

**GENERATION AND DISTRIBUTION OF  
POWER IN LAKSHADWEEP ISLANDS**

**MINISTRY OF HOME AFFAIRS**

**PUBLIC ACCOUNTS COMMITTEE  
(2021-22)**

**FORTY-SIXTH REPORT**

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**SEVENTEENTH LOK SABHA**



**LOK SABHA SECRETARIAT  
NEW DELHI**

**FORTY-SIXTH REPORT**

**PUBLIC ACCOUNTS COMMITTEE**  
**(2021-22)**

(SEVENTEENTH LOK SABHA)

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POWER IN LAKSHADWEEP ISLANDS**

MINISTRY OF HOME AFFAIRS



*Presented to Lok Sabha on:*

16-03-2022

*Laid in Rajya Sabha on:*

16-03-2022

**LOK SABHA SECRETARIAT  
NEW DELHI**

March, 2022/ Phalguna, 1943 (Saka)

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## COMPOSITION OF THE PUBLIC ACCOUNTS COMMITTEE

(2021-22)

Shri Adhir Ranjan Chowdhury - Chairperson

### MEMBERS

#### LOK SABHA

2. Shri T. R. Baalu
3. Shri Subhash Chandra Baheria
4. Shri Sudheer Gupta
5. Shri Bhartruhari Mahtab
6. Shri Jagdambika Pal
7. Shri Vishnu Dayal Ram
8. Shri Pratap Chandra Sarangi†
9. Shri Rahul Ramesh Shewale
10. Shri Gowdar Mallikarjunappa Siddeshwara†
11. Shri Rajiv Ranjan Singh alias Lalan Singh
12. Dr. Satya Pal Singh
13. Shri Jayant Sinha
14. Shri Balashowry Vallabhaneni
15. Shri Ram Kripal Yadav

#### RAJYA SABHA

16. Shri Shaktisinh Gohil
17. Shri Bhubaneswar Kalita
18. Dr. C.M. Ramesh
19. Shri Sukhendu Sekhar Ray
20. Dr. M. Thambidurai
21. Shri V. Vijayasai Reddy‡
22. Dr. Sudhanshu Trivedi§

#### SECRETARIAT

1. Shri T. G. Chandrasekhar - Joint Secretary
2. Shri Tirthankar Das - Director
3. Smt. Anju Kukreja - Deputy Secretary
4. Shri Siba Sankar Pradhan - Executive Officer

\* Elected w.e.f. 29.07.2021 vice Smt. Darshana Jardosh, MP appointed as Minister of State w.e.f. 07.07.2021.

† Elected w.e.f. 29.07.2021 vice Shri Ajay Kumar Mishra, MP appointed as Minister of State w.e.f. 07.07.2021.

‡ Elected w.e.f. 09.08.2021 vice Shri Rajeev Chandrasekhar, MP appointed as Minister of State w.e.f. 07.07.2021.

§ Elected w.e.f. 09.08.2021 vice Shri Bhupender Yadav, MP appointed as Union Minister w.e.f. 07.07.2021.

**COMPOSITION OF THE SUB-COMMITTEE-I (CIVIL) OF THE  
PUBLIC ACCOUNTS COMMITTEE (2021-22)**

- |    |                                    |               |
|----|------------------------------------|---------------|
| 1. | <b>Shri Adhir Ranjan Chowdhury</b> | - Chairperson |
| 2. | <b>Shri Shaktisinh Gohil</b>       | - Convenor    |
| 3. | Shri T. R. Baalu                   | - Member      |
| 4. | Shri Sudheer Gupta                 | - Member      |
| 5. | Shri Pratap Chandra Sarangi*       | - Member      |
| 6. | Shri Rahul Ramesh Shewale          | - Member      |

(iv)

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\* Elected w.e.f. 29.07.2021 vice Smt. Darshana Jardosh, MP appointed as Minister of State w.e.f. 07.07.2021.

## INTRODUCTION

I, the Chairperson, Public Accounts Committee (2021-22), having been authorised by the Committee, do present on their behalf this Forty-Sixth Report (Seventeenth Lok Sabha) on "Generation and Distribution of Power in Lakshadweep Islands" based on Para 2.13 of C&AG Report No. 8 of 2017 relating to the Ministry of Home Affairs.

2. The C&AG Report No. 8 of 2017 was laid on the Table of the House on 24.03.2021.

3. The Public Accounts Committee (2021-22) selected the aforesaid subject and allocated the same to Sub-Committee-I (Civil) for examination and Report.

4. The Sub-Committee-I (Civil) of Public Accounts Committee (2021-22) took briefing by Audit on 01.09.2021. Thereafter, Sub-Committee took the oral evidence of the representatives of the Ministry of Home Affairs on the aforementioned subject on 07.10.2021.

5. The Sub-Committee-I (Civil) of PAC first considered and adopted the draft Report on the aforementioned subject at their sitting held on 08.02.2022. Then the draft Report was placed before the Main Committee for consideration and adoption. The Committee adopted the same at their sitting held on 10.02.2022. The Minutes of the sittings are appended to the Report.

6. For facility of reference and convenience, the Observations and Recommendations of the Committee have been printed in bold and form Part-II of the Report.

7. The Committee would like to express their thanks to the representatives of the Ministry of Home Affairs for tendering evidence before them and furnishing the requisite information to the Sub-Committee-I (Civil) in connection with the examination of the subject.

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

NEW DELHI;  
March, 2022  
Phalgun, 1943 (*Saka*)

ADHIR RANJAN CHOWDHURY  
Chairperson,  
Public Accounts Committee

**PART – I**

**REPORT**

**Introductory**

1. Lakshadweep, a Union Territory (UT) with an area of 32 square Kilometers comprises thirty-six small islands (Ten inhabited islands, 17 uninhabited islands, four newly formed islets and five submerged reefs) located in the Arabian Sea. These islands are isolated from the Mainland as well as from each other. The islands lie about 220 to 440 Kilometers from the coastal city of Kochi, Kerala. The condition of the Lakshadweep Islands is unique and different from any other part of the country. The main constraints of the islands is the geographic isolation and access to the mainland.

**Electrification of Lakshadweep Islands**

2. Electrification of Lakshadweep Islands was initiated during the second Five Year Plan. Round the clock Power Supply is provided in all the islands since 1983. Lakshadweep Electricity Department (LED) is an integrated utility. As defined in Regulation 2(9) of the JERC (Terms and conditions for determination of Tariff) Regulations, 2009, LED is responsible for Generation, Transmission and Distribution of electricity in the Union Territory. Owing to the distance from the mainland, Lakshadweep is entirely dependent on its own generation for supply of power, mainly (95 per cent) through Diesel Generator (DG) sets and partly through grid interactive Solar Photovoltaic (SPV) power plants. Due to the geographical and topographical peculiarities of these islands including separation by sea over significant distances, there is no integrated power grid. Instead a power house at each location caters independently to the power requirements of different islands. The total installed capacity in 2015-16 was 24,010 KW (46 DG sets of 21,860 KW and 11 SPVs of 2,150 KW). The installed capacity of the DG sets ranged between 60 KW and 1,600 KW. Kavaratti is the headquarters of LED, and is headed by an Executive Engineer.

3. This Report is based on Para 2.13 of the Report number 8 of 2017 of the C&AG of India on the subject "Generation and Distribution of Power in Lakshadweep Islands".

4. The PAC (2021-22) selected the subject for detailed examination and Report. For this purpose a sub-committee was constituted to examine the issue in detail. The sub-Committee obtained background materials and written replies from the Ministry of Home Affairs. They had a briefing by the officers of the C&AG of India on the subject on 1<sup>st</sup> September, 2021. The sub-Committee also took oral evidence of the representatives of the Ministry of Home Affairs on 7<sup>th</sup> October, 2021 on the said subject. Based on these oral and written depositions by the Ministry of Home Affairs, the sub-Committee examined the subject in detail.

## **Audit Findings**

5. Audit had brought the following shortcomings in examination of this subject.

- (i) Excess generation capacity (47% - 89%) in all islands.
- (ii) Sharp decline in demand in some of the islands.
- (iii) Non-Commissioning of bulk oil storage facilities completed at Kavaratti (December 2014) and Minicoy (March 2016) at a cost of ₹ 7.37 crore and ₹ 10.48 crore respectively.
- (iv) The absence of bulk storage facilities and transportation of diesel in barrels from Beypore, Calicut due to non-availability of oil barge, resulted in transit losses of ₹ 2.65 crore.
- (v) In contravention of the standards of DPR (0.28 to 0.30 litres of fuel per KW hours, as per Detailed Project Report), LED has consumed fuel (0.31 to 0.38 litres of fuel per KW hours) to the tune of ₹ 2.84 crore.
- (vi) The DPR of 2004 recommended major thrust to reduce T&D losses from 10.8 *per cent* to 8 *per cent* by the end of the Tenth Five Year Plan (2002-2007). Failure to achieve this target led to a T&D loss of ₹ 10.38 crore in respect of four islands alone.
- (vii) Out of the 12 SPV Plants, four SPVs have not been working for more than three years and two were under renovation.
- (viii) In contravention of JERC Tariff Regulations, 2009, no energy audit conducted by LED to substantiate its estimation of T&D losses, and furnish six monthly reports to JERC.
- (ix) Central Electricity Authority (CEA) had requested (June 2006) the Ministry of Renewable Energy Sources to explore avenues for adoption of eco-friendly and cheaper modes of generation in UTL.

6. The Committee have examined in-depth the aforesaid issues raised by the Audit in their Report. The same have been discussed in detail in the succeeding paragraphs:

### **I. Inadequate justification for excess capacity of DG sets**

7. LED estimates demand through the Power Generation and Distribution Management System (PGDMS) software developed by the National Informatics Centre (NIC) of the Government of India.

