

## CHAPTER XIII : MINISTRY OF POWER

### **Badarpur Thermal Power Station**

#### **13.1 Irregular provision of leased residential accommodation to executives resulting in avoidable recurring/financial implication**

##### **Leased residential accommodation was provided to BTPS executives in violation of rules resulting in avoidable expenditure of lease rent.**

Badarpur Thermal Power Station (BTPS), owned by Government of India is being managed by NTPC since 1 April 1978 on an agency basis. As per the agreement between Government of India and NTPC executed in 1978, all employees on the roll of BTPS as on that date were to be governed by the rules and regulations applicable to the employees of NTPC. Rules of NTPC regarding allotment of residential accommodation to executive staff provide for subsidised leased residential accommodation only at places where it does not have a township.

BTPS, Delhi has its own township with 1197 quarters including 529 quarters meant for executive category of employees. As of March 2004, BTPS had a strength of 347 executives. Out of the 529 executive quarters available for allotment, only 107 quarters were occupied by BTPS executives. Of the remaining 422 executive quarters, 66 were allotted to supervisors, 289 to workmen, 19 to outsiders and nine to others. The balance 39 quarters were lying vacant as of March 2004.

By allowing its executives to stay in leased accommodation in Delhi, BTPS had incurred an expenditure of Rs. 8.70 crore during 1999-2003. In as many as 210 cases, executives had been allowed self leases. The payment of lease rent was not justified in view of the availability of quarters in the township of BTPS.

While accepting the facts, BTPS in June 2004 stated that leased accommodation had been provided to the executives on family compulsion such as wives' employment and children's education in nearby areas. It also stated that after expiry of the lease period, all such cases would be reviewed and corrective measures where necessary would be taken to safeguard the interest of BTPS.

The Ministry replied in October 2004 stating that the leased accommodation to the executives of BTPS had been provided as per the policy guidelines of the Corporate Centre, NTPC. The reply is not tenable as the policy guidelines specifically stipulate for providing subsidised residential accommodation to executives only in cities where the company does not have its own residential township.

Thus, providing leased accommodation to the executives was in contravention of rules, which resulted in an avoidable expenditure of Rs. 8.70 crore between 1999 and 2003.