

CHAPTER V

OTHER TAX AND NON-TAX RECEIPTS

5.1 Results of Audit

Test check of records of offices of the following Departments²⁵⁵ conducted during the year 2016-17 revealed underassessment of tax and other irregularities involving ₹ 123.19 crore in 118 cases, which broadly fall under the categories as given in **Table 5.1**:

Table 5.1: Results of Audit

Sl. No.	Category	No. of cases	Amount (₹ in crore)
I	ENERGY DEPARTMENT		
1.	Functioning of Chief Electrical Inspectorate to Government of Telangana	01	91.10
II	REVENUE DEPARTMENT		
	A. LAND REVENUE		
	Revenue Receipts		
1.	Short levy of Water Tax	03	0.55
2.	Non-levy of interest on arrears of Water Tax	22	0.26
3.	Non-levy/short levy of Conversion Tax and Penalty on conversion of Agricultural Land for Non-agricultural purpose	23	2.26
4.	Non-levy of Road Cess	03	0.19
5.	Non-realisation of Cost of Land alienated	03	0.12
6.	Other Irregularities	04	0.15
	Revenue Expenditure		
1.	Incorrect Refund of Stamp Duty	02	0.01
	B. STATE EXCISE		
1.	Short levy of Annual Licence Fee	03	21.83
2.	Non-levy of Additional Licence Fee	04	0.14
3.	Non/short levy of Interest on belated payment of Licence Fee	06	0.02
4.	Short levy of Transfer Fee	02	0.06
5.	Short levy of Stamp Duty on Lease Deeds	03	0.01
6.	Other irregularities	07	0.18
III	INDUSTRIES AND COMMERCE DEPARTMENT		
	MINES AND MINERALS		
1.	Non-raising of demand for arrears of District Mineral Fund	06	5.73
2.	Non-raising of demand for arrears of State Mineral Exploration Trust	06	0.11
3.	Short levy of Royalty	11	0.41
4.	Short levy of dead rent	03	0.03
5.	Other irregularities	06	0.03
Total		118	123.19

²⁵⁵ Number of offices under Industries & Commerce (Mines and Geology) Department: 10; Energy Department: 06; Land Revenue Department: 86; Prohibition & Excise Department: 23.

During the year 2016-17, the Department accepted underassessment and other deficiencies of ₹ 44.57 crore in 28 cases of which 13 cases involving ₹ 44.49 crore were pointed out during the year 2016-17 and the rest in earlier years. An amount of ₹ 20.69 lakh in 20 cases was realised during the year 2016-17. A few illustrative cases, involving ₹ 91.68 crore, are discussed in the succeeding paragraphs.

REVENUE DEPARTMENT

LAND REVENUE

5.2 Non/ Short levy of Water Tax

As per Section 3 of Telangana Water Tax Act, all Government sources of irrigation classified as major and medium projects shall be regarded as category-I and all other sources, which are capable of supplying water for not less than four months in a year shall be regarded as category-II. The rate of water tax for first or single wet crop in a *fasli*²⁵⁶ under category-I is ₹ 200 per acre and the rate for second wet crop of that *fasli* is ₹ 150 per acre. For category-II source, ₹ 100 per acre is to be adopted for first/single wet crop or second crop. Category-I rates are applicable to the crops irrigated with water under lift irrigation schemes.

Government (erstwhile A.P) in their orders²⁵⁷ laid down the procedure for raising water tax demand. As per this procedure, Executive Engineers of Project areas/ irrigated sources are required to communicate the extent of area irrigated for fixation of water tax demand by Tahsildar. In case of variation between actual area irrigated as indicated by Irrigation Department and that of Revenue Department, *Joint Azmoish*²⁵⁸ should be done and the actual figures of area irrigated should be arrived at.

During scrutiny of village accounts (between January and August 2016) of four Tahsildars²⁵⁹ offices, Audit observed²⁶⁰ that as per *Joint Azmoish* statement, water tax at the rate of ₹ 200 per acre amounting to ₹ 13.73 lakh was to be levied on 6,867 acres for the *fasli* year 1422. The demand of only ₹ 12.67 lakh was finalised by *jamabandi* officer. This resulted in short levy of water tax amounting to ₹ 1.06 lakh.

