

## CHAPTER 4

### CONCLUSION

Out of the target of 4700 MW (own project), actual accomplishment during XI Plan period was only 500 MW (10.6 *per cent*) with a delay of 17 months. Of the remaining 4200 MW, only 2000 MW were added during April 2012 to March 2014 with delays ranging from 21 to 37 months, while the balance 2200 MW was still under execution (March 2014) which were lagging behind by 34 to 49 months from the scheduled COD.

The Corporation did not sort out the problems associated with availability of land in respect of its three greenfield projects prior to commencement of their execution which adversely affected the main activities of such projects. Further, completion schedule of associated facilities/packages (viz. CHP, PWS) was not fixed in line with the project completion target for which some units could not achieve COD even after the completion of MPPs.

The required coal was not properly linked and/or arranged in time. Railway infrastructure for transporting the required coal was not developed in line with the completion schedule of the projects and the bottlenecks of the existing facilities were not addressed properly. Thus, availability of coal was not ensured.

Facilities for ash disposal were not created properly resulting in evacuation problems as well as environment degradation.

There was no independent authority to monitor the progress of the execution of the work at the construction level; rather the monitoring was done by the authority responsible for execution of the work indicating lack of effective monitoring in execution of projects.

There was a cost overrun of ₹ 7311 crore (37 *per cent* of the original approved cost) of the XI Plan projects, of which ₹ 3078 crore was on account of delay in execution of the projects. Further, the Corporation lost the opportunity to earn additional return on equity due to delay in completion of the projects.

There was surplus power of 1700 MW out of the total 4700 MW capacity addition in respect of XI Plan projects as the Corporation was not able to allocate the same to the consumers.

Thus, failure of the Corporation in achieving its target of capacity addition during the XI Plan period did not fulfill the objectives of National Electricity Policy of GoI to that extent.

It is worth mentioning that the management did not take any effective measures on the deficiencies pointed out in the Performance Audit Report on the Capacity Addition Programme during the X Plan by the Corporation (refer Para 2.1), as similar nature of deficiencies recurred in execution of the XI Plan projects also.



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**Dated: 17 June 2015**

**Countersigned**



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**Dated: 19 June 2015**