

Preface

Damodar Valley Corporation (Corporation) was set up in July 1948 under the Damodar Valley Corporation Act, 1948 with the objective of securing unified development of the Damodar river valley falling within the states of Bihar and West Bengal. With the formation of the state of Jharkhand in November 2000, the Central Government in exercise of the powers conferred by Section 85 of the Act, amended it by way of Gazette Notification (November 2002) to replace the state of Bihar with Jharkhand.

Apart from flood control and irrigation, the Corporation is mainly engaged in generation and distribution of power. The Corporation planned (February 2009) to add power generation capacity of 6250 MW during XI plan period through five projects of 4700 MW on its own and two projects of 1550 MW through the Joint venture route. In addition to the above, there were ongoing four units of 1000 MW, which were spill over projects of the X Plan. However, during the XI plan period the Corporation could commission only 1025 MW (one unit of 500 MW for its own project and another unit of 525 MW by Joint Venture) resulting in shortfall of 5225 MW. All the spill over projects of the X Plan were commissioned during the XI Plan Period.

In the above backdrop, performance audit was taken up to assess whether the projects and contracts were managed with due economy, efficiency, effectiveness and in compliance with established guidelines. The performance audit also attempts to assess whether the objectives set out in the capacity addition programme were achieved by the Corporation.

The Audit Report has been prepared in accordance with the Performance Audit Guidelines 2014 and Regulations on Audit and Accounts, 2007 of the Comptroller and Auditor General of India.

Audit wishes to acknowledge the co-operation received from the Corporation and Ministry of Power, Government of India at each stage of the audit process.