In office of Tahsildar, Itikyal, water tax was short levied for the *fasli* years 1414 to 1419 due to application of incorrect rate of water tax. Tahsildar had levied water tax at the rate of ₹ 100 per acre instead of ₹ 150 per acre for second wet crop on the irrigated extent of 1408.52 acres. This had resulted in short levy of water tax of ₹ 0.70 lakh.

²⁵⁶ *Fasli* year means the period of 12 months from 1 July to 30 June. Adding 590 to *fasli* year one can get the corresponding calendar year.

²⁵⁷ G.O.Ms.No.115, Revenue (LR.3) Department, dated 13 February 2001. G.O.Ms.No. 96, Irrigation & C.A.D (Gen.IV-2) Department, dated 08 June 2007.

²⁵⁸ *Joint Azmoish* means joint inspection of irrigated land conducted by Irrigation, Agriculture and Revenue Departments.

²⁵⁹ Dandepally, Itikyal, Kalluru and Lokeswaram.

²⁶⁰ Tahsildar, Dandepally.

In office of Tahsildar, Kalluru, water tax of ₹ 8.64 lakh was levied instead of ₹ 11.58 lakh due to non-adoption of reconciled extent of 6,828 acres of area irrigated for the *fasli* year 1421. This resulted in short levy of water tax of ₹ 2.94 lakh.

Audit noticed in office of Tahsildar, Lokeswaram that water tax demand raised for the *fasli* years 1418 to 1421 was finalised in three villages. The *jamabandi* officers did not include an extent of 29,350 acres irrigated through lift irrigation schemes. This resulted in non-levy of water tax of ₹ 53.78 lakh.

Thus, the total non/ short levy of water tax amounted to ₹ 58.48 lakh for the *fasli* years from 1414 to 1422 (1 July 2004 to 30 June 2013).

After Audit pointed out these cases, all the Tahsildars replied that the matter would be examined and detailed reply furnished to Audit in due course.

The matter was referred to the Department in June 2016 and May 2017 and to the Government in May 2017; replies have not been received (December 2017).

ENERGY DEPARTMENT

5.3 Detailed Compliance Audit Report on “Functioning of Chief Electrical Inspectorate to Government of Telangana”

5.3.1 Introduction

Section 36 of Indian Electricity Act 1910 requires a Chief Electrical Inspectorate (CEI) to provide guidelines for usage of power at various voltages. An independent Chief Electrical Inspector to Government (CEIG) was created (1968) for the State, upgraded (July 1976) to the rank of Chief Engineer. Government of erstwhile Andhra Pradesh also notified (2011)²⁶¹ CEIG to perform such functions as specified in the Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2010. The Andhra Pradesh Electricity Duty Act, 1939 and rules made there under have been adapted²⁶² by the State of Telangana with effect from 2 June 2014.

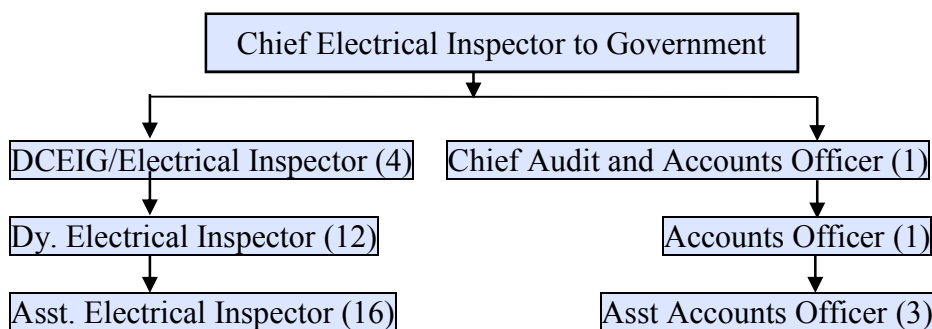
The CEIG’s responsibilities include:

- Enforcement of Electricity Act, 2003 and rules made there under involving fresh approval for High Tension (HT) electric installations and their periodical inspections to ensure safety aspects.
- Implementation of quality control of electric goods (Quality Control) order 2003.
- Levy and collection of electricity duty under Electricity Duty Act 1939 (amended in 1994) and Rules made there under from the licensees on the sales of energy effected by them.
- Issue of licenses to electricians, wiremen, electrical contractors and cinema operators.

