1353	2.50
NORTH-WEST	BW	6495	0.94	784	1.90
	NL	6465	0.85	905	1.57
	RH	11151	1.30	1009	2.82
	SB	9648	1.17	1330	3.69

1	2	3	4	5	6
SOUTH	MH	12256	2.64	1039	2.80
	NP	19662	7.15	2085	10.93
	NZ	16464	5.93	750	1.53
	RP	16040	6.47	698	3.70
WEST	JP	13688	1.80	629	1.51
	NG	22162	2.37	597	1.43
	PB	17058	2.22	1702	3.49
	VP	19412	1.98	887	1.50
Total:		389412	70.96	24539	77.27

Locked premises and meters not read

61. The audit para reveals that 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 till November, 1991. Position in the remaining 23 districts not audited has not been reviewed by DESU.

62. The Committee enquired about the average percentage of locked premises met with in billing in each of the 24 districts in each billing cycle in last 2 years. The Ministry of Power in a note stated as follows:

“The data regarding the percentage of locked premises met within billing in each of the 24 districts was not compiled earlier. This compilation has been started recently on the basis of data for June 1992, on sample basis which showed that on an average the cases for premises locked were 19.20%. On this the overall figure would be approximately 20%.

63. The Committee desired to know the latest position regarding raising of bills, and recovery of dues in other cases of locked premises in Najafgarh District. The Ministry of Power in a note stated:

“Bills have been raised in respect of all the 173 cases amounting to Rs. 10.51 lacs out of which an amount of Rs. 0.43 lacs has been recovered. In other cases it is being pursued. As regards cases of locked premises from 1988-89, the details are not available for the past period. However, for the period ending Nov. 92 the number of locked premises are 9832 out of total 54082 connections.”

64. When asked about cases of locked premises noticed in other 23 districts from March 1983 till date and in how many cases bills were

raised and recoveries effected by DESU, the Ministry of Power stated in a note:

“Raising of bills in respect of PL cases is an on-going process, it may not be possible to identify as in how many cases bills were raised and recovery effected in a huge system. However, list of PL cases alongwith past history of the PL is sent to the district for every reading cycle. AFOs are attending to these exceptional lists.”

65. The Committee further desired to know whether there was a heavy loss of revenue to DESU by failing to raise bills in cases of locked premises for such a long period. The Ministry of Power in a post evidence note stated:

“It cannot be stated that there is a heavy loss of revenue in cases of locked premises since readings are taken in subsequent cycles and bills are raised, provisional bills are also issued in premises locked cases. However, to minimise such cases the districts officers have been instructed to ensure readings in respect of PL cases in the subsequent cycles.”

66. Asked about the machinery available with DESU for detecting the connivance and collusion of DESU staff in such cases, the Ministry of Power stated in a note as follows:

“As a part of regular process, the meter books are checked by the Meter Reading Inspectors and Meter Reading Supdts. in each District to detect PL cases and to take necessary action to ensure reading in the subsequent cycles. Further, a system of highlighting PL cases in the computerised lists has also been initiated to concentrate efforts in this direction.

There is a Vigilance Deptt. in DESU headed by an officer of the rank of Deputy-General of Police. Complaints are also examined in the Vigilance Department with a view to ascertain if there is any connivance of DESU staff.”

67. The Committee also enquired about the other reasons responsible for the meters not being read. The Ministry of Power in a note stated that this was due to shortage of meter readers and the energy meters installed at consumer premises going out of order.

68. Asked as to how the billing was done in such cases on a provisional basis, the Ministry of Power in a note stated:

“The energy consumption is assessed on the basis of actual consumption recorded during the period of 3 months immediately preceding or of corresponding season in the past as per conditions of supply and in the absence of that on the connected/sanctioned load.”

69. As regards the remedial measures taken by DESU on shortage of meter readers, the G.M., DESU during evidence stated:

“There is a ban on recruitment. Since 1985, there has practically been

no meaningful increase in the staff position in respect of various categories..... That is the position today. We have not been able to add one single Meter Reader. We have got 66 vacancies. As per the norms of reading meters, 145 meters should be read per day per Meter Reader. It is not confined to this category alone. It is so in respect of many other categories.”

70. Reacting to the above statement of General Manager, DESU, the Chief Secretary, Delhi Administration stated during evidence as follows:

“I am not aware of any such ban. The ban relates to non-operative staff like the administrative staff and the Ministerial staff. There is no ban in respect of operative staff. If he were to make out proposal, there is no problem.”

71. When the Committee pointed out that with the shortage of 66 meter readers, there would be a number of meters not read, the witness stated:

“Despite this constraint, the billing level has improved over the years.”

72. Continuing on the same subject, the witness added:

“Although there is a shortage of Meter Readers, they have improved the productivity of the Meter Readers. They have increased the reading cycle from one month to two months. They have changed over to bimonthly billing system from monthly billing system. The task has been reduced. Even after this, there is a felt-shortage. As far as ban is concerned that is in respect of non-operative staff. We will request the DESU to put up the proposals.”