8. It was observed by the Audit that all the islands had excess capacity, with maximum ranging between 47 *per cent* (Kiltan) and 89 *per cent* (Bitra). It was also observed that against normal expectation of increasing trend of demand, some islands showed sharp reduction in some years. LED informed that the variations arose due to varying climatic conditions at the site and parallel run of two DGs at the time of changeover from one DG to another. LED also informed that the National Informatics Centre (NIC) was in the process of modifying the software to record maximum demand



on the basis of consumption instead of generation as at present. Regarding the excess capacity, LED explained that additional machines were required to avoid blackout due to power failure; also failure of DG sets was frequent due to climatic conditions, etc., and their repair is difficult due to non-availability of spares locally. Audit found that the reply is not satisfactory. LED does not maintain centralised record of downtime of DG sets due to repairs, etc., and these are available only with the sub-divisions. Further, climatic conditions and requirements of changeover do not vary from year to year. It would appear that LED's decisions to procure and installation of DG sets on different islands are independent of the downtime record of such sets and there is no system in place to ensure that DG sets are installed based on actual requirement.

9. In response to the aforesaid Audit observation, the Ministry of Home Affairs in their written reply (dated 09-08-2017) to Audit stated as under:

- Audit observation did not take into account the unique geographical situation of Lakshadweep compared to other State/UTs.
- The figures under Real Power (KW) is as per name plate details of the engines.
- Department is never allowed to load the engine beyond the capacity noted in the LOA (Letter of Award) issued by NTPC to supplier.
- Installed capacity of DG at Kavaratti & Minicoy is 1000 kW instead of 1600 kW. For Agatti & Kiltan 400kw, for Kalpeni, Chetlat and Kadmat 250kw each and for Androth and Amini 750 kw.
- Total installed capacity is 21,860 kW only and not 27,565 kW as noted in name plate.

Additional machines were required to avoid blackouts due to power failure. As failure of DG sets were frequent due to climatic conditions and their repair is difficult due to non-availability of OEM services engineers and OEM spares locally.”

- Further, on being asked about the reasons for procuring DG sets with significantly higher capacities than the capacities mentioned in LoA, the Ministry of Home Affairs in their written replies stated that the Procurement of DG sets was based on approved norms/guidelines and procurement was done through NTPC.

10. While asking as to whether the excess capacity procurement was based on any approved norms/guidelines, the Ministry replied as under:

“The augmentation of generating capacity is done on the basis of project report approved by Central Electricity Authority (CEA) and sanction was also accorded

by the M/o Power vide letter No.39/4/2004-R&R dated 02.08.2005, available on record.”

11. In this regard, the Ministry further submitted as follows:

“Some of the DG sets proposed could not be phased out due to administrative reasons and it was not updated in Power Generation and Distribution Management System (PGDMS).

Department was compelled to operate some of phased out DG sets in unforeseen situations due to breakdown of DG sets, which resulted in excess capacity in some of the islands.”

12. Apprising the Committee about the current position of the action taken to avoid excess capacity of DG sets, the Ministry of Home Affairs stated as follows:

- “Power sector reforms in UT of Lakshadweep are underway. These include privatisation, use of renewable & new energy, smart meters etc.
- Ministry of Power approved augmenting DG capacity in August 2005 & NTPC executed the project. The supply terms/conditions was continuous running at variable load with 10% overload for 1 hr. in any 12 hr. period. To meet the clause, bidder quoted higher rating to ensure output over entire life of DG set.
- Audit wrongly considered name plate details as installed capacity, thereby making it seem that department had installed excess capacity.
- “Daily Wise Demand” modification from KWh has been carried out now.”

**II. Non-Commissioning of bulk oil storage facilities and transit losses**

13. Audit observed that LED uses about 139 lakh litres of diesel annually in its DG sets. Diesel is transported on barges in 200 litre barrels from Beypore & Calicut to the islands are often leaking when they reach the islands, due to multi-point handling and transportation the barrels. Though bulk oil storage facilities have been completed at Kavaratti (December 2014 for Rs.7.37 Cr) and Minicoy (Mar 2016 for Rs.10.48 Cr) they have not been commissioned till date due to non-availability of oil barge. Absence of Bulk storage facilities and transportation of diesel in barrels has resulted in transit losses. Loss through theft cannot also be ruled out.

14. Details in this regard are given below:

Year	Qty Dispatched (Ltr in Lakhs)	Qty Received (Ltr in Lakhs)	Loss in transit (Ltr in Lakhs)	Cost per litres (Rs)	Loss (Rs in Cr)
2013-14	133.37	131.73	1.64	59.15	0.97
2014-15	147.24	145.55	1.69	53.16	0.90
2015-16	147.95	146.25	1.7	45.80	0.78
<b>Total</b>	<b>428.56</b>	<b>423.53</b>	<b>5.03</b>		<b>2.65</b>

15. Explaining the reasons for delay in commissioning of bulk oil storage facilities at Kavaratti and Minicoy the Ministry of Home Affairs (reply dated 09-08-2017) stated as under:

“The reason for delay in commissioning of bulk oil storage facilities at Kavaratti and Minicoy is due to non-availability of oil Barge suitable for Island conditions. As per the initial agreement dated 06.04.2004 executed between M/s IOCL and UTL Administration for construction of storage facility for petroleum products, the movement to the islands is the responsibility of the Administration. As such Port department was entrusted with the acquisition of 1000 KL capacity oil tanker while electricity department took up the installation of facility at Minicoy and Kavaratti. 1000 KL oil barge exclusively for Lakshadweep was in the perspective plan has not yet materialized due to various administrative reasons including failure of tender. The department is in the process of retendering the same with change in specifications.

Also at present Indian Oil Corporation Limited forwarded temporary services of two offers namely ETHIHAD Q-88 and MT SHUNTO MARY-88 which is having more than 2.5 meters draft. The Director of Port vide their letter F.No. 13/6/2015-Port (OP1) (1) dated 18.05.2017 confirmed that drafts of the above two vessels are exceeding the safe limit i.e 2.5 Mts and informed IOCL accordingly. After that IOCL retendered and offered three vessels namely MT.ETIHAD, MT TBN (ex-name MT Shunyo Maru No.8) and MT Hai Yin having more than 2.5 meters drafts and which can be operated by reducing the Tonnage and to maintain the draft at 2.5 mtrs. Director Port again replied vide their letter F.No. 13/6/2015-Port (OP1) dated 12.06.2017 that vessel can be operated at western side jutties, if draft is maintained at 2.5 mtr. and IOCL was informed accordingly. In the meantime one offer of vessel having 0.5 mtr. draft with 750 MT directly receive vide letter No. IJS/LEB/192/2017 dated 15.05.2017 from Indo Shipyard, Tripunithura, Cochin for the consideration for the transportation of POL products from Kochi to Kavaratti & Minicoy. Offer with specifications of above said barge

forward to the Director Port though file land Director Port informed that it is within the safe limit and suitable with respect to port parameters for operation/berthing in western side jetties at Kavaratti & Minicoy. Offer has been forwarded to the IOCL with comments of Director Port vide this office letter F.No. 66/8/1/2015-Ele dated 15.06.2017 for further examination and consideration from their end. Further one more offer of a small vessel having 200 MT & draft 2 Mtrs from Tisha Navigation also received and matter is under examination. Department is expecting that matter will be finalized within the short span of time period."

16. Further, in regard to transit losses, the Ministry submitted as follows:

"The transportation loss in the case of HSD oil will be there as long as department is forced to rely on transportation through barrels. It is a matter of fact that transportation of HSD oil is a very tedious process involving multiple action at mainland, deep sea and in Islands. Moreover, storage of diesel in barrels in Islands poses a major threat due to high corrosive nature of atmosphere. Action in transporting and storage of HSD oil in a scientific way is on hand for more than 10 years. It is possible that the transportation loss will come down drastically once the transportation takes place in suitable ships and it is stored in bulk storage tanks built up at Kavaratti and Minicoy. Efforts of Indian Oil Corporation in getting suitable ships for the transportation is yet to yield any result.

Year	Quantity dispatched from Beypore to various islands (ltrs)	Quantity received at various Islands (ltrs)	Loss in transit (ltr)	Loss in Transit (%)
2013-14	13336800	13173378	163422	1.22
2014-15	14724000	14554722	169278	1.07
2015-16	14795400	14624671	170729	1.15
	42856200	42352771	503429	1.17
<b>Total Cost</b>	<b>26484617</b>			

As shown in the above table loss is below 1.3% which is permissible limit as per standards. To reduce transit loss following steps are being taken.

a) Procurement of barrels is done on yearly basis.

- b) The replacement of empty barrels is mandatory at the usage of 4 cycles/barrels.
- c) The handling of barrels at Jetty and by using Peacock arrangement through fork Lift.
- d) To avoid theft and pilferage a proper polymer sealing arrangements are provided at Beypore after filling the barrels.
- e) At present the leakage and transit losses are within the permissible limit as per the guideline of Petroleum companies considering the various handling at different location.

Considering the bottle necks, the department is forced to operate using of unscientific method of transportation of oil from mainland to Island through barrels so that un-interpreted power supply is maintained to vital installations in Lakshadweep.

From the above explanation it is obvious that UTL Administration has made all possible efforts for commissioning of Bulk Oil Storage facilities at Kavaratti & Minicoy. Similarly, it is also obvious that the loss in transportation is presently within the permissible limit and action is already taken to further reduction of transportation loss."

17. In regard to the aforesaid Audit observation, the Ministry (*vide* ATN dated 25.12.2019) submitted as under:

"The Electrical Department has approached the Department of Port to provide facilities for transportation of HSD oil from mainland to bill the bulk storage as the other options explained have not materialised. As stated earlier, department of Port has invited Expression of Interest from the vessel operators for transportation of HSD oil. It is intimated that positive response has been received from some of the vessel operators and it has to be finalised through discussion by the authorities concerned. The Port department also informed that they have initiated action to build suitable barge for transportation of HSD oil. It was also informed that technical bid has been opened and subsequent formalities are under process. Hence, it is expected that storage facility can be commissioned with reasonable time."