The Organisational set up of Chief Electrical Inspectorate of Telangana State is depicted below:

Organisational Chart

Chart No: 5.1



²⁶¹ G.O Ms. No.43, Energy (Services) Department, dated November 19, 2011. Electricity Act 2003, provided that the State Government may, by notification appoint duly qualified persons to be CEI who shall exercise powers and performs functions as may be prescribed.

²⁶² G.O.Ms.No.45, Law (F) Department, dated 6 January 2016.

5.3.2. Audit Framework

Audit was conducted (between January and February 2017) for the years 2013-14 to 2015-16. The offices covered were the office of Chief Electrical Inspector to Government, Hyderabad, two Deputy Chief Electrical Inspector offices²⁶³, one Electrical Inspector office²⁶⁴ and two Deputy Electrical Inspector offices²⁶⁵, to ensure whether:

- Electricity Duty was correctly levied and collected from the licensees,
- The provisions relating to safety and quality control were being implemented.

The offices were selected on the basis of the number of High Tension installations in their jurisdiction. Audit findings were benchmarked against the criteria sourced from the Electricity Act, 2003 and Indian Electricity Rules 2005, the Central Electricity Authority (Measures relating to safety and electric supply) Regulations 2010, the A.P. Electricity Duty Act 1939 and Rules made there under and the Electrical Wires, Cables, Appliances and Accessories (Quality Control) Order, 2003.

The replies of the Government to the audit observations have been incorporated in the report.

Audit Findings

Audit findings are summarised below:

5.3.3 Levy and collection of electricity duty

5.3.3.1 Restructuring of State Electricity Board

Andhra Pradesh State Electricity Board was functioning under the Government of Andhra Pradesh since 1 April 1959. It was restructured with effect from 1 February 1999 as two corporations, Andhra Pradesh Power Generation Corporation Limited (APGENCO) and Transmission Corporation of Andhra Pradesh Limited (APTRANSCO); the APTRANSCO was further unbundled into a Transmission Company and four Distribution Companies²⁶⁶ (DISCOMs). Telangana State Power Coordination Committee (TSPCC) was formed²⁶⁷ for examining commercial issues related to bulk supply, all legal issues related to Independent Power Producers (IPPs), to review the energy

²⁶³ Hyderabad and Hyderabad Rural.

²⁶⁴ Nizamabad.

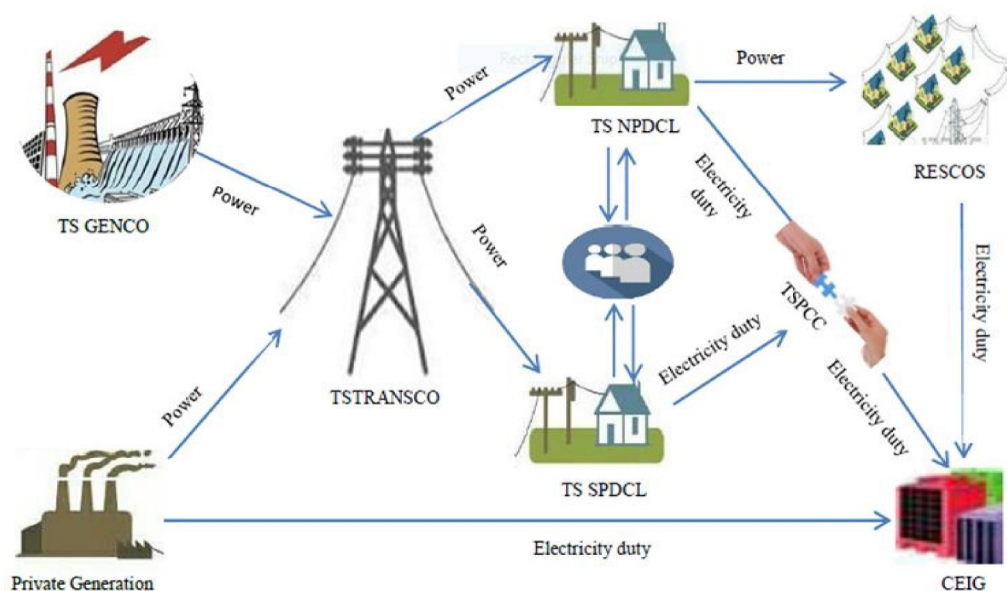
²⁶⁵ Warangal and Nalgonda.