73. The Committee enquired whether DESU had put up any proposal in this regard, the G.M. DESU during evidence stated as follows:

“We wanted to improve the shortage position. It has been stated that we must find out some other means. First, we should go to the Delhi Electricity Supply Committee. Then only we can go to the Government. We tried to convert the Junior Clerks into Meter Readers. But it was stayed by the Court because the Meter Readers went to the Court. The Court has stayed the amalgamation of Junior Clerks into Meter Readers at the behest of the Meter Readers who are a powerful cadre.”

74. Asked about the efforts made by DESU to vacate the stay orders, the witness stated:

“In this specific case, we contested the case. About three weeks back, the court has passed an order saying that we can depute the other categories of people as Meter Readers but we should not disturb existing service conditions of Meter Readers. We are doing something to fill up the vacancies. Also, no meter is left unread. Sometimes, we pay overtime to the Meter Readers. So, the meter readings is done. We are able to deploy the staff on over-time basis

and the meters are read. We sent the bill every two months. For the next two months it is sent on provisional basis. It is based on the actual meter reading basis. If there is any discrepancy, it is removed. So, the actual billing takes place.”

75. Subsequently, in a note, the Ministry of Power elaborating about the action taken by DESU to meet the shortage of meter readers stated as follows:

“In order to meet the shortage of meter readers, it was decided to combine the cadre of clerical staff and meter-readers but the matter became *sub-judice*. The court’s decision has come in favour of deploying clerks as meter readers and action is being taken to fill up vacancies to the extent possible. The sanctioned strength of meter readers has been increased with the approval of competent authority from 245 in March, 83 to the present strength of 332.”

76. When enquired whether the additional expenditure to be incurred on appointment of meter readers would be more than matched by the realisation of timely additional revenue, the Ministry of Power stated in a post evidence note as follows:

“Appointment of number of meter readers as per norms of bi-monthly reading would improve the quality of billing and avoid omission in meter reading, provisional billing, which will improve recovery.”

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

77. 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.

78. The Committee enquired about the percentage of energy going out as per meters in power houses and sub-station, lost by theft by inference from readings from consumer’s meters. The Ministry of Power in a note stated as follows:

“The flow of energy in the consumer areas is not monitored sub-station wise or power house wise. No monitoring has therefore been possible regarding district wise flow of energy. However, the total inflow of energy into the system and total billed is available which is

as follows:

	Energy gener- ated & im- ported (MU)	Energy billed (MU)	Loss	% Loss
1987-88	6100	4222	1878	30.78
1988-89	6717	5139	1578	23.49
1989-90	7480	5888	1595	21.37
1990-91	8292	6515	1747	21.15

It may however be added that initiative in this regard has been taken and meters have already been installed in one zone of R.K. Puram district to measure the inflow of energy into that area to facilitate monitoring of consumption of energy and distribution losses in that area."

79. When asked about the steps taken to tackle the problem of theft of energy, the Ministry of Power in a note, stated as follows:

"The problem of theft of energy is being dealt with in the following manner:

- (a) Every distribution district set-up has checking staff who routinely carry out checking of the connections against theft of energy and take remedial action wherever called for either departmentally or by lodging FIRs with the Police for further follow-up action by them.
- (b) There is an Enforcement Branch specially set up to carry out inspection and checking of the consumer connections where theft of energy is suspected. Action against the consumer is taken on the basis of inspection reports submitted by the Enforcement Branch.
- (c) Joint raids are also conducted by the Enforcement Branch and Vigilance Department where necessary and further action is taken on the basis of their reports.
- (d) Theft of energy is a cognizable offence under the Indian Electricity Act, 1910. The help of the Police is also enlisted from time to time in the drive of the department to check theft of energy and book the offenders.

80. The following statistics would indicate the accelerated efforts in curbing the theft of electricity in the areas under DESU:

	1989-90	1990-91	1991-92
Total violation checking	9633	11538	46004
Theft detected	2267	1309	30108
FIR Lodged	220	306	832

81. To another query about the outcome of FIRs lodged during the years 1989-90, 1990-91 and 1991-92, the Ministry of Power in a note have stated that after cases have been reported to the Police no periodical reports are received by DESU regarding outcome of such cases.

82. From the perusal of statistics regarding efforts made by DESU in curbing thefts of electricity, it is seen that efforts with a discretion, appeared to have been made only during the year 1991-92. The Committee enquired about the constraints in making such efforts in the earlier years. The Ministry of Power in a note stated:

“Earlier the function of the enforcement checking was with the Enforcement Deptt. only. In 1991-92 the Vigilance Deptt. was also given this function additionally. The joint efforts and the emphasis of the Management in this area with Police help and a special drive resulted in accelerated efforts and results.”

83. Asked about the suggestions to strengthen the Enforcement Branch to keep a strict vigil over theft of electricity in all Districts of DESU, the Ministry of Power in a post evidence note gave the following suggestions:

Special Branch of Police/Special Police Stations for this purpose should be created to assist in checking more comprehensively.

Mobile Magistrates may be provided for on-the-spot prosecution of the offenders.

Effective Prosecution by the Police/State after FIRs have been lodged.

The requirement of notice to the consumers before inspection should be done away with.

The manpower position of Vigilance/Enforcement Deptts. should be augmented sufficiently commensurate with the size of the consumer network.

84. The Committee enquired whether the consumers continued to use electricity even after filing of FIRs against them for theft of electricity. The GM, DESU during evidence stated:

“Wherever thefts have taken place, we disconnected the connections. But as per the Court orders, we again have to connect them. We have to normally give 24 hours notice and in that period, many of the bulk consumers, obtain stay orders and the supply continues to be there just because there is a court order.”