18. Apprising the Committee about the current position of Commissioning of bulk oil storage facilities, the Ministry of Home Affairs submitted as follows:

- "Administration has handed over the oil storage facilities (bulk Storage Depot and Retails Outlets) at both Kavaratti and Minicoy islands to Indian Oil Corporation (IOCL) through a sale deed executed between both the parties in June 2021.
- Bulk oil storage depot & retails outlets at both islands, including building & other installations, handed over to IOCL in August 2021.
- All statutory clearances and licenses for functioning of the outlets have been taken.
- Depots at Kavaratti & Minicoy are completely ready for operations & are expected to be commissioned within the next few weeks.

On same lines IOCL has started the ground work to set-up retail outlets in other 7 islands for which the process of identification of sites has already been started."

19. In regard to the present status of building a barge for transportation of HSD oil, the Ministry submitted as follows:

"MV Thilakam, a 700 MT Oil Barge, which is a dedicated vessel for oil transportation, was delivered during February, 2021. Subsequently Port Department, UTLA has got mandatory certification. Trial loading & discharging was done, where minor leaks were observed which have now been rectified. Now the barge is ready for operation. Discussion is being held between UTLA, Indian Oil Corporation Ltd. (IOCL) and Shipping Corporation of India (SCI) for operations & chartering of barge."

20. Further, as regards the measures taken to eliminate transit losses, the Ministry apprised as follows:

- 700 MT Oil Barge for oil transportation MV Thilakam was delivered in February 2021.
- Trial load testing & discharging was done. Minor leaks observed have been rectified.
- The 700 MT Barge, MV Thilakam will be handed over to IOCL on charter basis for supplying petroleum products.

Transportation of oil by IOCL through dedicated barge MV Thilakam will reduce the transit losses substantially."

### III. Discrepancies between issue and consumption of Diesel

21. Audit review of island wise system statistics and stock registers revealed discrepancies between issue of fuel by sub-divisions and consumption by power stations as below:

Year	Diesel issued by SD (litres in Lakh)	Diesel Consumed by PH (Litres in Lakh)	Difference (Litre in Lakh)	Cost per litre(Rs)	Loss (Rs in Crore)
2013-14	135.55	132.69	2.86	59.15	1.69
2014-15	139.36	137.57	1.79	53.16	0.95
2015-16	146.72	146.48	0.24	45.80	0.11
				<b>Total</b>	<b>2.75</b>

LED has informed Audit that reconciliation details were awaited. LED is required to examine the reasons for the discrepancy and confirm that the difference is not due to factors like fuel theft.

22. In response to the aforesaid audit observation, the Ministry replied as follows:

- Island wise issue, Consumption of HSD oil for Power Generation & fuel issued for other purpose has been reconciled with reference to records in the islands
- Issues/supply were made for power generation & for other Government departments in the Administration on loan (on returnable basis) such as Fisheries, Port, Sub-Division office etc. for *bona fide* purposes with approval of Competent Authority
- The quantity of HSD oil used for power generation is as per prescribed limit (i.e. 3.5 units per litre)"

Year wise reconciled figures are as below:

Year	Diesel issued by SDs (in Ltrs)	Diesel Consumed at PH (in Ltrs)	Diesel issued to other purposes (in Ltrs)*
2013-14	1,34,77,363	1,33,25,123	1,52,240
2014-15	1,39,28,498	1,37,83,113	1,45,385
2015-16	1,46,17,946	1,45,29,639	88,307

23. On being asked by the Committee regarding the current position of reconciling the discrepancies between issue and consumption of diesel, the Ministry of Home Affairs replied as under:

- "The discrepancies between issue and consumption were reconciled.
- Department now monitors the online inventory with actual figure in all sub Divisions and discrepancies are corrected then and there.
- Consolidated report of issue and consumption are generated on monthly basis.
- At present there is no issue of discrepancy and figures of consumption and issue of HSD are tallied.
- A Cell has been created at Head Quarter office in May 2020 with two newly recruited staff having IT qualification to look after the duties of software and inventory management. Main duties of these staff are:
  - "To examine the issue/consumption of fuel used for running power DG sets and other purposes separately and record the same in online application under separate work name
  - To monitor that indent and sanction of the same are on the same date
  - Reconciliation of inventory and Power Generation and Distribution Management System (PGDMS) without error."

#### **IV. Diesel consumption in excess of norms**

24. Audit scrutiny revealed that LED had estimated that new DG sets would consume between 0.28 to 0.30 litres of fuel per KW hour, whereas DG sets which had outlived their useful lives and subject to frequent breakdowns/repairs/maintenance would consume between 0.31 and 0.38 litres per KW hour. Applying the standards depicted in the DPR, Audit has estimated that LED has consumed fuel in excess of norms to the tune of ₹ 2.84 crore during the period from 2013-14 to 2015-16.

LED attributed the difference to operation of old DG sets. The explanation is not acceptable as the DPR included norms applicable to old DG sets also. LED is therefore required to examine the reasons behind the fuel costs in excess of norms and confirm that the excess of ₹ 2.84 crore is not due to factors like fuel theft.



25. Apprising the reasons for consumption of diesel in excess of norms, the Ministry of Home Affairs in their reply to Audit on 09.08.2017 stated as under:

- "Hostile climatic condition is one of the reasons for high fuel consumption.
- Islands are small & Power Houses are near to sea shore leading to poor cooling efficiency & resulting premature failure of DGs.
- Mistakes in data entry in PGDMS contribute to a portion of errors in these figures.
- Delay in major overhauling and continuing operation of inefficient, old and outdated DG sets make things worse.
- Measures are already taken to improve efficiency.
- Department invoked clause for Liquidated Damage (₹ 3,79,18,644/- recovered).

Explanation shows that diesel consumption is more than prescribed norms due to peculiar geographic conditions and penalty clause is already imposed on supplier for not maintaining due performance."

26. On being pointed out by Audit during the course of vetting that final reply on the basis of action taken in this regard is awaited, the further comments of the Ministry are given as under:

"Diesel consumption is more than the prescribed value in some islands due to the poor performance of the DG sets."

All possible measures are taken to reduce the excess consumption. Results that have been achieved are shown below:

Island	Diesel Consumption	Energy Generated	Specific fuel consumption Ltr. per KWh
Minicoy	21,80,845	87,47,837	0.24
Kavaratti	31,21,213	1,12,42,365	0.27
Amini	15,27,308	51,32,822	0.29
Andrott	21,17,555	72,30,078	0.29
Kalpeni	10,67,907	35,70,601	0.29

<b>Agatti</b>	18,91,825	66,27,103	0.28
<b>Kadmat</b>	12,36,799	43,89,088	0.28
<b>Kiltan</b>	8,26,601	27,34,476	0.30

27. While apprising about the current position in this matter, the Ministry submitted as follows:

- “No fuel theft is reported in islands so far.
- Augmentation of DG capacity in islands is being taken up based on the roadmap document prepared by CRISIL (an S&P Global Company), Infrastructure Advisory to the Ministry of Power, Gol.
- At island level, Assistant Engineer is responsible to ensure that the data entry is correct and factual.
- Each Sub Division has to furnish data of HSD consumption in Power House & quantity issued to other department to Division Office.

A Cell has been created at Division Office in May 2020 with two newly recruited staff having IT qualifications to look after the duties of software and inventory management.”

28. When asked about the steps initiated to improve the efficiency of DG sets in all islands, the Ministry replied as under:

“A roadmap document aiming to meet the objective was prepared by M/s CRISIL (an S&P Global Company), Infrastructure Advisor to the Ministry of Power, Gol. As the islands are not inter-connected, the agency carried out island-wise estimation of demand and assessment of network adequacy. Energy requirement & peak demand were projected up to the year 2019 based on the actual increase in both since FY 2011 to 2015. DG capacity available in each island and de-rated capacities that will be available up to 2019 were calculated. Based on the aforesaid calculations, new DG and year of requirement was recommended for each island.

At present procurement & installation of DG sets is being carried out based on the recommendation of the said report. Lakshadweep Electricity Department is in the process of replacing the older DG sets with new sets. Further, department makes all possible efforts to carryout overhauling of engines regularly on time.

Now, UTLA has also decided to go for 100% privatization of power Generation & Distribution. A draft RFP has been prepared by UTLA. The privatization of power distribution and generation will enhance efficiency, lower T&D losses and address other issues in the power sector in Lakshadweep."

29. Since the climatic conditions of the Union Territory are different, the Committee desired to know as to whether the Electricity Department made any efforts to conduct research for developing DG sets which consume less fuel and work better in such conditions. In response thereto, the Ministry replied as under:

"The matter is being taken up with Central Electricity Authority, Ministry of Power. Distribution Planning and development Division of Central Electricity Authority was requested to advise UT of Lakshadweep in identifying island specific DG sets so that cost of generation can be brought down and to suggest DG sets which consume less fuel and work better in island conditions."

30. The Committee further desired to know as to whether major overhauling of engines is being carried out on time and whether the LED has prepared any plan for phasing out inefficient, old and outlived DG sets. In their written replies, the Ministry stated as under:

"Department makes all possible efforts to carryout overhauling of engines regularly on time. Normal periodical maintenance is also being carried out on time. However, in the case of major overhauling of the engines, some delay happens due to reasons, associated with unique geographic conditions of Lakshadweep including the following:

- (a) Difficulty in getting spares and service personnel in time from Authorized Workshop/Dealers.
- (b) Inability of service dealers to carry out servicing of engines/alternators at the island site due to lack of infrastructure.
- (c) In some cases where dismantling of engine is required for major overhauling repair at mainland, transportation and loading/unloading facilities are not readily available in the islands.