²⁶⁶ Northern Power Distribution Company of Andhra Pradesh Limited (APNPDCL) later re-organised as TSNPDCL (Telangana State Northern Power Distribution Company Ltd) w.e.f June 2014; Southern Power Distribution Company of Andhra Pradesh Limited (APSPDCL); Central Power Distribution Company of Andhra Pradesh Limited (APCPDCL), later re-organised as TSSPDCL (Telangana State Southern Power Distribution Company Ltd) w.e.f June 2014 and Eastern Power Distribution Company of Andhra Pradesh Limited (APEPDCL)

²⁶⁷ Vide G.O.Ms.No.21, Energy (Services) Department, Government of Andhra Pradesh dated 12 May 2014.

accounting and billing for inter-utility trading of power. The Chart illustrates the setup that existed for supply of electricity as well as levy & collection of electricity duty from DISCOMs, Private Generating Companies and RESCOS²⁶⁸.

POWER SUPPLY AND ELECTRICITY DUTY PAYMENT



As per section 3(1) of Andhra Pradesh Electricity Duty Act, 1939 read with Government Order²⁶⁹ Electricity Duty is calculated at the rate of six paise per unit of energy and is payable in respect of all sales of energy (except sales to privileged customers).

The DISCOMs collect Electricity Duty from consumers based on the meter readings. The TSPCC is entrusted with collection of Electricity Duty from DISCOMs. A monthly statement with details on such provisional bill is sent by the DISCOMs to TSPCC along with the challans. The DISCOM wise Electricity Duty challans are sent to CEIG by TSPCC along with DISCOM wise statements of consumption particulars.

The final Electricity Duty dues from DISCOMs were, however, worked out based on audit of the accounts of DISCOMs by the CEIG. Demand notices on additional dues of Electricity Duty, if any, with reference to the audit are raised on the DISCOMs by the CEIG.

5.3.3.2 Electricity duty collected from consumers but not remitted

Audit noticed that the DISCOMs have stopped to remit Electricity Duty to the TSPCC from November 2014. The reasons were that the Electricity Duty payable by the DISCOMs were to be adjusted against the payments receivable from the Government as compensation on subsidies towards free supply power to agriculture farmers, electricity consumption charges due from Government,

²⁶⁸ Rural Electric Co-Operative Society.

²⁶⁹ G.O Ms No.277 Energy & Forest Department, dated 09 December 1994.

etc. This issue was pending since November 2014 and could not be settled by either TSPCC or the CEIG. As a result, out of ₹ 268.51 crore due as Electricity Duty from the DISCOMs during the period November 2014 to March 2016, ₹ 223.67 crore was remitted to Government account only in March 2017, with delay ranging from 12 to 26 months.

The mechanism of TSPCC as an intermediary between DISCOMs and CEIG failed to resolve the issue of Electricity Duties. Thus, it would merit a re-look into the advantages of having such mediation as it failed to resolve the collection of Electricity Duties from the DISCOMs. Government stated in reply (January 2018) that it would be more appropriate if the licensees were themselves involved in payment of Electricity Duty to minimise the duplication of work for early realisation of Electricity Duty.

5.3.3.3 Short levy of Electricity Duty due to non-adoption of audited figures

The final Electricity Duty due from DISCOMs was required to be worked out on the basis of audited figures. Short levy of Electricity Duty with reference to the payments as per the provisional return should be demanded from DISCOMs through TSPCC.

Audit observed that the Electricity Duty of ₹ 454.59 crore²⁷⁰ was due from the DISCOMs²⁷¹ as per the audited figures of CEIG. Against this, an amount of ₹ 186.08 crore was paid by the TSPCC and an amount of ₹ 268.51 crore was due. However, the CEIG raised a demand for ₹ 225.68 crore only. The short demand of Electricity Duty of ₹ 42.83 crore was due to adoption of provisional figures furnished by TSPCC without reconciling them with the audited figures.

After Audit pointed out, the Government replied (January 2018) that revised demand notice for ₹ 285.32 crore was issued on DISCOMs in March 2017 including penalties for non-receipt of monthly returns and Electricity Duty payments within the stipulated time.