85. Asked about the efforts made by DESU to get the stay orders vacated, the witness stated during evidence as follows:

“I would like to place before this hon. Committee that earlier we were having lawyers who were not that reputed or of standing in the High Courts. Now we have taken upon ourselves to engage very senior lawyers. The point is that against the orders of the Lower

Courts, we have to go to Sessions Court and then to the High Court. All the cases where large amounts are involved, these cases come to the High Court”.

As regards the time taken to get stay orders vacated, the witness stated:

“There are various types of cases and it will be very difficult for me to generalise it.”

87. When pointed out that huge amounts were blocked on account of *subjudice* cases, and that DESU should have got the stays vacated within a period of six months, the witness stated:

“Most of them are bulk consumers we tried our best and did whatever we could do under the judicial process.”

88. On the question of action taken by DESU where there was collusion of DESU staff in the cases of fraudulent extraction of electricity, the GM, DESU informed the Committee as follows:

“In 1991, we detected 107 cases and in 1992, the figure stands at 155. We have started vigilancne cases against all of them. We have punished 25 people already and charge-sheets have been issued in 96 cases. In the last 1½ years, action has been taken against 96 people. We have finally given them punishment.

89. Asked about the specific action taken against the defaulting officials, the witness stated:

“We have taken action against them which are mostly reduction in rank and minor penalty. In one case, the Deputy Chief Accounts Officer has been prosecuted in the court of law.”

90. When pointed out that in most of the cases the action taken against them was either reduction in rank and minor penalty and the defaulting officials continued to function in the same area and opportunity for colluding still remained, the witness during evidence stated:

“We have a list of people who are not supposed to be posted in the sensitive areas; and we put them elsewhere. But, we cannot send them out of Delhi also. So, they continue to operate.

91. Subsequently, in a note, the Ministry of Power gave the details of 25 cases of actual punishments and latest position about the 96 charge

sheet cases as follows:

(i) *25 cases of actual punishment*

Minor Penalty awarded : (a) Censure -14
(b) Withholding of increment -9

Major Penalty awarded : Reduction of stages -2

(ii) *96 charge sheet cases*

Minor Penalty awarded : (a) Censure -10
(b) Withholding in increments-4

Other cases are under process.

92. In regard to impact of installation of meters in R.K. Puram District to measure the inflow of energy in that area, the Committee desired to know whether DESU has been able to monitor consumption of energy and distribution losses in that area. The Ministry of Power in a post evidence note stated as follows:

“The input energy meters in one zone in R.K. Puram district were installed in Aug’ 92. The reading are being taken on monthly basis whereas meter reading for domestic consumers is on four monthly basis. It will take some more time before trend analysis can be made.”

93. On an enquiry as to when DESU were planning to install such meters in other districts to eliminate theft of energy from those areas, the Ministry of Power stated in a note that the planning of installation of such input energy meters in other areas would depend upon the efficacy of the system to be seen from the outcome in the R.K. Puram District.

94. It is seen from audit paragraph that in Najafgarh District, meters were removed from the site or were disconnected and power supply was taken directly from over head lines. In 138 such cases the district officers did not register offences against the defaulters. The Committee desired to know the comments of the Department in this regard. In reply, the Ministry of Power stated in a note that the 138 cases cited by audit were being investigated and after examination, responsibility would be fixed for any lapse as per the departmental procedure.

95. Asked as to when these 138 cases came to the notice of DESU, the Ministry of Power stated in a note that the cases had come to light after the audit had pointed this out in May’ 90.

96. In regard to the investigations into the 138 cases, the Committee enquired whether any enquiry had been made to find the reasons due to which the district officers failed to register offences against the defaulters with a view to fixing responsibility as these cases were clear cases of collusion of DESU officers. In reply, the Ministry of Power stated in a note as under:

“The position of 138 cases is indicated below as revealed after the enquiry:

Out of 138 cases, one case is of duplicate K.No. therefore, leaving 137 cases, details of which are indicated below:

Meter O.K./No. theft	- 39 cases
Disconnected	- 3 cases
Premises locked	- 1 case
Meter stopped	-68 cases
Suspected theft	- 26 cases

The explanation of the meter reading staff had been called for and disciplinary action has been initiated against them.

97. 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. The Committee enquired about the latest position regarding the recovery of bills amounting to Rs. 15,185 raised in 12 such cases. The Ministry of Power in a note stated that amount has been recovered in four cases already, while in others it was under pursuance.

98. It is seen from the audit paragraph that in six districts in 8,769 cases of misuse of electricity, action was not taken to levy penalties.

Name of Distt.	Cases awaiting final action	Period
Shankar Raod	926	7/89 to 3/90
Jhilmil	380	1/88 to 4/90
Nizamuddin	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
Najafgarh (a)	1,590	12/87 to 5/90
(b)	1,396	upto 11/87

99. The Committee enquired whether the reasons for not levying penalty in the above cases had been examined with the view to fixing responsibility and taken corrective action as such instances were clear cases confirming connivance and collusion of DESU staff. In reply, the Ministry of Power in a post evidence note stated:

“Main Reason for pendency of such cases in limited manpower resources and arising of such cases in very large numbers. Efforts are made to deal with such cases as expeditiously as possible. The position in the six districts as pointed by the audit has improved as a result of regular monitoring. As regards the point of collusion of DESU staff, action against them is taken whenever specific cases are reported.”