Most of the inefficient DG sets have been phased out and replaced with new ones, however, 7 DG sets which have outlived their life by more than 15 years are still under operation in some islands to meet the peak demand during season."

**V. Avoidable Expenditure due to High Transmission and Distribution Losses**

31. Audit observed that the DPR of 2004 recommended major thrust to reduce T&D losses from 10.8 *per cent* to 8 *per cent* by the end of the Tenth Five Year plan (2002-07). This target has not been achieved till date. The cost of T&D loss in excess of 8 *per cent* during 2013-14 to 2015-16 works out to ₹ 10.38 crore in respect of 4 islands alone.

LED informed Audit that it had identified three main impediments in achieving desired results, viz., non-installation of package transformers, non-installation of ring main units, and conversion/laying of underground cable for consumers, and that it was hopeful of further reduction on the completion of these works.

32. As regards the action taken/being taken by the Ministry to reduce the T&D losses, the Ministry stated as under:

- "Infrastructure facilities have been improved to reduce T&D losses in most of the islands.
- The average T&D loss in respect of Minicoy, Kavaratti, Amini, Andrott, Kalpeni, Agatti comes to 6%.
- Action is on hand to improve the facilities in the remaining islands also
- Department is planning to implement Smart metering to get actual T&D losses."

33. The current position of the action taken by the Ministry in this regard is as follows:

- "Out of 108 substations, 69 substations have been either converted to packaged substation (40) or provided with ring main units (29).
- Under Revamped Distribution Sector Scheme (RDSS), which aims to improve the quality, reliability and affordability of power supply to consumers through a financially sustainable and operationally efficient distribution sector, smart meters would be installed in the UT.
- Intellismart Infrastructure Pvt. Ltd., a joint venture company of Energy Efficiency Services Limited (EESL) & National Investment and Infrastructure Fund (NIIF), has been given responsibility of implementation of the smart metering program in Lakshadweep.
- Intellismart has submitted their proposal which is being processed."

34. On being asked about the present status of implementing smart energy meters in the distribution transformer to get actual T&D losses, the Ministry replied as under:

“At present the Distribution Transformers in UTL are having normal energy meters. However, UT of Lakshadweep is in the process of installing Smart Meters for consumers under Revamped Distribution Sector Scheme of Ministry of Power, Govt. MoP has entrusted Smart Energy Meter Programme in Lakshadweep to EESL on nomination basis. As such Intellismart Infrastructure Private Limited, a joint venture company of Efficiency Services Limited (EESL) and National Investment and Infrastructure Fund (NIIF), a Govt. of India, Ministry of Finance backed Fund, has been given responsibility of implementation of the Smart Metering programme in Lakshadweep including preparation of project proposal. Intellismart had submitted their proposal to the department, which is under process. They will implement the project within 1 year after the approval by the department/MoP. They will use Radio Frequency/Cellular Communication/VSAT as communication technology depending upon the availability. In the islands of Kavaratti, Agatti, Kiltan, Chetlat and Bitra, where BSNL network is available, Smart Meter will be installed to communicate with Cellular network, whereas in remaining islands VSAT will be deployed for data communication. Smart Meter service provider will implement the project in DBFOOT (Design, Build, Finance, Own, Operate and Transfer) mode. Service provider will do the operation & maintenance for 10 years including project execution period, after which it will be transferred to UTLA.”

#### **VI. Unfruitful Expenditure on Solar Photovoltaic Plants**

35. Audit scrutiny revealed that based on Ministry of Non-Conventional Energy Sources release (March 2001) of ₹ 12.27 crore (with balance to be met from budget of UTL) for a total cost of ₹ 18.41 crore, LED installed Grid interactive Solar Photovoltaic (SPV) power plants. In addition, SPV plant was installed in Suheli (uninhabited island, but tourist based), at a cost of ₹ 0.64 crore. Audit observed that, of the SPV plants (8 purchased in 2001; year of purchase of 2 plants presumed to be before 2005 and that of 2 plants before 2000 since details not available) installed in the 12 islands.

36. Audit observed that of the SPVs installed, four have not been working for more than three years and two were under renovation. To ascertain the causes for the same, Audit selected the records of the plant at Amini for detailed scrutiny. It was noticed that land was acquired only after three years from delivery of equipment and thereafter, completion of civil works were delayed by a further four years. By this time, some of the photovoltaic modules were in poor condition due to the delay in installation. The primary cause for this situation was due to LED not ensuring mandatory coastal regulatory zone clearance and land acquisition before placing the purchase order for the SPV plant.

There was also the issue of poor maintenance compounding the problem. LED has informed (August 2016) that presently, LEDA, a society under UTL Administration has been entrusted with the responsibility of ensuring that all the plants function at full capacity.

37. On being asked about the reasons for non-functioning of the four SPV plants, the Ministry submitted as follows:

"These SPV Power Plants were supplied, installed and commissioned by M/s. BHEL Bangalore. In case of these plants, operation & maintenance for five years since commissioning, was entrusted to the supplier i.e. M/s. BHEL.

The process to identify suitable land for the plants at Amini & Chetlat started during June, 2001. Since the identified site was coming in "No construction Zone", process was initiated for obtaining permission from Lakshadweep Pollution Control Committee. Further, UT Administration wrote a letter to the Secretary, Ministry of Environment & Forest, Govt. of India on 20.09.2000 for environmental clearances so that it could go ahead with the project. Lakshadweep Pollution Control Committee issued 'No objection Certificate' on 15.11.2001. Subsequently, Ministry of Environment & Forest, New Delhi made required amendments in the provisions to accommodate generation from solar power from non-Conventional sources as a permissible activity in the CRZ area through Gazette Notification dated 19.10.2002 and issued CRZ clearances for the projects on 31.12.2002.

UT administration made efforts to get the land on lease basis from land owners to avoid delay in implementation of projects but the land owners were reluctant to provide land on lease and were agreeable only for acquisition of their land. Accordingly, Administration initiated acquisition of land and land acquisition process was completed in March 2005.

Subsequent to that, Bharat Heavy Electricals Limited (BHEL) engineers visited the site for marking & commencing the civil works. Lakshadweep Electricity Department (LED) completed the civil works (cement pedestals & control room works) during May, 2007 & immediately after monsoon, BHEL had commenced installation at both the sites (Chetlat & Amini) in Sept. 2007. Installation was completed in December, 2008 and the plants were commissioned in March, 2009 at Amini & May, 2009 at Chetlat. BHEL had agreed to takeup regular O&M of SPV Power plants at Amini & Chetlat for a period of 5 years after commissioning.

In 2013 it was observed by LED that BHEL was not attending to any maintenance work during the O&M period and plants were kept idle without any operation. A 'Show Cause Notice' for O&M was issued to BHEL in December,

2013 and they were directed to make necessary arrangements to take up the O&M work.

It was stated by BHEL that the material was supplied by them in year 2002-2003 and it was in the custody of LED. The equipment/material could not be installed immediately due to delay in Environmental clearances and acquisition of land etc. Further, BHEL stated that several PV modules were not performing well enough to yield the required output as expected due to water collection on modules, which were highly prone to corrosion, and some of these were found in damaged condition. The material was exposed to about 5 to 6 monsoon seasons which could have resulted in their moderate output.

SPV Plant at Suheli island, which is an uninhabited island was set up especially as an effort to provide some relief to fishermen, who visit the island during fair weather season (for a period of only 7 to 8 months a year). During the monsoon period, Suheli island is inaccessible due to rough weather and turbulent sea and is cut off from other major islands for a period 4-5 months, which was major cause of non-functioning of SPV.

In view of the concerns raised by the Committee during the meeting held on 07.10.2021, a team comprising of representative of MHA and officers with technical background from the Ministry of Power has been directed to visit Lakshadweep and look into issues raised by the Committee, including delay in commissioning of SPV plants at Amini and Chetlat, and submit a report to this Ministry suggesting corrective action in this regard."

38. Apprising the Committee of the current position in this regard the Ministry submitted as under:

- "Department of Electricity had signed MoU with Solar Energy Corporation of India (SECI) for repowering of existing ground mounted solar PV system in August 2018, in which capacities of the plants were proposed to be augmented.
- Work for the Solar Power plant including O&M for 10 years awarded by SECI in July 2020.
- In first phase SECI proposed plants in Kavaratti having capacity 1.4 MW with 1.4 MWh BESS, Agatti 0.3 MW, Bangaram having capacity 0.15 MW and 0.450 MWh BESS and Thinnakara having capacity 0.1 MW with 0.3 MWh BESS - a total of 1.9 MW with 2.15 MWh BESS.

In view of the ongoing power sector reforms review of SECI projects is underway."

39. As regards the action taken by the Lakshadweep Energy Development Agency (LEDA) to ensure that all the Solar Photovoltaic Plants function at full capacity, the Ministry stated as under:

"During the period when BHEL was carrying out the O&M of SPV plants, some power plants had broken down and LEDA requested BHEL to extend the period of O&M. LEDA had taken action for extension of the period of O&M contract in the islands of Agatti (7 Months), Minicoy (20 Months), Androth and Kadamath (for one month each) at BHEL's cost and risk.

During the O&M period, LEDA has deducted an amount of ₹ 1.3 crores from BHEL's claim towards penalty on various defaults as per the contractual terms such as loss in guaranteed power evacuation and delay in commissioning the plants. On completion of O&M period of M/s BHEL, plants were taken over by LEDA. At present plants are being maintained by LEDA except at Bitra where period of O&M contract is up to 01/2023.

However, UTLA has now decided to go for 100% privatization of power Generation & Distribution. A draft RFP has been prepared by UTLA. One of the key features of the draft RFP is to de-dieselise the Islands and shift from diesel based generation of Electricity to 100% Renewable Energy in a time span of two years, issues of efficiency, optimal utilization of installed capacity etc. will also be addressed in the aforementioned reforms."