5.3.3.4 Incorrect adjustment of Electricity Duty

The CEIG raised demand (December 2015) of ₹ 125.51 crore on DISCOMs through TSPCC, for the period 2014-15. Out of the above, CEIG adjusted ₹ 32.81 crore on the ground that excess Electricity Duty was received from TSPCC up to 2013-14. On verification of duty related files, it was revealed that the TSPCC had already settled Electricity Duty to the end of 2012-13 duly reconciling the amounts payable to the Government with audited annual accounts. Further, for the year 2013-14, the TSPCC had actually short remitted the Electricity Duty amounting to ₹ 1.15 crore. The adjustment of duty was done unilaterally by the CEIG without any request from TSPCC. This resulted in short demand of Electricity Duty of ₹ 32.81 crore.

²⁷⁰ ₹ 83.25 crore (TSNPDCCL) + ₹ 371.34 crore (TSSPDCL).

²⁷¹ For the period 2013-14 to 2015-16.

After Audit pointed out, the Government replied (January 2018) that revised demand notice for ₹ 285.32 crore was issued on DISCOMs in March 2017 including penalties for non- receipt of monthly returns and Electricity Duty payments within the stipulated time.

5.3.3.5 Short-levy of Electricity Duty on sale of electricity through Open Access

Open Access means the non-discriminatory provision for the use of transmission lines or distribution system or associated facilities with such lines or system by any licensee or consumer or a person engaged in generation in accordance with the regulations specified by the Appropriate Commission.

Electricity Duty is leviable on intra-state sale of energy and is not leviable on Inter-State sale of energy.

The private generators of electricity are to be billed by CEIG for electricity Duty based on the meter readings at the generators. There were other generating companies selling power through third parties who used the Open Access. Sale arranged through third parties is determined based on the meter readings by DISCOMs at the exit point of the distribution network.

- (i) Review of audited²⁷² records of DISCOMs revealed that 1468 Million Units (MU) of energy were sold by private generating companies through open access to various consumers. Electricity Duty recoverable towards supply through open access by the generating companies worked out to ₹ 8.81 crore at six paise per unit. The same was not demanded from the private generating companies.

The Government replied (January 2018) that the trader/ exchange was addressed for ascertaining energy particulars purchased and sold in open access to examine whether the same were inter-state sales or intra-state sales, as inter-state sales do not attract Electricity Duty. The reply is not acceptable as the wheeling of electricity²⁷³ was done through TRANSCO which is a State Government Company. Out of the 1468 Million Units (MU) of energy sold by private generating companies, Audit obtained the details of intra-state sales by private generating companies from the State Load Dispatch Centre (SLDC) of TRANSCO, which showed 365.85 MU intra-state sale of energy for the period from June 2014²⁷⁴ to March 2016. Therefore, the CEIG failed to collect electricity duty amounting to ₹ 2.20 crore on 365.85 MU intra-state sale of energy, on the pretext of not being able to ascertain break up between intra-state and inter-state transmission even though the details were available with TRANSCO. The Government replied (January 2018) that TRANSCO was addressed (March 2017) in this matter.

- (ii) Andhra Pradesh Gas Power Corporation Limited (APGPCL) is a Power Generating Company established under Public Private

²⁷² By CEIG during 2013-14 to 2015-16.

²⁷³ Wheeling of Electricity means transmission of energy produced by private generating companies using TRANSCO lines or distribution system.

²⁷⁴ Details were available with SLDC from the date of bifurcation of the State.

Partnership mode. Sale of energy to its shareholders amounted to captive consumption and was exempted from payment of duty.

The corporation sold 881.70 million units of energy to private parties (other than share holding companies). Audit noticed (February 2017) that duty of ₹ 5.29 crore leviable on sale of energy was not levied.

Thus, CEIG did not levy electricity duty of ₹ 14.10 Crore on private generating companies using Open Access for the period from 2013-14 to 2015-16.

Reply of the Government had not been received (December 2017).

5.3.3.6 Electricity Duty pending realisation

The private generators of electricity are to be billed by CEIG for Electricity Duty based on the meter readings at the generators. Scrutiny of the records of the CEIG revealed that arrears of Electricity Duty from 23 private generating companies engaged in sale of electricity as on March 2016 worked out to ₹ 133.01 Crore as detailed in **Table 5.2** below:

Table 5.2
Electricity Duty Arrears

(₹ in crore)	
Private Companies	Arrears of Electricity Duty Due
12 Captive Generating companies who sold energy as well as used for captive consumption ²⁷⁵	84.54
11 Private Generating companies who sold energy	48.47
Total arrears of electricity duty	133.01

Non-collection of dues resulted in blocking up of Government revenue of ₹ 133.01 Crore. CEIG replied (February 2017) that demand notices were issued (June 2016 and February 2017) to the generating companies. Government stated (January 2018) that 11 Captive Generating Companies had approached (May 2016) Hon'ble Supreme Court against the Judgment issued by Hon'ble High Court.

