

No. F.3(293)/Tariff/DERC/2010-11/C.F.No.2528/

08.07.2010

To,

The Chief Secretary /Principal Secretary (Power)
Govt. of NCT of Delhi
Department of Power
8th Level, B-Wing
Delhi Secretariat
New Delhi – 110 002.

Sir,

During the course of public hearing on Tariff Petitions filed by the private Distribution Companies many of the stakeholders submitted that there seems to be a large number of anomalies in the accounts of three private Distribution Companies of Delhi. The stakeholders alleged that Distribution Companies in Delhi are manipulating their accounts by fraudulent and illegal means to the disadvantage of general public. It has been also alleged that DISCOMs have indulged in procurement of capital goods from sister concerns at much higher prices. The stakeholders demanded that DISCOMs' accounts should be audited by Comptroller and Auditor General of India (C&AG).

2. GNCTD is aware that there have been several controversies in respect of correctness of the accounts of the three private Distribution Companies in Delhi. Several claims and counter claims have been made with respect to some figures available in the audited accounts of these companies. Therefore, it has become necessary to get the matter settled and the best way to do this is an audit by C&AG.

3. Recently Telecom Regulatory Authority of India (TRAI) decided to get the accounts of four private Telecommunication Companies, namely Bharti Airtel, Reliance Communications, Tata Teleservices, Vodafone and a PSU(BSNL), audited from C&AG. The C&AG has already undertaken this work. A copy of the news item is enclosed herewith. It appears from the news report that the proposal for such audit was routed through Secretary, Telecommunications Department, Government of India.

4. GNCTD is holding 49% shares in all three private Distribution Companies of Delhi and has a responsibility to ensure that the accounts of the private Distribution Companies are reliable and acceptable to all stakeholders. An audit by C&AG will not only settle all issues but will give a reasonable assurance to the Government on the share received/receivable from the private Distribution Companies. C&AG normally accepts audit after a reference is made by the concerned Government. In view of above-mentioned facts and taking into consideration the public sentiments, the Commission has decided to request GNCTD to request the C&AG for audit of accounts of at least three of the latest completed years, i.e. F.Y. 2007-08, 2008-09 and 2009-10, of BSES Rajdhani Power Limited, BSES Yamuna Power Limited and North Delhi Power Limited.

Yours faithfully,

Sd/-
(Amarendra K. Tewary)
Secretary

Encl.: As above.

CAG to audit a/cs of 5 telcos

New Delhi: The Comptroller and Auditor General of India (CAG), the apex audit body, has decided to audit the accounts of five telcos — Bharti Airtel, Reliance Communications, Tata Teleservices, Vodafone and the state-run BSNL — for 2009-10.

Telecom regulator Trai has already appointed a nodal officer to facilitate this audit exercise. The audit is aimed at giving a reasonable assurance to the government on the revenue share from the licensees. In the current year, I propose to take up audit of the accounts of Bharti Airtel, Reliance, Tata and Vodafone along with BSNL, DG of audit (post and telegraph) R P Singh said in a communication to telecom secretary P J Thomas.

A senior Trai official said Manoj Mishra, a deputy adviser has been appointed as the nodal officer. As per a department of telecom notification in 2002, operators must give all statements including financial statements to Trai to calculate the licence fee to be paid to the government. And the regulator will act as a facilitator as and when CAG decides to audit the accounts of the telcos.

The DG (audit) is seeking a meeting with these operators next week to finalise audit plan and enhance mutual understanding between the service providers and auditors and wants the department of telecom to ask the operators to cooperate for the same. PTI