#### **VII. Energy Audit not conducted despite requirement**

40. JERC Tariff Regulations, 2009, require LED to conduct regular energy audits to substantiate its estimation of Transmission and Distribution (T&D) losses, and furnish six monthly reports to JERC. Audit observed that LED has not conducted any energy audits till date. LED attributed this to non-availability of technical expertise locally. LED is advised to explore measures to ensure implementation of energy audits, as these are mandatory.

41. In response to the aforesaid Audit Para, the Ministry of Home Affairs on August, 2017 informed the Audit that they had conducted a detailed energy audit on the Generation and distribution system in the year 2013-14. Energy audit in line with JERC Tariff Regulations 2009 will be carried out in future.



42. Apprising of the current position in regard to conducting energy Audit, the Ministry stated that they had awarded the contract of conducting Energy Audit to M/s. RSA & Co. in September, 2018. The study has been completed and report submitted in February, 2021. Action has been taken on the recommendations of the audit report such as:

- “1) Periodical testing & Calibration of various meters in the Power Houses is being carried out.
- 2) All 11 KV feeders are provided with meters.
- 3) Feeder wise consumer indexing is done.
- 4) Sub-Divisions have been directed to regularly take reading of the meter provided at sub-stations. Under the Revamped Distribution Sector Scheme of the MoP, LT feeder metering will be carried out.
- 5) Street poles have been numbered.
- 6) CMRI and Standard Reference Meter are used to test the accuracy of the electronic energy meters installed at consumer premises and download the data from the meters.”

#### **VIII. Need to explore alternative methods for electrification**

43. Audit observed that generation of power in the Union Territory of Lakshadweep is expensive, with the average cost of ₹ 30.76 per KWh in 2015-16, in comparison to the market price of ₹ 2.85 per KWh estimated by the Indian Energy Exchange (IEX). As the average revenue realisation by LED is only ₹ 2.64 per unit, the revenue gap in supply of power amounted to ₹ 91.99 crore as approved by the JERC. Central Electricity Authority (CEA) had also requested (June 2006) the Ministry of Renewable Energy Sources to explore avenues for adoption of eco-friendly and cheaper modes of generation in UTL.

It is therefore necessary for LED to explore and adopt non-conventional energy sources in terms of the National Electricity Policy.

44. As regards the current status of exploring alternative methods for Electrification, the Ministry submitted as follows:

- The Lakshadweep Electricity Deptt. signed a MoU With Solar Energy Cooperation of India Limited (SECI) to set up floating solar PV project with energy storage system, along with repowering of existing ground mounted solar PV system and rooftop solar PV system.

- In first phase SECI proposed plants in Kavaratti having capacity 1.4 MW with 1.4 MWh BESS, Agatti 0.3 MW, Bangaram having capacity 0.15 MW and 0.450 MWh BESS and Thinnakara having capacity 0.1 MW with 0.3 MWh BESS - a total of 1.9 MW with 2.15 MWh BESS.
- Power sector reforms in UT of Lakshadweep are underway including privatisation, use of renewable & new energy, smart meters etc.
- In view of the ongoing power sector reforms, review of SECI projects is underway.”

45. On being asked as to whether floating PV project along with rooftop solar installation has since been set up, the Ministry replied as under:

“Tender was floated by SECI and pre-bid meeting was conducted at Lakshadweep on 01/03/2019. Some queries were raised in the meeting regarding Environmental clearances, and later the tender was cancelled in the absence of Environment Impact Assessment (EIA) study, which would have taken more time to be conducted in all the islands. Later on 22/04/2019, a meeting was convened at Lakshadweep under the chairmanship of Hon’ble Administrator in the presence of Joint Secretary MNRE, and it was decided to consider Kavaratti & Agatti as first islands to have the study of EIA to enable SECI to commission the projects including land based SPV plants at these two islands. Joint Secretary, MNRE also spoke to National Centre for Sustainable Coastal Management (NCSCM) to complete the study at least on the aforementioned two islands on priority. Completion of EIA study for these two islands was delayed due to the various reasons including Covid pandemic and hence the projects implementation was delayed. Subsequently, SECI tendered land-based projects having capacity of 1.95 MW with 2.15 MWh BESS in the aforementioned islands in the absence of EIA study, and to consider the Floating solar projects on receipt of EIA from NCSCM.

However, UTLA has now decided to go for 100% privatization of power Generation & Distribution. A draft RFP has been prepared by UTLA. One of the key features of the draft RFP is to de-dieselise the Islands and shift from diesel based generation of Electricity to 100% Renewable Energy in a time span of two years. UT Administration has decided to put on hold the remaining solar power projects, which have not yet commenced, in view of the ongoing privatization process.”

PART-II

OBSERVATIONS/RECOMMENDATIONS

1. Lakshadweep is an archipelago of thirty-six small islands located in the Arabian Sea. The islands are isolated from the main land as well as from each other. The condition of the Lakshadweep Islands is unique and different from any other part of the country. The main constraint of the islands is the geographic isolation and access to the mainland. Due to the geographical and topographical peculiarities of these islands including separation by sea over significant distances, there is no power grid. Instead a power house at each location caters independently to the power requirement of different islands.

Lakshadweep Electricity Department (LED), an integrated utility, is responsible for Generation and Distribution of electricity in the Union Territory. Owing to the distance from the mainland, Lakshadweep is entirely dependent on its own generation for supply of power, mainly through Diesel Generator (DG) sets (around 95 percent) and partly through Grid Interactive Solar Photo Voltaic (SPC) Power Plants. The total installed capacity in 2015-16 was 24,010 kw (46 DG sets of 21,860 kw and 11 SPVs of 2,150 kw). The installed capacity of the DG sets ranged between 60 kw and 1,600 kw.

2. The records of Lakshadweep Electricity Department for the period, 2013 to 2016 were examined by Audit in 2016. During the course of Audit review, issues of concern that came to light *inter-alia* included: excess generation capacity ranging between 47% to 89% in all the islands, sharp decline in demand in some of the islands, non-commissioning of bulk oil storage facilities and transit losses, diesel consumption in excess of norms, avoidable expenditure due to high transmission and distribution losses, unfruitful expenditure on Solar-Photovoltaic (SPV) plants, non-collection of dues from NTPC, Energy Audit not having been conducted despite requirement, and need to explore alternative methods for electrification etc. These issues have been examined in detail by the Committee and commented upon suitably in the succeeding paragraphs.

Excess capacity of DG sets

3. The Committee are concerned to note that all the islands had excess installed capacity ranging between 47 percent (Kiltan) to a maximum of 89 percent (Bitra). Further, against the normal trend of increasing demand, some islands showed sharp decline in demand at certain times. The Committee are perturbed to find that Lakshadweep Electricity Department (LED) did not maintain a centralized record of 'downtime' of DG sets owing to factors such as repairs etc. The data in this regard is available only with the sub-divisions. Moreover, there is no system in place to ensure the procurement of DG sets as per actual requirement. The reasons attributed for procuring DG sets with significantly higher capacity in some of the islands have been cited as: frequent failure of DG sets due to climatic conditions, difficulty in carrying out repairs due to non-availability of OEM service engineers and OEM spares locally and non-updation of some of the DG sets in Power Generation and Distribution Systems (PGDMS). As such, the Department was compelled to operate some of the phased out DG Sets in unforeseen situations due to breakdown of the operational DG sets, etc. The Committee feel that the Union Territory Administration has not made any earnest effort to procure the DG sets as per actual requirements. The Committee are of the view that lack of foresight and proper planning are probably the main reasons behind the above cited problems. Further, the Committee are of the firm view that these problems could have been very-well prevented by taking timely remedial action. The Committee are also surprised to note that while implementing PGDMS, the UT Administration has failed to update the data of DG sets available/phased out which is again indicative of lack of proper planning. The Committee desire to be apprised of the reasons behind the delay in updation of some of the DG sets in PGDMS and recommend that officials responsible for the delay may be suitably warned and appropriate action taken on the errant so that such lapses do not recur. The Committee also recommend that henceforth, the Lakshadweep Administration should follow a systemic planning and exercise effective foresight by taking into consideration all variables like climatic

conditions, availability of OEM service engineers/spare parts, credibility of agency providing DG sets based on past performance etc. at the planning stage.

Considering the aspect of difficulties faced in carrying out repairs of DG Sets due to non-availability of spares, the Committee desire that the UT Administration, through the Ministry, should work out a means for regular monitoring of the DG sets so as to ensure timely repair and procurement of spares. The Government should also undertake a comprehensive programme to renovate and modernize old DG sets located in different islands. As regards the current status of the steps taken in this regard, the Committee have been informed that Power Sector reforms in UT of Lakshadweep are underway. These include, promoting private participation in power generation and distribution, use of renewable and new energy, implementation of smart meters etc. The Committee welcome such initiatives and will await the results of these measures.

