

CHAPTER XVII : MINISTRY OF POWER

Bhakra Beas Management Board

17.1 Irregular payment of Compensatory Allowance

Continued payment of Compensatory Allowance after adoption of pay scales of PSEB resulted in irregular expenditure of ₹ 2.56 crore during 2014-15 to 2015-16.

The Bhakra Beas Management Board (BBMB) in its 143rd meeting held on 19 July 1991 decided to adopt the Punjab State Electricity Board (PSEB) - now Punjab State Power Corporation Limited-PSPCL - pay scales, as revised from time to time, as the pay scales for all the employees working in BBMB. The BBMB also decided that allowances/concessions sanctioned by PSEB from time to time would be adopted by it in future.

A test check of various allowances paid to the employees in eight units of BBMB brought out that the employees were drawing Compensatory Allowance in addition to the pay and allowances as per the pay scales/allowances of PSEB. Though the compensatory allowance was being paid to the employees of BBMB before adoption of pay scales of PSEB, its continued payment after July 1991 was irregular. PSPCL had also clarified (July 2014) that there was no provision to allow compensatory allowance to its employees. The irregular expenditure towards payment of compensatory allowance during 2014-15 to 2015-16 in the eight units¹ covered in audit worked out to ₹ 2.56 crore.

Management stated (July 2017) that the Board was competent to grant pay and allowances to its employees and payment of compensatory allowance was approved by the Board of BBMB in August 1978.

The reply is not tenable since compensatory allowance ceased to exist as an admissible allowance after July 1991 as BBMB adopted pay scales/allowances of PSEB for its employees in July 1991 and compensatory allowance was not paid in PSEB/PSPCL. Thus, continued payment of compensatory allowance after adoption of pay scales of PSEB resulted in irregular expenditure of ₹ 2.56 crore during 2014-15 to 2015-16.

The matter was referred (May 2017) to Ministry of Power; its reply was awaited as of December 2017.

¹ (i) Director Design, Nangal: ₹ 9.81 lakh, (ii) FA&CAO, Nangal: ₹ 25.74 lakh, (iii) RE Ganguwal and Kotla Power House Division Ganguwal: ₹ 48.61 lakh, (iv) Chief Engineer (Generation), Nangal: ₹ 9.50 lakh, (v) Store Procurement and Disposal Division, Talwara: ₹ 12.76 lakh (vi) Store Procurement and Disposal Division, Sunder Nagar: ₹ 33.23 lakh, (vii) Chief Engineer Beas Project, Talwara: ₹ 15.80 lakh and (viii) Building Construction and Township Division, Nangal: ₹ 100.60 lakh.