Multiplicity of Control Over DESU

100. In regard to overall control of functioning of DESU, the Committee enquired as to who was accountable for the inefficient functioning of DESU. In reply, the Secretary Ministry of Power, during evidence, stated as follows:

“Right now, the Ministry of Energy, the Department of Power has the overall responsibility of this. Primarily DESU comes under the Municipal Corporation of Delhi which comes under the Home Ministry. Admittedly, there is a certain multiplicity of control and there is a need for greater clarity.”

101. Elaborating on the subject, the witness added:

“It is supposed to be an autonomous body, by and large. Day to Day control is not vested in the Central Government”.

102. Asked as to who was responsible for monitoring the functioning of DESU, the witness stated in evidence:

“This should normally be done by the Delhi Administration”.

103. Explaining about the relative position of DESU *vis-a-vis* Delhi Administration, MCD, Ministry of Power and Ministry of Home Affairs, the Chief Secretary, Delhi Administration, during evidence stated as follows:—

“DESU is autonomous within an autonomous body. There is a chapter relating to the organisation of DESU. For keeping a watch on the working of DESU within the Municipal Corporation, there is a Committee. When we have an elected body, it consists of the elected members. Today the powers of that Committee are available to the Commissioner of the MCD who has also been simultaneously designated as administrator of MCD. All the powers of the Committee of DESU as of today has been vested with the administrator who is also the Commissioner and who is also with us today. The day-to-day control or overall control is vested in that authority. Delhi Administration has the same relationship to Municipal Corporation of Delhi as any State Government has. The ultimate responsibility for the functioning of the Municipal Corporation of Delhi, including DESU certainly vests with the Delhi Administration and the Delhi Administration is accountable to various Ministries of the Government in two ways. As far as the organisational matters of Delhi Administration or MCD or DESU are concerned, we report to the Ministry of Home Affairs. For keeping a control over various performances or various functions of the Delhi Administration or its local body, we are accountable to the functional Ministries of the Government of India. For certain questions on the working of DESU in Parliament, it is the Ministry of Power to whom we would be reporting about its day-to-day working or overall working of DESU. About the organisation matters, we will report to the Ministry of Home Affairs. This is the situation as it exists today.”

104. The Committee desired to know the exact role of Municipal Commissioner-cum-Administrator in monitoring the functioning of DESU. The Commissioner, MCD during evidence explained his position as follows:

"As per the Act, the General Manager is acting independently, when the elected body is there he comes and answers in the House whatever issue is raised. The Commissioner does not come into the picture. The role of the Administrator is to consider proposals wherever necessary. The powers of GM are limited upto Rs. 5 lakhs. All the proposals casting about Rs. 5 lakhs are placed before the Standing Committee of Delhi Electric Supply Committee. The disciplinary proceedings go to the Corporation. I am both the DESU and the Corporation. We meet every Wednesday. We consider all the proposals. There is no complaint of non-availability of materials."

105. When enquired whether Chief Secretary, Delhi Administration had any role in monitoring the Functioning of DESU, the Chief Secretary, Delhi Administration stated as follows:

"I would submit that the administrator in his capacity as the head of the Corporation has to exercise the supervisory role. It will include keeping a watch on the progress and working of the DESU. If, for any reason, he has not been able to do his job adequately as you wish, we are sorry. But as I submitted earlier, my role as the head of the Delhi Administration in relation to the Municipal Body is different. We have the same relationship as a State Government has with a municipal body. We are not supposed to keep a watch on the day-to-day working of the DESU. About the overall monitoring, keeping a watch over the work of DESU, we do it periodically with which we associate the Administrator and the General Manager."

106. Subsequently, in a post evidence note outlining the responsibility of Ministry of Power, Home Affaris, Delhi Administration and the MCD in the overall functioning/supervision of DESU, the Ministry of Power stated as under:

"Vide Section 275 of the DMC Act, 1957 (66 to 1957) it is the duty of the Delhi Electric Supply Committee to develop and maintain an efficient, co-ordinated and economical system of electric supply for the whole Union Territory of Delhi. Delhi Electric Supply Committee is declared to be responsible for the conduct and management of the Delhi Electric Supply Undertaking.

Vide Section 277 the DMC Act, 1957 the Municipal Corporation of Delhi is declared to have all the powers and obligations of Licensee under the Indian Electricity Act, 1910, subject to certain modifications of the provisions of the Indian Electricity Act, 1910,

Chapter XIII of the DMC Act, 1957 is deemed to the licence of the corporation for the purpose of that Act.

The Electricity Department of the Delhi Administration is responsible for overseeing the enforcement of the provisions of the Indian Electricity Act, 1910 including the orders, if any made under the Section 22-B of that Act. The local Self Government Department of the Delhi Administration is responsible for overseeing the implementation of the provisions of the DMC Act, 1957 and also assisting the Lt. Governor of Delhi in the discharge of his functions as the Central Government to the extent the powers of the Central Govt. are delegated to the Lt. Governor of Delhi under the DMC Act, 1957.