Thus, CEIG had not recovered Electricity Duty arrears from 23 generating companies for the period 2013-14 to 2015-16 amounting to ₹ 133.01 crore. In addition, CEIG did not levy Electricity Duty due from private generating companies using Open Access for the same period which amounted to ₹ 14.10 crore.

²⁷⁵ Consumption of electricity for its own use by a power generating company.

5.3.3.7 Short payment of Electricity Duty by RESCOS, Siricilla

The Rural Electric Supply Co-operative Society (RESCOS) in Telangana draw power from DISCOMs and sell it to their consumers in the respective areas. The society makes payment of Electricity Duty directly to the CEIG on sales made by them.

RESCOS, Siricilla in their monthly reports had disclosed receipt of 1594.49 MU of energy from a DISCOM, TSNPDCL for 2013-14 to 2015-16. On verification of Annual Accounts of TSNPDCL, Audit found that the actual supply was 1821.14 MU to RESCOS, Siricilla. Thus, 226.65 MU was short accounted in the books of RESCOS on which Electricity Duty at 6 paise per unit amounted to ₹ 1.36 crore. The Government replied (January 2018) that RESCOS, Siricilla was addressed (May 2017) to clarify the difference of units.

5.3.4 Safety and Quality Control

CEIG is responsible for enforcement of Electricity Act, 2003 in Telangana with regard to approval for new High Tension (HT) electric installations and their periodical inspections to ensure safety. The CEIG is required to ensure that all the Electrical Installations in the State are designed, installed and maintained as per the relevant Safety Codes and standards. The main purpose of this inspection is to ensure safety of the electrical installations and prevention of electrical accidents.

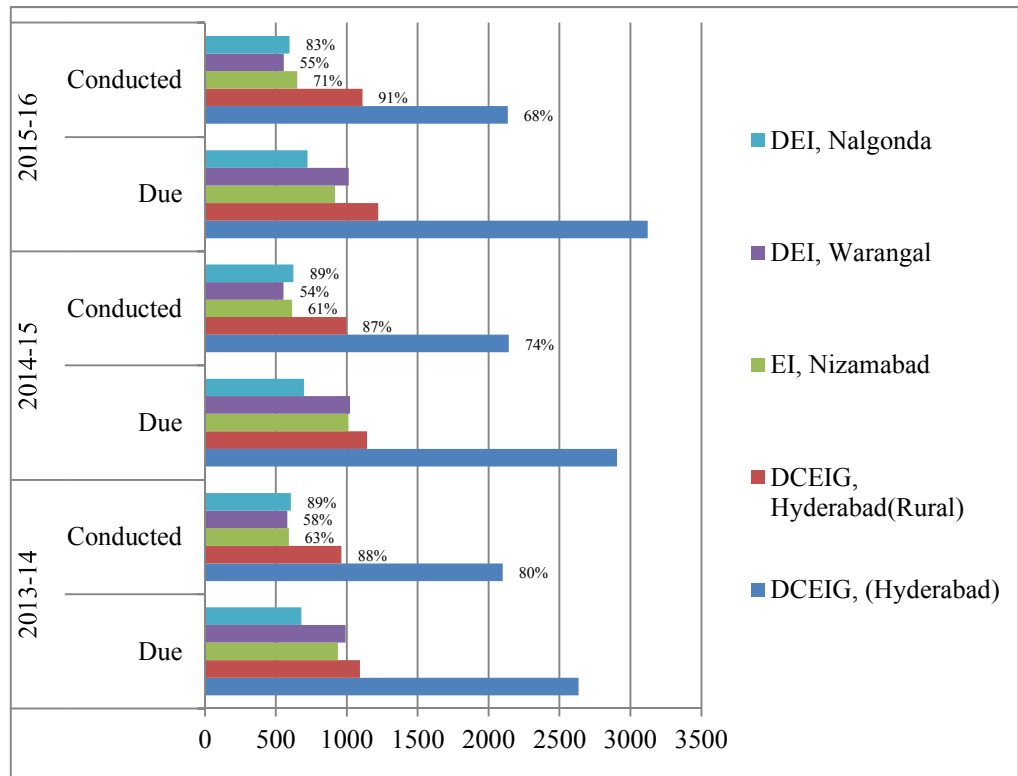
The Report of the Working Group on Power for 12th Plan in January 2012 also opined that states should ensure that the institution of Chief Electrical Inspectorate to Government is strengthened so that quick and timely approvals are given. Taking into account the practical difficulties in view of the growing number of connections and the shortage of staff, CEA should work out a scheme of delegation of authority of mandatory inspections, including self-certification. This would be in consonance with liberalization of bureaucratic control without compromising system safety and suggest possible steps for strengthening of Chief Electrical Inspectors institutions which may be adopted by the state Governments.

