

CHAPTER VI : MINISTRY OF ENVIRONMENT AND FOREST

6.1 Excess expenditure on power consumption

Failure of Tropical Forest Research Institute to take corrective action to reduce the demand for power not actually required by them resulted in excess expenditure of Rs. 20.39 lakh (March 1997 to May 2006) on the power consumption.

Tropical Forest Research Institute (TFRI), Jabalpur (erstwhile Institute of Deciduous Forests), an autonomous body under the Ministry of Environment and Forests, entered into an agreement with Madhya Pradesh Electricity Board (MPEB) in September 1992 for supply of 250 KVA electricity for the office-cum-laboratory building for a period of two years and on continued basis thereafter unless terminated by giving a three months notice. As per MPEB tariff schedule, the billing demand for a month was to be the actual maximum demand recorded during the month or 75 per cent of the contract demand whichever was higher.

Audit examination disclosed (March 2005) that though the monthly consumption of electricity from March 1997 to December 1998 ranged between 62.4 KVA and 169.6 KVA and never reached the contracted demand, TFRI requested MPEB in January 1999 to enhance the contract demand from 250 KVA to 400 KVA in view of construction of new buildings. The contract demand was accordingly revised upwards to 400 KVA with effect from July 2000. Review of consumption of electricity from July 2000 to November 2005 by Audit revealed that TFRI registered a maximum demand between 106.03 KVA and 220 KVA against the contract demand of 400 KVA. Though TFRI was registering less demand, it was paying for 188 KVA from March 1997 to June 2000 (except in May 2000) and 300 KVA from July 2000 to February 2005 being 75 per cent of the contract demand.

On this being pointed out by Audit in March 2005, TFRI requested MPEB in July 2005 to reduce the contract demand from 400 KVA to 250 KVA and MPEB accordingly reduced the contract demand to 250 KVA from June 2006. In the meantime, TFRI incurred excess expenditure of Rs. 20.39 lakh¹ on account of demand not actually utilised.

¹ Rs. 3.07 lakh for the period March 1997 to June 2000 and Rs. 17.32 lakh for the period July 2000 to June 2006.

The Ministry stated in September 2006 that enhancement of contract demand from 250 KVA to 400 KVA was as per the estimates of MPEB and therefore, it would not be appropriate to fault TFRI on this count. The reply of the Ministry was not tenable as the actual demand was always much less than the contracted demand and therefore, TFRI should have reviewed and approached MPEB in time for downward revision of the contract demand. The contract demand was reduced only at the instance of Audit in June 2006 i.e. after a lapse of six years from the enhancement of the contract demand.

Thus failure of TFRI to take timely corrective action to reduce the demand for power resulted in excess expenditure of Rs. 20.39 lakh on power consumption during March 1997 to May 2006.