The Ministry of Energy, Govt. of India is responsible for formulating and implementing the public policy and programmes with regard to generation and distribution of electrical energy and other forms of energy throughout the country; and to enforce the provisions of the Indian Electricity Act, 1910 in the Union Territory of Delhi and the rest of India. The Ministry of Power/Central Electricity Authority conduct a review at the time of recommending provisions of plan funds to DESU for consideration of the Planning Commission. The review is limited to the progress of plan schemes, expenditures already incurred and requirement of funds on going/new projects, etc.

The Ministry of Home Affairs on the other hand is responsible for formulating and implementing the public policies and programmes in the area of Municipal Govt. in consultation with the Ministry of Urban Development and the Ministry of energy. The powers of the Central Govt. not delegated to Lt. Governor of Delhi are exercised by the Ministry of Home Affairs."

107. When the Committee pointed out that there was total neglect of DESU from the point of view of monitoring because of total lack of clarity about the accountability, large scale corruption, and huge amount of funds were going down the drain, the witness during evidence, stated:

"I would share with most of the impressions that are being articulated. We are certainly concerned about this. The accumulated losses are not entirely due to inefficient working because there are a variety of reasons which are external to the management of DESU. The major factor is that of the tariff. The tariff has not been keeping pace with the cost of generation, purchase, delivery of power at the customers' doors. We have got the figures to show that the tariff has never kept pace with our increasing cost of production, generation and delivery. We are not totally free in formulating our tariff. Even, as of today, our domestic tariff is one-fourth of our cost. Our average cost of delivery of power is 160 paise at the door

of the consumers whereas our tariff is 40 paise. We can discuss the whole issue of tariff if we have the time. But the basic fact remains that the tariff has not kept pace. We have looked at the working of DESU over the last two or three years. The comparative figures are available. The General Manager, DESU may be given an opportunity to quote those figures. We would fare quite well in comparison with the other State Electricity Boards. There is a visible improvement in the performance of DESU in the last two or three years. At the same time, as the Secretary (Power) has submitted before this Committee, there is no room for complacency. Our transmission losses are still much more than what we would like it to be. 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 this city. Facts are before us. This is a part of the challenging task before the DESU. We would, therefore, ask for more understanding in passing a judgement on DESU. We will show you how we have spectacularly improved our billing levels, recovery levels. So, as I said earlier, the accumulated losses are not entirely due to inefficiency."

108. It was reported in the Press on 1.9.1993 that the domestic and industrial consumers of electricity in the capital would have to pay much more from October, 1993. The proposed increase ranges from 20 per cent to as much as 140 per cent in the case of domestic consumers.

109. It was also reported that according to the Chief Secretary, Delhi Administration the rationalised tariff would increase the revenue accrual for DESU by Rs. 446.51 crores in a financial year neutralising the losses. During the year 1993-94, since the proposed revision would come into effect from October, the additional revenue would be less than Rs.223 crores in the current financial year. It was also reported that the DESU budget for the current year had a deficit of Rs.403.77 crores.

110. The Committee desired to know the details of the proposals for enhancing the tariff of power by DESU w.e.f. 1.10.1993 as announced by the Chief Secretary, Delhi Administration.

111. In their note dated 20.9.1993, the Ministry of Power have stated as follows:

"A statement showing the details of the existing tariff and the proposed tariff w.e.f. 1 October, 1993 is given in Appendix II.

As a result of the tariff revision, the revenue accrual of DESU is expected to increase by Rs.446.51 crores in a full financial year. However, since the revised tariff is to be made effective from 1st October, 1993, the additional revenue during 1993-94 would be of the order of Rs.223 crores, only.

112. When enquired about the changes required to bring about better control and ensure effective functioning of DESU, the Ministry of Power stated in the post evidence note:

“A Bill to amend the OMC Act, 1957 and to create an Electricity Board in place of DESU is already under consideration before Parliament. It is hoped that once DESU becomes a Board, number of authorities exercising control thereon shall be minimised. In such a case the Electricity Deptt. of the Delhi Administration subject to the over all control of the Ministry of Energy, Govt. of India shall be responsible to enforce the provisions of the Electricity (Supply) Act, 1948.”

Power Generation and Requirement

113. When enquired about the total requirement and total power generating capacity of DESU, the Ministry of Power, in a supplementary note, informed the Committee as under:

The energy requirement and availability in Delhi for the last two years and projections for 1993-94 are as follows:

	1991-92	1992-93	1993-94
Requirement (Million Units)	9274	10095	11196*

(*) As per 14th Power Survey Report of Central Electricity Authority.

The power generating capacity of DESU is as follows:

Indraprastha Power Station	- 214 Megawatt
Rajghat Power House	- 150 Megawatt
Gas Turbine Stations	- 180 Megawatt
	544 Megawatt

114. In reply to a question about the various sources from which the electric power is procured by DESU for meeting Delhi's requirement alongwith the quantity of power supplied by each, the Ministry of Power, in a note, has informed as under:

“In addition to the power available from DESU's own generating Stations, the power requirements of Delhi are met from the allocated share of DESU in the other Power Stations as per details given below:

Sl. No.	Name of the Central Station	Allocated share of DESU in MW
1.	Badarpur Thermal Power Station	400-500
2.	Barasiul	20

3.	Singrauli/Western Grid	268
4.	Salal	42
5.	Anta Gas Station	45
6.	Auriya Gas Station	65
7.	Dadri Thermal	756*
8.	Dadri Gas Station	90
9.	Tanakpur	18
10.	Rihand	165
11.	Narora Atomic Station	46

(*) The present availability is 200 MW only.