5.3.4.1 Short fall in conducting periodical inspections of HT installations

As per Regulation 30(1) of the Central Electricity Authority (Measures Relating to Safety & Electric Supply) Regulations, 2010, every electrical installation exceeding 650V shall be inspected on annual basis. Failure to pay the inspection fee, makes a person liable for a penalty of a maximum of ₹ 20,000 as well as disconnection of power under the direction of the Electrical Inspector.

During test check of records relating to five offices it was noticed that there was short fall of periodical inspections relating to HT installations. The inspections conducted ranged between 54 *per cent* and 91 *per cent* as can be seen from the Graph below:

Graph No:-5.1
Inspection of HT Installations



Source: Periodical inspection report of the Department

The Government replied (January 2018) that inspections were not conducted due to non-receipt of the inspection fees from the consumers. Notices had been issued including the levy of penalties and forwarded to DISCOMs to disconnect the services. The reply was not tenable as periodical inspections have to be conducted as a preventive measure for safety of the unit to avoid loss of property and human lives in the event of any accident. The penal provisions viz., levy of penalty for non-payment of fees and disconnection of electric supply, as envisaged vide Government Order²⁷⁶, were also not enforced on defaulting owners.

It was further noticed that in respect of 57 cases (EI, Nizamabad-(7) and DEI, Nalgonda-(50)) though inspection fee was collected from the installation owners, the proof of conducting the inspection was not available on record. It was replied (February 2017) by EI/ DEI concerned that the reports were not readily traceable, indicating lack of follow up action on inspection reports which are important in monitoring the corrective measures taken by the installation owners. The statistics published by State Disaster Response and Fire Service Department indicated that the electrical accidents in respect of electrical installations increased from 133 to 205 from 2013-14 to 2015-16 (54 per cent increase) which underlines the importance of periodical inspections.

²⁷⁶ G.O Ms No.8 of Energy (Services) Department of Government of Andhra Pradesh, dated 13 February 2012.

5.3.5 Non-receipt of Compliance Reports on inspections

As per Government Order²⁷⁷ of February 2012, failure to rectify the defects in installations pointed out by the Electrical Inspector within the prescribed time, is punishable with fine which may extend to five hundred rupees. If the breach is continued, further fine is leviable which may extend upto fifty rupees per day after the first breach during which such breach continued.

Test check of periodical inspection files relating to 100 HT installations each in four offices for the period from 2013-14 to 2015-16 showed that no compliance reports were received from 10, 12, 24 and 96 (3 per cent, 4 per cent, 8 per cent and 32 per cent) installation owners in respect of DCEI/ EIs Nizamabad, Warangal, Hyderabad and Nalgonda respectively. The defects pointed out related to Earthing (72), Transformer oil(114), BIS standards(8), Rusted parts(18), Rubber matting(34), 3 pins and sockets(14), others (316) such as lack of fire protection equipment(20), Instruction charts(24), vegetation growth(16) etc. It was important to note that these installations included six Hospitals and three Cinema Halls which are more prone to human casualties in the event of any fire accidents. The Government replied (January 2018) that to avoid harassment of consumers, reforms and liberalization had been undertaken in the field of electricity, due to which compliances were not insisted upon. Further added that they were requested to comply with the defects continuously. The reply is not acceptable in view of the seriousness of the defects pointed out as indicated above.

5.3.5.1 Verification of quality of electrical appliances

Under Clause 2(b) of the Electrical Wires, Cables, Appliances and Protection Devices and Accessories (Quality Control) Order, 2003, read with Government Order²⁷⁸ of December 2003, CEIG is empowered to call for samples of electric appliances, cables etc., from manufacturers, enter and search any premises, seize them, if they are not of specified standards.