#### Bulk oil storage facilities and transit losses

4. The Committee are concerned to note that though the bulk oil storage facilities were completed at Kavartti (December 2014) and Minicoy (March 2016) at a cost of ₹ 7.37 crore and ₹ 10.48 crore respectively, they were not been commissioned till the time of Audit Scrutiny of the subject in 2016. This has been attributed to non-availability of oil barge. The absence of bulk storage facilities and transportation of diesel in barrels from Beypore, Calicut to the islands had resulted in transit losses. The Committee are unable to understand what prevented LED from going ahead with the commissioning of bulk oil storage facility when the Department was forced to follow non-conventional methods of transportation of oil from mainland to UTL islands in barrels. The Committee are dismayed at the flippant attitude of the Lakshadweep Administration in undertaking the work of commissioning of bulk oil storage facility. The Ministry had, in 2019 informed that the Department of Ports had initiated action to build suitable barge for transportation of HSD oil and the storage facility would be commissioned within a reasonable period of time. But to their utter surprise, the Committee have come to understand that this was not done. The Committee have

now been informed that bulk oil storage depot and retail outlets at Kavaratti and Minicoy islands, including the building and other installations have been handed over to Indian Oil Corporation Limited (IOCL) in August, 2021. The Committee are perturbed to note that despite this issue being pointed out by Audit in 2016, the commissioning of bulk oil storage facility has not been carried out. The Committee deplore this lackadaisical attitude on the part of the Ministry/UT Administration in not taking up this important matter with the required amount of seriousness. Apparently, the Ministry have taken the right initiatives only when the matter was taken up for consideration by the Committee. The Committee would, therefore, desire that the General Administration should sensitise the officers concerned to be more careful in taking urgent and important action and prevent any eventualities in future. The Committee have also been informed that bulk oil storage depots at Kavaratti and Minicoy are completely ready for operations and are expected to be commissioned very soon. IOCL has also started the ground work to set up retail outlets in other 7 islands for which the process of identification of sites has been started. During the course of taking evidence on the subject, it was informed that this work would be completed by the end of October 2021 and IOCL too had been informed of it. The Committee feel that the delay in progress of works resulted in further adding to the time and cost overruns. The Committee would, therefore, emphasize the need to take effective steps for stricter monitoring and control over the commissioning of bulk oil storage depots and retail outlets in all the islands at Lakshadweep so that these can be commissioned without further loss of time. The Committee would like to be apprised of the status in this regard within one month of the presentation of this Report to Parliament.

5. As regards the present status of building a barge for transportation of HSD oil and eliminating transit losses, the Committee have been informed that MV Thilakam, a 700 MT oil Barge was delivered during February, 2021. During trial loading and discharging, minor leaks were observed which have now been rectified. Discussion is being held between UTLA, IOCL and Shipping Corporation of India (SCI) for the operation and chartering of the barge. The Committee regret

to know that though the oil Barge was delivered during February, 2021 and five years have elapsed since the matter was pointed out by Audit in 2016, discussions are still on-going in regard to the operation and chartering of the barge. The Committee, thus strongly deplore the delay in operation of the barge and desire that urgent measures be initiated for operationalizing the barge. The Committee would also like to be apprised of the present status of operationalizing the barge, the basis on which an oil barge for capacity of 700 MT was built, and whether this capacity is sufficient to cater to the need of providing electricity in the Lakshadweep Islands.

#### Issue and consumption of Diesel

6. The Committee observe that during the period, 2013-14 to 2015-16, there were discrepancies between the figures of HSD oil issued by the sub-divisions and consumption by Power stations resulting in a huge difference of ₹4.89 lakh, litres of HSD oil worth ₹2.75 crore. In this regard, the Committee have been informed that besides Power Generation, HSD oil was utilized for other purpose which included usage by other Government Departments such as Fisheries, Ports, Sub-Division offices etc. with the approval of competent authority for *bona fide* purposes on returnable basis. The Committee would like to be apprised of the 'other purposes' for which Diesel has been issued to other Departments and whether this was a necessity during the years 2013-14 to 2015-16. The Committee would like to be apprised of the segregated figures of Diesel issued for 'other purposes' to the Government Departments on loan basis and received back from them during the year 2013-14 to 2015-16. The Committee would also desire to be apprised of the corrective measures initiated by the Ministry to avoid such lapses so that the consumption of Diesel is kept within the limits stipulated by the sub-divisions. As informed by the Ministry, a Cell was created at the Head office in May, 2020 with two newly recruited staff having IT qualification to attend to the duties of software and inventory management. The Committee are of the view that the Ministry have not taken this issue seriously till the lapse was pointed out by Audit, and that too after a significant time gap. The Committee

deplore the tardiness of the UT Administration in dealing with this important matter which led to loss of ₹ 2.75 crore as on 2016. The Committee would, therefore, desire that the Ministry constantly and regularly monitor and reconcile the figures so that the HSD Oil is used for the purposes of power generation in Lakshadweep only and recommend taking necessary measures to revamp the Lakshadweep Electricity Department (LED).

7. The Committee find that in contravention of the standards of DPR (Detailed Project Report), LED has consumed fuel in excess of norms to the tune of ₹2.84 crore from 2013-14 to 2015-16 due to poor performance of the DG sets. The peculiarity of geographic conditions is also said to have led to excess consumption. The Committee are constrained to observe that delay in overhauling and continuing operation of inefficient, old and outdated DG sets made things worse. As regards the steps taken for developing DG sets which consume less fuel and work better in such climatic conditions, the Committee have been informed that distribution, planning and development division of Central Electricity Authority was requested to advise UT of Lakshadweep in identifying island-specific DG sets, which consume less fuel and work better in the geographic condition of the islands. However, the reply of the Ministry is silent about the date on which they sought the suggestions of CEA and whether these have been received or not. The Committee have now been apprised that LED is in the process of replacing the older DG sets with new sets and most of the inefficient DG sets have been phased out and are replaced with new ones. The Committee are unable to understand as to why this action has been initiated belatedly. Also, 7 DG sets which have outlived their life by more than 15 years are still being used to meet the peak demand in season. While the Committee appreciate the steps initiated by the Ministry in this regard, they consider it unfortunate that no sincere efforts were made with a view to ensuring consumption of fuel as per the standards of Detailed Project Report. If such issue had been noticed by the Internal Audit Wing of the Ministry, the loss of ₹2.84 crore, incurred for consuming fuel in excess of norms, could have been avoided. The Committee, therefore, desire the Ministry to review the functioning



of their Internal Audit Wing so that such mistakes could be detected and rectified in a timely manner. However, keeping in view the steps taken to phase out the old and inefficient DG sets and replace the sets with new ones, the Committee desire to know about the current status of achieving efficiency in fuel consumption as per the DPR in all islands. The Committee strongly recommend the Ministry to take all corrective measures, at least now, with a view to ensuring that the electrification in all the Lakshadweep Islands is achieved without further loss of time.

#### High Transmission and Distribution Losses

8. The Committee note that the DPR of 2004 recommended major thrust to reduce T&D losses from 10.8 percent to 8 percent by the end of the Tenth Five Year Plan (2002-2007). This target was not achieved till 2016, leading to T&D loss of ₹10.38 crore in respect of four islands alone. The reasons attributed by the Ministry for this lapse are, non-installation of package transformers, ring main units, conversion/laying of underground cable for consumers etc. However, out of 108 sub-stations, 69 sub-stations have either been converted to packaged sub-stations (4) or provided with ring main units (29). The Committee would like to be informed of the present status of conversion of remaining sub-stations. The Committee have been informed that the Department is planning to implement smart metering to get details of actual T&D losses. For this purpose, Intellismart Infrastructure Pvt. Ltd, a joint venture company of Energy Efficiency Services Limited (EESL) and National Investment and Infrastructure Fund (NIIF) has been given responsibility for implementing Smart Metering Programme in Lakshadweep and the proposal submitted is said to be under process. They would implement the project within one year after approval by the Department/Ministry of Power. The Committee are dismayed to note that the reply of the Ministry is again silent about the date on which the responsibility of implementation of Smart Meters in Lakshadweep was given to Intellismart and whether the approval by the Department/Ministry of Power has since been obtained and by when the process would be completed. The Committee would desire to be apprised of these details at the earliest. The Committee fail to

understand as to why no advance action was taken for awarding the work for implementation of Smart Meters Programme to Intellismart, which was badly required for bringing about improvement in power sector in Lakshadweep. Now, the Committee would expect that immediate action is taken to finalise the proposal with Intellismart so that the programme for implementation of Smart Meters does not suffer. The representative of the Ministry of Home Affairs deposed before the Committee that through Intellismart they would procure machines immediately and would complete it in another six months. Since, the installation of smart meters is an essential tool to control T&D losses, the Committee emphasize that the Ministry should closely monitor the procurement, installation and maintenance of Smart Meters in a time bound manner.

#### Solar Photovoltaic Plants

9. The Committee are perturbed to note that out of the 12 SPV plants, four were non-operational for more than three years while two were under renovation. The Committee also find that in case of the plant at Amini, land was acquired only after three years following delivery of equipment and thereafter, completion of civil works was delayed by further four years due to which the condition of the SPVs had worsened. The Committee cannot but express their displeasure over the lackadaisical approach of the Ministry/Lakshadweep Administration in handling this issue which resulted in non-installation of SPV plants for several years. The Committee desire that the Ministry should examine critically the reasons responsible for such a dismal situation and take urgent measures for operationalizing the SPV plants. The Committee are dismayed to note that though the LED was responsible for ensuring mandatory coastal regulatory zone clearance and land acquisition before placing the orders for purchasing the SPV plant, the LED failed to do so. Moreover, poor maintenance of SPVs also aggravated the problem. The Committee wonder as to how, in the absence of allotment of land, the SPVS were procured by the Ministry, which ultimately worsened the condition without the SPVs being installed. While strongly disapproving the failure of the Ministry in this case, the Committee recommend

that the matter should be inquired into and responsibility fixed for aforesaid lapses. Since installation of SPV panels would play an essential role in the generation of 'non-diesel electricity' in Lakshadweep, the Ministry should henceforth take all measures for timely procurement, installation and upkeep of the SPVs in the island.

Now, when the Committee have taken up the subject for examination, the Department of Electricity chose to sign an MoU with Solar Energy Cooperation of India (SECI), in August, 2018 for empowering of existing ground mounted Solar PV system. Work for the SPV plant including O&M for 10 years has been awarded to SECI in July, 2020. In first phase, SECI has proposed setting up plants in Kavaratti, Agatti, Bangaram, and Thinnakara having capacity of total 1.9 MW with 2.15 MWH BESS. However, UTLA decided to go for 100% privatization of Power Generation and Distribution and a draft RFP was prepared by UTLA. One of the key features of the draft RFP is to 'de-dieselize' the islands and enable generation of Electricity from 100% Renewable Energy in a time span of two years. The Committee would await details of implementation of these measures. The Committee also desire to be apprised of the current status of the exercise of privatizing Power generation and supply as well as the plants proposed to be set up by SECI in the first phase. The Committee would also desire that these measures ought to be implemented earnestly in letter and spirit, which would surely go a long way in eliminating the problems associated with power supply in Lakshadweep islands in future. The Committee may be kept apprised of the results achieved therefrom.