Power is also made available to DESU out of the unallocated share from the Central Power Stations in the Northern Region."

115. Regarding pending demands of electricity for industrial and domestic consumers with DESU and the period of pendency of each demand, the Ministry of Power, have informed as under:

The statistics pertaining to pending new electricity connections of Domestic/Industrial categories at the end of June, 1993 is given below:

Sl. No.	Category	Pending for less than 2 weeks	Pending for more than 2 weeks	Total
1.	Domestic	2598	5785	8383
2.	Industrial	77	445	522

The release/energisation of new electricity connections is a continuous process. The new connections are released for execution only after completion of all the prescribed commercial/technical formalities by the consumer(s). With the available infrastructure on an average 6 to 7 thousand new connections are energised per month."

116. In reply to a question about the steps taken/proposed to be taken to meet all the pending demands, the Ministry have stated as under:

"In order to meet the pending demands, the following measures have been taken/proposed to be taken:

(a) Renovation and modernisation of I.P. Station to improve plant utilisation and there by the Plant Load Factor.

(b) Augmenting the core generation by installing:

(i) Waste Heat Recovery Units at the existing Gas Turbines Station of DESU and

(ii) Combined cycle Gas Turbine Station at Bawana.

(c) Equity participation in Parbati Hydro Electric Project in Himachal Pradesh being executed as a joint venture.

(d) Increased share in Central Generating Stations due to capacity addition in the 8th Five Year Plan.

(e) Improving/augmenting the existing Transmission & Distribution System at all voltage levels commensurate with the Plan Funds allocated from year to year.”

117. When asked to specify whether the new demands of electricity were met without correspondingly increasing the power generating capacity leading to power shortage and frequent power failures, the Ministry of Power have informed as under:

“The present sources of power within Delhi are not adequate to meet the full requirements with the result DESU has to depend on sources outside Delhi to meet its power requirements. The load forecast for Delhi is reflected in the various power survey reports prepared by the Central Electricity Authority on the basis of the detailed norms and parameters. As per their latest report i.e. 14th Power Survey Report, the peak demand in Delhi will increase to 2532 MW by the end of 8th Five Year Plan (1992-97).”

118. In reply to another question about the steps taken to ensure uninterrupted power supply to all the consumers, the Ministry of Power, in a note, have informed as under:

“In order to bridge the gap between the demand and supply the following new Generation and Transmission & Distribution Projects have been planned:

(a) Renovation and modernisation of I.P. Station to improve the plant utilisation and there by the Plant Load Factor (Phase-I completed and Phase-II is under implementation).

(b) Waste Heat Recovery Units (3×34.07 MW) at existing Gas Turbine Stations of DESU (under implementation).

(c) Combined Gas Turbine Project (400/450 MW) at Bawana, Delhi (under process).

(d) Equity participation (to the extent of 15%) in Parbati Hydro Electric Project in Himachal Pradesh being executed as a joint venture (estimated output of 2051 MW).

(e) N.C.R. Power Station of N.T.P.C. (4×210 MW) at Dadri (90% share for DESU).

(f) N.T.P.C. gas based station (817 MW) at Dadri (90 MW share for DESU).

Share of Delhi from the Central Stations in the Northern Region would also increase from the present level due to capacity addition planned during the 8th Five Year Plan. Besides this, there is un-allocated share at the disposal of the Central Government from which power would also be supplied to DESU.

While DESU is quite geared up to meet the anticipated demand, yet load shedding may some time be un-avoidable due to system constraints and is resorted to on the advice of Northern Regional Electricity Board to maintain system parameters like voltage and frequency within the permissible limits in the Northern Grid.

In order to improve the voltage profile, DESU has installed 1020 MVAR Shunt Capacitors in the system. In the event of short-fall in generation in the Northern Region, the frequency dips to an alarmingly low level amguating under frequency relays installed at various strategic Load Centres in Delhi system and consequent trippings in the concerned areas which are beyond the control of DESU."

119. The Committee desired to know as to how best the workings of DESU can be improved. The Secretary, Ministry of Power stated as follows:

"There are to aspects, one is generation and the second aspect is transmission. As far as generation is concerned DESU has shown significant improvements in terms of many operational parameters. But in transmission and distribution, there are serious inherent defects in the system. Unless they are tackled, it cannot be improved and it would require very heavy investment. NDMC has not got much transmission loss because the lines are underground lines. There has to be a realization of these factors and we have to plan for it. But invariably and inevitably we come against resource constraints."

120. During evidence, it was also mentioned that the technical losses on account of ancient lines in the transmission/distribution system were to the tune of 14-15%. The Committee desired to know whether any proposals have been submitted for the replacement of these lines. In a note the Ministry of Power have stated as follows:

"The technical losses are mainly due to long and over-loaded lines as well as old and worn out service lines. While, bringing down technical losses is a continuous process, DESU has taken the following measures in the recent past:

- (i) Balancing loads on transformers and lines.
- (ii) Addition of LT feeders with minimum possible length for ensuring better voltage conditions.
- (iii) Use of capacitors to improve power factor.
- (iv) Crimping of LT cables to reduce no current compalaints and to avoid loose connections.
- (v) Augmentation of fully loaded/over-loaded lines and distribution transformers to higher capacity etc.