Audit observed that no search operations were conducted by any of the offices, which was attributed to over-load of work. It was also observed that the CEIG, neither had any action plan nor targets for periodical inspections to prevent manufacture and sales of sub-standard or spurious electrical appliances.

The Government replied (January 2018) clarification has been sought from Bureau of Indian Standards.

5.3.6 Inadequate Resources

Audit scrutinized the files relating to HT installations required to be inspected annually. It was noticed that the staff available for inspections in test checked offices²⁷⁹ was inadequate as detailed in **Table 5.3** below:

²⁷⁷ G.O.Ms.No.8, Energy (Services) Department, dated 13 February 2012.

²⁷⁸ G.O.Ms.No.138, Energy (PR.II) Department, dated 9 December 2003.

²⁷⁹ DCEIG, Hyderabad, DCEIG, Hyderabad (Rural), EI, Nizamabad and DEI, Warangal.

Table 5.3
Manpower

Name of the office	No. of installations	No of DEIs/AEIs	Average installations to be inspected by each official
DCEIG, Hyderabad	3121	6	520
DCEIG, Hyderabad Rural	1221	4	305
EI, Nizamabad	917	2	458
DEI, Warangal	1015	2	507
DEI, Nalgonda ²⁸⁰	723	0	--
Total	6997	14	466

There were 14 Deputy Electrical Inspectors / Assistant Electrical Inspectors who are required to conduct annual inspection of HT installations numbering 6,997: the average ranging from 305 to 723 installations per one DEI/AEI per year. The Government replied (January 2018) that after review of the workload of the department, proposals had been submitted for creation of additional posts and it was under active consideration.

Thus, lack of adequate technical manpower impeded the achievement of targeted objective of conducting periodical inspections. This has been confirmed by the Government in their reply.

Periodical trainings/ skill development programs to the technical staff enhances working knowledge which enables application of advanced techniques in inspection of installations and appliances. The Government informed (January 2018) that no skill development programmes were conducted during the years 2013-14 to 2015-16, however regular interactive discussions were held in the department to update the technical skills.

5.3.7 Internal Control and Monitoring

Periodical returns are prescribed for submission to CEIG by subordinate offices. Audit found that they were mainly on administrative matters rather than on technical issues.

Audit also noticed that departmental inspections conducted on subordinate offices by the CEIG was not effective. The inspection reports were communicated in routine format and did not cover technical issues like compliance reports on statutory inspection of HT installations etc.

The Government replied (January 2018) that the periodical returns were reviewed and found adequate, however the provision for the receipt of compliance to periodical and statutory inspections would be included in the format.

²⁸⁰ DEI Mahaboobnagar is holding additional charge as DEI Nalgonda and hence shown as vacant.

5.3.8 Lacunae in the Act

5.3.8.1 Absence of Lifts Act

The States of Maharashtra, Karnataka, Kerala, etc., had enacted Legislation, regulating the lifts and escalators and framed rules thereunder. The Chief Electrical Inspector was appointed as Chief Electrical Inspector for Lifts, Escalators and Passenger Conveyers, to exercise the powers and to perform the functions under the said Act.

There were no provisions in Andhra Pradesh Electrical Inspectorate (Measures relating to Safety and Electric Supply) Order²⁸¹, 2011 as adopted by Telangana Government relating to 'Lifts' for the safety of the users. There was no separate Lift/Escalators Act enacted by the State.

The Government replied (January 2018) that proposals had been submitted for approval of Telangana Lift and Escalators Act.

5.3.8.2 Absence of provisions to levy interest

The Andhra Pradesh Electricity Duty Act (APEDA) 1939 and the APEDA as adapted by Telangana Government did not have provisions to levy interest for belated payment of electricity duty.

The Government replied (January 2018) that proposals had been submitted for approval of Telangana Electricity Duty Act and Rules.

²⁸¹ G.O.Ms. No. 42, dated 19 November, 2011.

Conclusion

The mechanism for timely remittance of Electricity Duty collected by the DISCOMs to the government account was ineffective. There was delay in collection of Electricity Duty. Electricity Duty of ₹ 42.83 crore was short demanded from DISCOMs and ₹ 32.81 crore was irregularly adjusted. There had been shortfall in conducting periodical inspections of HT installations. The controls over discharge of functions relating to safety of installations were weak.



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