### Energy Audit

10. The Committee observe that JERC Tariff Regulations, 2009 require LED to conduct regular energy audits to substantiate its estimation of T&D losses and furnish reports to JERC on 6 monthly basis. The Committee find that LED had not conducted any energy audit till 2016. In the absence of Energy Audit, the objectives of improving efficiency in power sector and the follow-up action taken thereon by the Ministry could not be ascertained. This also dis-enabled the

Ministry to monitor the status of implementation and bringing about requisite improvements in the systems and procedures. The Committee have now been informed that the Ministry had awarded the contract of conducting Energy Audit to M/s RSA & Co. in September 2018. The study has been completed and report submitted in February, 2021. Action has been taken on the recommendations of the Energy Audit such as periodical testing and Calibration of various meters in the Power Houses, providing meters to all 11 KV feeders, doing feeder-wise consumer indexing, taking reading of the meters regularly, numbering of street poles, using CMRI and Standard Reference Meters to test the accuracy of the electronic energy meters installed at 'consumer premises' and downloading the data from the meters, etc. While appreciating the steps taken in this direction, the Committee desire the Ministry of Home Affairs to monitor the status of implementation of the recommendations of Energy Audit and bringing about requisite improvements in the system and procedures so as to achieve the objective of total electrification of Lakshadweep islands at the earliest.

#### Alternative Methods for Electrification

11. The Committee observe that generation of power in the Union Territory of Lakshadweep is expensive, with the average cost of ₹ 30.76 per kwh in 2015-16, in comparison to the market price of ₹ 2.85 per kwh estimated by the Indian Energy Exchange (IEX). As the average revenue realization by the LED is only ₹ 2.64 per unit, the revenue gap in supply of power amounted to ₹ 91.99 crore as approved by JERC. The Committee are astonished to note that despite requesting the Ministry of Renewable Energy Sources in June, 2006 for exploring avenues for adoption of eco-friendly and cheaper modes of generation in UTL and several steps being taken by the Ministry later on, the project of floating of Solar Photovoltaic Panels system along with repowering of existing ground mounted solar PV system and roof top solar PV system are still underway. The Committee are perturbed to know that the Ministry have not elaborated convincingly the causes for the delay of more than 15 years in exploring/establishing the alternative methods for electrification except for citing the disruption caused due to the covid pandemic. The Committee cannot but express their displeasure over

the lackadaisical approach displayed by the Ministry on this issue. As the delay in installation of SPV Panels had forced the Lakshadweep administration to generate power, through DG sets at an expensive cost, the Committee recommend that the Ministry of Home Affairs/UT Administration should critically examine the reasons for such a dismal situation. The Ministry should work out a strategy to bridge the energy gap in generation and supply of power in Union Territory of Lakshadweep. Now, the Committee have been informed that in view of the ongoing exercise of privatization of power generation and distribution in Lakshadweep, the UT Administration has decided to put on hold the remaining solar power projects which have not yet commenced. The Committee would desire the Ministry to vigorously follow up the matter of privatisation of electricity in Lakshadweep so that this process is completed without any further delay. The Committee would like to be apprised of the action taken in this regard.

12. To sum up, the facts stated in the foregoing paragraphs revealed several shortcomings in Generation and distribution of power in the Lakshadweep Islands. The primary objective of providing electricity to Lakshadweep Islands at affordable prices has not been achieved. No system was in place to assess actual requirement of DG sets. Bulk storage facilities have not been commissioned and diesel consumption is also in excess of norms, transmission and distribution losses are in excess of eight percent, installed SPV plants have not been working and no follow up action has been taken on JERC directives, etc. Alternative methods for electrification have also not been explored. The Committee regret to note that the Lakshadweep Administration did not succeed fully in achieving the objectives of electrification of their islands. The Committee have now been informed that UTLA has decided to go for 100% privatization of Power Generation and Distribution which will enhance efficiency, lower T&D losses, enable the shift from diesel based generation of electricity to renewable energy and address other issues pointed out by Audit.

Electrification of Lakshadweep Islands was initiated during the Second Five Year Plan, but several matters relating thereto are yet to be addressed. The Committee take a serious view of the failures of the Ministry/Lakshadweep

Administration in fully achieving the objectives of this crucial programme of generation and distribution of power in the Islands. The Committee desire that in the light of the facts brought out in the Report and the suggestions made, Government should take corrective action now, avoid such lapses in future and strengthen the internal control mechanism in order to achieve effective Generation, Transmission and Distribution of electricity in the Union Territory of Lakshadweep.

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NEW DELHI;  
March, 2022  
Phalguna, 1943 (*Saka*)

ADHIR RANJAN CHOWDHURY  
Chairperson,  
Public Accounts Committee

**MINUTES OF THE SITTING OF THE SUB-COMMITTEE- I (CIVIL) OF PUBLIC ACCOUNTS COMMITTEE (2021-22) HELD ON 1<sup>ST</sup> SEPTEMBER, 2021.**

The Sub-Committee sat on Friday the 01<sup>ST</sup> September, 2021 from 1500 hrs. to 1630 hrs. in the Committee Room-II, Extension of Parliament House Annexe, New Delhi.

**PRESENT**

**Shri Shaktisinh Gohil** - **Convenor**

**MEMBERS**

**LOK SABHA**

2. Shri Thalikkottai Rajuthevar Baalu
3. Shri Rahul Ramesh Shewale

**SECRETARIAT**

1. Shri T.G. Chandrashekhar - Joint Secretary
2. Shri Tirthankar Das - Director
3. Smt. Anju Kukreja - Deputy Secretary

**OFFICERS OF THE OFFICE OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA**

1. Shri Raj Ganesh Viswanathan - Dy C&AG (Comm. Coord & Local Bodies) and Chairman, Audit Board
2. Shri L.A.C. Singh - Dy C&AG (Report Central)
3. Smt. Geeta Menon - Director General (Commercial)-I
4. Smt. Ritika Bhatia - Director General (Commercial)-II
5. Shri Ashok Sinha - AGA (Home Affairs)
6. Shri S. V. Singh - Principal Director (PC)

2. At the outset, Hon'ble Convenor, Sub-Committee-I (Civil) welcomed the Members and the officials of the Office of the Comptroller and Auditor General of India to the Sitting of the Sub-Committee convened to have briefing by Audit on the subjects-(i) "Pradhan Mantri Ujjwala Yojana" based on C&AG's Report No. 14 of 2019, (ii) "Generation and Distribution of Power in Lakshadweep Islands" based on Para No. 2.13 of C&AG's Report No. 8 of 2017, and (iii) "Non-deduction of Tax at Source" based on Para No. 10.1 of C&AG's Report No. 2 of 2021.

3. Thereafter, the Officials of C&AG of India made a Power Point Presentation and briefed the Sub-Committee about the Audit observations contained in the Audit Report No. 14 of 2019 on -"**Pradhan Mantri Ujjwala Yojana**". Further, the officials informed that Ministry has accepted all the 12 recommendations made in the Audit Report.
4. Members sought certain clarifications and the status of action taken by the Ministry of Petroleum and Natural Gas on the audit findings. Further, Members sought information about the actions initiated by the Oil Marketing Companies (OMCs) after the Audit made its observations; details of seeding of Aadhaar numbers by the distributors of LPG cylinders to avoid multiple connection in the name of a women; exercise of de-duplication; delay in delivery of cylinders; compliance and overseeing of safety measures by the OMCs; use of App like digital platform for better delivery of services; and issue of non-transfer of subsidy to PMUY consumers.
5. Thereafter, Audit officers briefed the Sub-Committee on important observations made in Para No. 10.1 of Report No. 2 of 2021 on "**Non-deduction of Tax at Source**". Audit pointed out that non-deduction of tax at source from the payments aggregating to ₹7.21 crore from three PSUs which make the Ministry of Rural Development liable for payment of interest in terms of Section 201 of the Income Tax Act.
6. Members sought information about the failure of the Ministry of Rural Development to ensure compliance with the laid down provisions and the actions initiated for fixing responsibility against the official of the Ministry responsible for such lapse.
7. Thereafter, Audit officers briefed the Sub-Committee on important observations made in Para No. 2.13 of Report No. 8 of 2017 on "**Generation and Distribution of Power in Lakshadweep Islands**". Audit pointed out on the issues like installation of excess capacity of DG sets, non-commissioning of bulk oil storage facilities at Kavaratti and Minicoy that resulted in transit loss amounting to ₹ 2.65 crore, consumption of diesel in excess of norms and avoidable expenditure due to high transmission and distribution losses etc.
8. Members desired to seek information about the actions initiated by the Authorities to check the transmission and distribution losses; storage and theft of diesel; commissioning of the bulk oil storage facilities and status on availability of barge at mainland etc.
9. Thereafter, considering the suggestion of Audit, the Sub-Committee decided to hold their next sitting on 13<sup>th</sup> September, 2021 to have oral evidence of the representatives of the Ministry of Petroleum and Natural Gas/ Oil Marketing Companies on the subject "**Pradhan Mantri Ujjwala Yojana (PMUY)**" based on C&AG's Report No. 14 of 2019.
10. The Convenor then thanked the officials of the C&AG for briefing the Sub-Committee on the aforementioned subjects.

