

Overview

This Report contains 12 paragraphs and one performance audit on ‘Tariff, Billing and Collection of Revenue’ by Dakshin Haryana Bijli Vitran Nigam Limited involving a financial effect of ₹ 4,021.21 crore relating to avoidable expenditure, loss of interest, non-safeguarding of the financial interests *etc.* Some of the major findings are mentioned below:

1. About the State Public Sector Undertakings

The State of Haryana had 28 working PSUs (26 companies and two Statutory corporations) and 4 inactive companies. As on 31 March 2018, the Government investment (paid-up capital, long-term loans and grant/ subsidy under Ujwal DISCOM Assurance Yojana) in 32 PSUs was ₹ 30,683.40 crore. The State Government contributed ₹ 16,255.45 crore towards equity, loans and grants/ subsidies in 14 PSUs during 2017-18.

(Paragraphs 1.4, 1.5, 4.6 and 4.11)

Performance of Public Sector Undertakings

Out of 28 working PSUs, 24 PSUs submitted their 35 accounts up to September 2018. Of these, 23 accounts reflected profit of ₹ 1,033.64 crore and 12 accounts reflected loss of ₹ 141.47 crore. Further, as per the dividend policy of the State Government, all PSUs are required to pay a minimum return of four *per cent* on the paid-up share capital contributed by the State Government. Out of profit making PSUs only one PSU declared dividend of ₹ 5 crore.

(Paragraphs 1.7, 4.8.1 and 4.19)

2. Power Sector

A Performance audit of ‘Tariff, Billing and Collection of Revenue’ by Dakshin Haryana Bijli Vitran Nigam Limited was conducted. The important audit findings are as under:

The Company had to bear an additional loss of ₹ 2,703.69 crore during 2013-16 as aggregate technical and commercial losses were more than the prescribed norms of Haryana Electricity Regulatory Commission (HERC). However, the Company has achieved the target of aggregate technical and commercial losses in 2016-18.

(Paragraph 2.1.6.2)

The Company allowed concession of ₹ 14.40 crore during 2005-06 to 2017-18 (June 2017) to women consumers in contravention of the provisions of Electricity Act and tariff orders issued by the HERC from time to time. Further, the Company charged subsidised tariff amounting to ₹ 6.41 crore, without approval of HERC, as a result of which it could not include this amount in its Aggregate Revenue Requirement petitions to the HERC.

(Paragraphs 2.1.7.1 (a) (b) and (c))

The Company supplied excess power of 1,615.70 MUs to unmetered agriculture pumpset consumers for which there was no revenue realisation and the Company had to suffer a loss of ₹ 18.90 crore during 2013-18.

(Paragraph 2.1.7.2 (ii))

The Company short recovered an amount of ₹ 935.91 crore as additional advance consumption deposit from its consumers and resultantly had to bear an avoidable interest burden of ₹ 122.05 crore on increased borrowings.

(Paragraph 2.1.8.5)

The Company suffered loss of ₹ 15.02 crore due to short recovery of minimum monthly charges from the agriculture pumpset metered consumers, fixed charges and under charging of meter rent.

(Paragraphs 2.1.9.1(a, b and d))

The Company could not achieve collection efficiency targets during the last five years ending March 2018 as prescribed by HERC and resultantly recoverable amount had increased from ₹ 4,460.18 crore in March 2014 to ₹ 7,332.70 crore in March 2018.

(Paragraph 2.1.10.1)

Chapter III discusses Transaction audit observations which highlight deficiencies in the management of State Government Companies of power sector, which had serious financial implications. Important findings are as under:

Uttar Haryana Bijli Vitran Nigam Limited

- The Company incurred extra expenditure of ₹ 5.34 crore on purchase of transformer oil by resorting to limited tender enquiry instead of open tenders. The Company could not utilise the inventory of ₹ 198.54 crore due to delay in receiving quality test reports from NABL empanelled laboratories. As on 31 March 2018, shortages of ₹ 1.73 crore were pending investigation.

(Paragraph 3.1)

Haryana Power Purchase Centre

- The Centre failed to include any penal provision in MoU with the Indian Renewable Energy Development Agency for charging interest in case of delayed payment towards generation based incentive claims leading to avoidable burden of interest of ₹ 2.72 crore on power distribution utilities.

(Paragraph 3.2)

Dakshin Haryana Bijli Vitran Nigam Limited

- The Company issued sales circulars which were in contravention of Electricity Supply Code Regulations, 2014, resulting in short recovery of ₹ 99.48 lakh.

(Paragraph 3.3)

3. Non-Power Sector

Chapter V contains Transaction audit observations highlighting deficiencies in the management of State Government Companies and Statutory Corporation of non-power sector. Important findings are as under:

Haryana State Industrial and Infrastructure Development Corporation Limited

- The Company did not collect toll departmentally till the award of toll collection contract resulting in non-collection of revenue of ₹ 5.15 crore.

(Paragraph 5.1)

Haryana Police Housing Corporation Limited

- The Company irregularly reimbursed service tax to contractors and further delayed in lodging refund claim for the same with tax authorities resulting in non-refund of ₹ 3.67 crore.

(Paragraph 5.4)

Haryana Agro Industries Corporation Limited and Haryana State Warehousing Corporation

- Haryana Agro Industries Corporation Limited and Haryana State Warehousing Corporation suffered avoidable interest liability of ₹ 2.39 crore due to delayed/ non-submission of claims of differential rates of reimbursement from Food Corporation of India.

(Paragraph 5.6)

Haryana State Roads and Bridges Development Corporation Limited

- The Company suffered a loss of ₹ 2.05 crore due to non-compliance of safety measures as per the guidelines of Ministry of Road Transport & Highways, Government of India,

(Paragraph 5.8)