Also a project report at an estimated cost of Rs. 8 crores for replacement to worn out lines and services in the walled city area of Delhi

has been submitted to the Govt., which has been cleared by EFC only in Nov., 1992.

In a worn out old system like DESU, the T&D losses as per the view of Central Electricity Authority can be about 14% to 15%. The reduction of technical losses is directly related to improvement of the T&D system. Efforts in this direction are hampered due to financial constraints as the plan funds allocated for T&D schemes to DESU have been much less than actually proposed by DESU, as may be seen from the following:

	<u>Proposed</u>	<u>Allotted</u>
	(Rs./cr.)	(Rs./cr.)
1990-91	312.86	194.68
1991-92	429.28	215.45
1992-93	636.79	265.00

The statistics pertaining to the capacity addition including improvement and augmentation of 11 KV and LV lines and installation of shunt capacitors in the system for the past three years is as follows:

	<u>1989-90</u>	<u>1990-91</u>	<u>1991-92</u>
11 KV & LV lines (Ckt. Kms.)	1009.75	1127.278	1224
Shunt Capacitor (MVAR)	200	202	215"

Vigilance Organisation

121. The Committee desired to know the remedial steps taken to detect, discourage and prevent fraudulent cases of theft of energy in connivance with DESU staff. In reply, the GM, DESU during evidence stated:

“Apart from vigilance, we also have enforcement organisation. Vigilance is basically to look after the employees, their acts of commission and omission, etc. which amounts to corruption; and enforcement is basically to look after the cases where there are violations of instructions and extraction of energy fraudulently by the consumers.”

122. When asked about the usefulness of the vigilance organisation in DESU, the witness stated:

“It is useful. We have been continuously making use of it. There are also cases from the CBI and also Anti-corruption Department of the Delhi Administration and we have taken action.”

123. To another query as to who was the head of the vigilance organisation, the witness informed the Committee as follows:

“The head of the vigilance organisation is the Director, Vigilance who is an IPS Officer of the DIG rank.... He reports directly to the General Manager and the Central Vigilance Commission.”

124. When the Committee pointed out that despite having an vigilance

organisation, there was rampant corruption in DESU, the witness conceded:

“There is corruption; and this cannot be denied. Our effort is to contain it as much as possible with the means available to us. That is why we had been able to do it in just 1½ years. We had taken action against 200 people. Apart from this, we have almost about thousands cases, in different categories of people against whom action is being taken; and they are in different stages.”

125. Subsequently, in a post evidence note Ministry of Power furnished the following details of no. of cases registered and disposed off during the last five years.

Year	Cases Regd.	Cases Disposed Off
1988	169	88
1989	112	124
1990	86	164
1991	296	75
1992	408	79
	1071	530

126. When asked whether there was any standing machinery in each district for lodging such complaints/public grievances, the Ministry of Power in a note stated as follows:

“There is no separate vigilance set-up at district level. However, there is a Grievance Committee headed by the Executive Engineer in every district by which consumer’s grievances are heard every week and remedial action taken, to redress their grievances.”

127. 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.

128. 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 for concern though they are attributable to 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 end, the Committee recommend that separate statistics be compiled and maintain 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.

129. According to the Ministry of Power, major portion of the outstanding arrears relate to the *sub judice* cases and dues recoverable from Government/Local Bodies like NDMC/MES, MCD, Water Supply and Sewage Disposal and DDÁ. Analysis of the outstanding dues against various categories of consumers of DESU as on 31st March, 1992 reveals that outstanding demand pertaining to *sub judice* 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 judice* cases should be effectively pursued by the legal cell of DESU and maximum assistance of Bijli Adalats be taken to achieve expeditious settlement of cases. The Committee also recommend that the position relating to *sub judice* 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.

130. 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 desquiting 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.

131. 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.

132. The Committee note that in respect of 1077 cases of defaulters pertaining to Shakti 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.

133. 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 30.9.1992, 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.

134. 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 per cent. 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.

135. 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 notices, punitive action be resorted to.

136. 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 in spite 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 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.

137. 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 of. Deposing 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 the 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 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.

138. 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.

139. The Committee note that against DESU's power generating capacity of 544 Megawatt, the energy requirements of Delhi 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.

140. 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. The Ministry of Power/Central Electricity Authority conduct a review at the time of recommending provisions of plan funds to DESU for consideration of the Planning Commission. The Committee are deeply concerned to find the existence of such a multiple system to monitor and oversee the functioning of DESU. The clarity of functions and coordination among these agencies have been lacking due to which they have failed to discharge their functions effectively. This, in turn, has contributed to a 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.

141. 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 backlog 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 has 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.

NEW DELHI;
9 December, 1993

Agrahayana 18, 1915 (Saka)

BHAGWAN SHANKAR RAWAT,
Chairman,
Public Accounts Committee.