**The Sub-Committee, then, adjourned.**



**MINUTES OF THE SITTING OF THE SUB-COMMITTEE- I (CIVIL) OF PUBLIC ACCOUNTS COMMITTEE (2021-22) HELD ON 07<sup>th</sup> OCTOBER, 2021.**

The Sub-Committee sat on Thursday the 07<sup>th</sup> October, 2021 from 1530 hrs. to 1640 hrs. in Committee Room 'D', Parliament House Annexe, New Delhi.

**PRESENT**

**Shri Shaktisinh Gohil** - **Convenor**

**MEMBERS**

**LOK SABHA**

2. Shri Thalikkottai Rajuthevar Baalu

**SECRETARIAT**

1. Shri T.G. Chandrashekhar - Joint Secretary
2. Shri Tirthankar Das - Director
3. Smt. Anju Kukreja - Deputy Secretary

**OFFICERS OF THE OFFICE OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA**

1. Shri Raj Ganesh Viswanathan, Dy C&AG (Comm. Coord & Local Bodies) and Chairman, Audit Board
2. Smt. Geeta Menon, Director General (Commercial)-I
3. Shri S. V. Singh, P.D. (PC)

**OFFICERS OF THE MINISTRY OF HOME AFFAIRS**

1. Shri Ajay Kumar Bhalla, Secretary
2. Shri Ashutosh Agnihotri, JS (UT)
3. Shri A. Anbarasu, Adviser to the Administrator, Lakshadweep
4. Shri Sushil Singh, Secretary (Power), UT of Lakshadweep

2. At the outset, Hon'ble Convenor, Sub-Committee-I (Civil) welcomed the Members and the officials of the Office of the Comptroller and Auditor General of India to the Sitting of the Sub-Committee convened to have oral evidence of the representatives of the Ministry of Home Affairs on the audit findings on the subject "**Generation and Distribution of Power in Lakshadweep Islands**" based on Para 2.13 of C&AG Report No. 8 of 2017.

3. The Convenor, then, asked the Deputy C&AG to brief the Sub-Committee on the shortcomings pointed out and suggestions made by the Audit on the aforesaid subject.

4. After briefing by Audit officers on the subject, the representatives of Ministry of Home Affairs were called in and the Convenor welcomed them to the sitting. Impressing upon the witnesses to treat the proceedings of the Sub-Committee as confidential, the Convenor asked the Secretary, Ministry of Home Affairs to brief the Sub-Committee on the audit findings and shortcomings on the subject "**Generation and Distribution of Power in Lakshadweep Islands**" based on Para 2.13 of C&AG Report No. 8 of 2017 and action taken thereon by the Ministry.

5. Thereafter, the representatives of the Ministry of Home Affairs explained about deployment of more DG sets, non-functioning of 4 SPV plants, non-commissioning of bulk oil storage facilities and transit losses, present status of building a barge for transportation of HSD oil, diesel consumption in excess of norms, measures taken to have bulk storage, avoidable expenditure due to high Transmission and Distribution losses, exploring alternative methods for electrification and non-conducting of Energy Audit etc.

6. Thereafter, the Convenor and other Members raised certain issues pertaining to the subject like excess generation of power, reasons for decrease in demand of power, steps taken to reduce T&D losses, non-use of barge facility, non-completion of bulk-storage facility and its operation, loss due to theft of diesel, action plan to have alternate source of energy, fixation of responsibility for the lapses, action taken against the agency for providing high consumption diesel generator sets, action taken by the Ministry on the Energy Audits' recommendations and online management of DG sets etc.

7. The representatives of the Ministry replied to some queries raised by the Members. Thereafter, Hon'ble Convenor asked the representatives of the Ministry of Home Affairs to furnish the information that was not readily available with them alongwith the replies to the List of Points being handed over to them by the Committee Secretariat within fifteen days.

8. The Convenor then thanked the representatives of the Ministry of Home Affairs for appearing before the Sub-Committee and sharing valuable information. He also thanked the officers of the Office of C&AG of India for briefing the Sub-Committee on the said subject.

**The witnesses, then withdrew.**

A copy of the verbatim proceedings of the sitting has been kept on record.

**MINUTES OF THE SITTING OF THE SUB-COMMITTEE- I (CIVIL) OF PUBLIC ACCOUNTS COMMITTEE (2021-22) HELD ON 08<sup>th</sup> FEBRUARY, 2022.**

The Sub-Committee sat on Tuesday the 08<sup>th</sup> February, 2022 from 1500 hrs. to 1530 hrs. in the Committee Room 'D' Parliament House Annexe, New Delhi.

**PRESENT**

**Shri Shaktisinh Gohil**

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**Convenor**

**MEMBERS**

**LOK SABHA**

2. Shri Thalikkottai Rajuthevar Baalu
3. Shri Pratap Chandra Sarangi
4. Shri Rahul Ramesh Shewale

**SECRETARIAT**

1. Shri T. G. Chandrasekhar - Joint Secretary
2. Shri Tirthankar Das - Director
3. Smt. Anju Kukreja - Deputy Secretary

**OFFICERS OF THE OFFICE OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA**

1. Shri Pravir Pandey - DG
2. Ms. Geeta Menon - DG
3. Shri S.V. Singh - DG

2. At the outset, Hon'ble Convenor, Sub-Committee-I (Civil) welcomed the Members and the officials of the Office of the Comptroller and Auditor General of India to the Sitting of the Sub-Committee convened for consideration and adoption of the Draft Report on the subject "Generation and Distribution of Power in Lakshadweep Islands" based on Para 2.13 of the C&AG Report no. 8 of 2017. After giving background of the Draft Report, he highlighted the major findings of the Sub-Committee and important recommendations given in the Draft Report on the abovementioned subject.

3. The Sub-Committee, after some deliberations, adopted the Draft Report without any changes/modifications. The Committee also authorized the Convenor to finalise the Report on the basis of factual verification done by the Audit and place it before the Public Accounts Committee. The Convenor appreciated the Committee Secretariat for drafting a good Report.

4. The Convenor then informed the Sub-Committee that since the Sub-Committee have examined all the three subjects allocated to them, the following two more subjects have been allocated to the Sub-Committee for examination and Report during the

remaining term of the Committee ending 30<sup>th</sup> April, 2022:

- (i) "Non-utilisation of Solar Thermal Power Plant" based on Para 9.1 of C&AG Report No. 2 of 2018 pertaining to the Ministry of New and Renewable Energy.
- (ii) "Irregular payment of ad-hoc Bonus" based on Para 8.1 of C&AG Report No. 2 of 2021 pertaining to the Ministry of Education.

5. Thereafter, the Convenor stated that in regard to examination of these subjects, the Sub-Committee may first have briefing by Audit on both the subjects. Thereafter, the representatives of the concerned Ministries may be called for evidence.

The Convenor then thanked the Members and the Officers of the Office of C&AG of India.

**The Sub-Committee, then, adjourned.**

**MINUTES OF THE TENTH SITTING OF THE PUBLIC ACCOUNTS COMMITTEE (2021-22) HELD ON 10<sup>th</sup> FEBRUARY, 2022.**

The Public Accounts Committee sat on Thursday, the 10<sup>th</sup> February, 2022 from 1500 hrs. to 1555 hrs. in Main Committee Room, Parliament House Annexe, New Delhi.

**PRESENT**

Shri Adhir Ranjan Chowdhury - Chairperson

**Members**

**LOK SABHA**

2. Shri Subhash Chandra Baheria
3. Shri Bhartruhari Mahtab
4. Shri Vishnu Dayal Ram
5. Shri Rahul Ramesh Shewale
6. Dr. Satyapal Singh
7. Shri Rajiv Ranjan Singh alias Lalan Singh
8. Shri Jayant Sinha
9. Shri Ram Kripal Yadav

**RAJYA SABHA**

10. Shri Shaktisinh Gohil
11. Shri Bhubaneswar Kalita
12. Shri C.M.Ramesh
13. Shri V. Vijayasai Reddy
14. Dr. Sudhanshu Trivedi

**LOK SABHA SECRETARIAT**

1. Shri T.G. Chandrashekhar - Joint Secretary
2. Shri Tirthankar Das - Director
3. Shri S.R. Mishra - Director
4. Smt. Bharti S. Tuteja - Additional Director

**REPRESENTATIVES OF THE OFFICE OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA**

1. Shri Rakesh Mohan - Dy. C&AG
2. Shri Raj Ganesh Viswanathan - Dy C&AG
3. Smt. Ritika Bhatia - Director General

**PART-A**

2. At the outset, the Chairperson welcomed the Members of the Committee and the Officers of the C&AG of India to the Sitting of the Committee. He then apprised the Members of the following three agenda items before the Committee:

- i. XXXX XXXX XXXX
- ii. XXXX XXXX XXXX
- iii. Consideration and adoption of 4 draft reports.
3. XXXX XXXX XXXX
4. XXXX XXXX XXXX
5. Draft Report on "Generation and Distribution of Power in Lakshadweep Islands",
6. XXXX XXXX XXXX
7. XXXX XXXX XXXX
8. Thereafter, the Committee took up for consideration the following Reports:
  - i. XXXX XXXX XXXX
  - ii. XXXX XXXX XXXX
  - iii. XXXX XXXX XXXX
  - iv. Draft Report on action taken by the Government on the Observations/Recommendations of the Committee contained in their Fourteenth Report (Seventeenth Lok Sabha) on "The Accelerated Irrigation Benefits Programme".
9. XXXX XXXX XXXX
10. Following some deliberations, the Committee adopted the aforesaid four Reports without any change/modification. The Committee also authorized the Chairperson to finalise the aforesaid Reports on the basis of factual verification and present the same to the Hon'ble Speaker/ Parliament.

**PART-B**

11. XXXX XXXX XXXX
12. XXXX XXXX XXXX
13. XXXX XXXX XXXX
14. XXXX XXXX XXXX
15. XXXX XXXX XXXX

***The witnesses then withdrew.***

***The Committee then adjourned.***

***A copy of the transcript of audio recording of the proceedings of the sitting has been kept on record.***