APPENDIX I

Paragraph 6 of the Report of C&AG for the year ended 31 March, 1991 (No. 12 of 1992), Union Government (Civil) on MCD and NDMC relating to Delhi Electric Supply Undertaking—Billing and Collection of Electricity Charges

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.

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)

Year	1986-87	1987-88	1988-89	1989-90*	1990-91*
1. Revenue pending collection at the beginning	201.28	239.38	298.49	418.91	533.19
2. Revenue assessed					
i) Domestic	68.26	79.64	101.91	106.18	114.76
ii) Non-Domestic	72.78	77.61	90.59	110.78	139.12
iii) Industrial & others	174.14	191.50	248.45	288.75	354.53
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 outstanding	239.38	298.49	418.91	533.19	616.23
6. Percentage 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.

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.

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.

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.

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
Jhilmil	380	1988 to 4/90
Nizamuddin	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
Najafgarh (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 meters were 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
Jhilmil	4,673	2/89 to 1/90
Nizamuddin	1,097	4/88 to 5/90
Shalimar Bagh	3,630	9/88 to 5/90
Shakti Nagar	742	6/89 to 12/89
Janakpuri	3,360	22/7/88 to 2/90
Total	17,565	

APPENDIX II

Statement Showing Present and Proposed Tariff for Electricity for different Consumer Categories

	Present Tariff		Revised Tariff
	(Per Unit)		(Per Unit)
I. (a) Domestic (light/Power)			
1. Ist 100 Units.	40 Paise.	Ist 50	60 Paise
2. 101-200 Units.	50 Paise.	51-200	120 Paise
3. 201-300 Units.	150 Paise.	201-300	180 Paise
4. 301 and above	200 paise.	301 and above	240 Paise
II. (b) Domestic (Power only) (No slab)	200 Paise		240 Paise
II. Non-Domestic			
1. Low Tension Supply	150 Paise		240 Paise
2. High Tension Supply	E-170 Paise D-Rs. 60/ KVA/Month		E-240 Paise D-Rs. 100/ KVA/Month
3. DWS&SDU [E: Energy Charges D: Demand charges]	137 Paise		190 Paise
III. Industrial			
1. Small Indl. Power	125 Paise	a) upto 15KW	200 Paise
		b) above 15KW	220 Paise
2. Large Indl. Power	E-200 Paise D-Rs. 60/ KVA/Month		E-250 Paise D-Rs.100/ KVA/Month
IV. Agriculture	20 Paise		50 Paise
V. Street Lighting	137 Paise		190 Paise

APPENDIX III

Statement of Observations and Recommendations

Sl. No.	Para No.	Ministry/ Deptt. concerned	Observations and Recommendations
1	2	3	4
1.	127.	Ministry of Power	<p>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.</p>
2.	128.	-do-	<p>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, has 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</p>

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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 for 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 and, the Committee recommend that separate statistics 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.

3. 129. Ministry of Power

According to the Ministry of Power, major portion of the outstanding arrears relate to the *sub judice* 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 judice*

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			<p>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 <i>sub judice</i> cases should be effectively pursued by the legal cell of DESU and maximum assistance of Bijli Adalats be taken to achieve expeditious settlement of cases. The Committee also recommend that position relating to <i>sub judice</i> 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.</p>
4.	130.	Ministry of Power	<p>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 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</p>

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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.

5. 131. Ministry of Power

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 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

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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.

6. 132. Ministry of Power

The Committee note that in respect of 1077 cases of defaulters pertaining to Shakti 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

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			<p>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.</p>
7.	133.	<p>Ministry of Power</p>	<p>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 30-9-1992, 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</p>

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8.	134.	Ministry of Power	<p>unfortunately DESU has so far been able to recover only a paltry amount of Rs. 0.43 lakhs. The Committee deprecate callous attitude on the part of DESU to realise their outstanding revenue and emphasise that all efforts should be made to realise this amount imposing the prescribed penalties.</p> <p>According to DESU the compilation of statistics about the locked premises resulting in non-payment of changes 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 per cent. 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 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.</p>
9.	135.	Ministry of Power	<p>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 MU 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</p>

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			connivance of DESU staff noticed, punitive action be resorted to.
10.	136.	Ministry of Power	<p>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 in spite 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.</p>
11.	137.	-do-	<p>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</p>

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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 of. Depositing 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 the 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.

12. 138. Ministry of
Power

The Committee also find that in 8769 cases of misuse of electricity in six districts, action has not been taken to levy penalties. The

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			<p>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.</p>
13.	139.	Ministry of Power	<p>The Committee note that against DESU's power generating capacity of 544 Megawatt, the energy requirements of Delhi 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 the 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</p>

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			<p>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.</p>
14.	140.	Ministry of Power	<p>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's are concerned, the same are reported to the Ministry of Home Affairs by Delhi Administration. The Ministry of Power/Central Electricity Authority conduct a review at the time of recommending provisions of plan funds to DESU for consideration of the Planning Commission. The Committee are deeply concerned to find the existence of such a multiple system to monitor and oversee the functioning of</p>

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DESU. The clarity of functions and co-ordination among these agencies have been lacking due to which they have failed to discharge their functions effectively. This, in turn, has contributed to a 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.

15. 141. Ministry of Power/Ministry of House 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 large are scale proven cases of connivance and

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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 has 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

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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.
