

HARYANA VIDHAN SABHA

**COMMITTEE ON
PUBLIC UNDERTAKINGS
2025-2026**

(FIFTEENTH VIDHAN SABHA)

SEVENTY-TWO REPORT

ON THE

REPORT

OF THE

COMPTROLLER & AUDITOR GENERAL OF INDIA

**ON FUNCTIONING OF HARYANA POWER GENERATION
CORPORATION LIMITED
REPORT NO.6 OF THE YEAR 2022 (PERFORMANCE AUDIT)**



(Presented to the Haryana Vidhan Sabha on 17th March, 2026)

**HARYANA VIDHAN SABHA SECRETARIAT, CHANDIGARH
2026**

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COMPOSITION OF THE COMMITTEE
THE COMMITTEE ON PUBLIC UNDERTAKINGS

CHAIRPERSON

1. Shri Ram Kumar Gautam, MLA

MEMBERS

2. Shri Nirmal Singh, M.L.A.
3. Smt. Geeta Bhukkal, M.L.A.
4. Shri Mool Chand Sharma, M.L.A.
5. Shri Balwan Singh Daulatpuria, MLA
6. Smt. Shakti Rani Sharma, M.L.A.
7. Shri Anil Yadav, M.L.A.
8. Shri Sunil Satpal Sangwan, M.L.A.
9. Shri Davender Singh Kadyan, MLA

SECRETARIAT

1. Shri Rajiv Prashad, Secretary
2. Shri Naren Dutt, Additional Secretary

INTRODUCTION

I, the Chairperson of the Committee on Public Undertakings having been authorized by the Committee in this behalf of Report of the Comptroller and Auditor General of India on Functioning of Haryana Power generation Corporation Limited Report No.6 of the Year 2022 (Performance Audit).

The Committee for the year 2025-26 undertook the unfinished work of the previous Committee(s) and also orally examined the representatives of the Government/Public Sector Undertakings/Boards where necessary. A brief record of the Proceedings of the various meetings has been kept in the Haryana Vidhan Sabha Secretariat.

The Committee are thankful to the Accountant General (Audit), Haryana and his staff for their valuable assistance and guidance during the deliberations. The Committee are thankful to the Additional Chief Secretary to Government, Haryana, Finance Department including his representatives of the Departments/Corporations/ Boards concerned who appeared before the Committee from time to time. The Committee are also highly thankful and appreciates the working of the Secretary, Additional Secretary, Dealing Officer and the Staff of the Haryana Vidhan Sabha Secretariat for their unstinted, whole- hearted co-operation and assistance given in preparing this report.

Chandigarh:
The 17TH March, 2026

RAM KUMAR GAUTAM
CHAIRPERSON

REPORT

1. The Committee on Public Undertakings for the year 2025-2026 was nominated on 28th April, 2025 by the Hon'ble Speaker in pursuance of motion moved and passed by the Haryana Vidhan Sabha in its sitting held on 28th March, 2025, authorizing him to nominate the Chairperson/Members of the Committee on Public Undertakings for the year 2025-26.
2. The Committee held total **52** meetings during the year at Chandigarh and other places upto 20th February, 2026 till the finalization of the Report.

REPORT

REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA ON FUNCTIONING OF HARYANA POWER GENERATION CORPORATION LIMITED REPORT No.6 OF THE YEAR 2022 (PERFORMANCE AUDIT)

1. 3.5.2 Excess inventories than HERC norms

Haryana Electricity Regulatory Commission (HERC) issued directive while approving Tariff Orders to optimize inventory of the Power Plants for spares and other maintenance equipment's etc. The HERC while approving the generation tariff during the year 2016-17 and 2020-21 had allowed inventories of 10/15 percent of the operation and maintenance expenditure.

As per the purchase manual of the Company, the purchases of material should be restricted to the minimum requirement so as to avoid over stocking besides ensuring that the stock is readily available for consumption. The table below indicates the normative O&M spares, actual there against and consequential loss of interest during 2016-21 in respect of all the plants for excess O&M spares against norms of HERC:

Table 3.8: Working capital requirements on O&M spares and loss of interest

(Rs. in crore)

Years	Working capital required for O&M Spares			Rate of interest allowed by (in per cent) HERC	Loss of interest
	Normative	Actual	Excess		
A. DCRTPP at Yamuna Nagar					
2016-17	16.25	59.05	42.80	10.55	4.52
2017-18	22.35	65.91	43.56	10.55	4.60
2018-19	23.24	63.11	39.87	9.95	3.97
2019-20	24.17	37.86	13.69	9.95	1.36
2020-21	21.48	36.49	15.03	8.65	1.30
Total (A)					15.75
B. RGTPP at Khedar					
2016-17	18.01	87.76	69.75	10.55	7.36
2017-18	27.69	86.19	58.50	10.55	6.17
2018-19	28.80	85.01	56.21	9.95	5.59
2019-20	29.95	68.89	38.94	9.95	3.87
2020-21	25.99	67.01	41.02	8.65	3.55
Total (B)					26.54
C. PTPS at Panipat					
2016-17	24.52	178.05	153.53	10.55	16.20

2017-18	26.52	155.93	129.41	10.55	13.65
2018-19	31.39	148.58	117.19	9.95	11.66
2019-20	29.83	147.41	117.58	9.95	11.70
2020-21	28.79	142.20	113.41	8.65	9.81
Total (C)					63.02
Total (A+B+C)					105.31

Source : Compiled from trial balances and Tariff Orders of HERC for the years 2016-17 to 2020-21

It is seen that the working capital involved in O&M spares was more than the prescribed norms of HERC in all the three plants of the Company. Accordingly, the Company could not recover interest amounting to Rs. 105.31 crore on excess working capital involved in O&M spares through tariff.

The Management accepted (May 2022) that inventory level was more than the norms prescribed by HERC and added that efforts are being made to keep the inventory within the prescribed norms of HERC.

REPLY OF HPGCL: -

DCRTPP:

1. Regulation 22.1 of HERC MYT Regulation 2012 allowed to recover the IWC on normative basis as under:

“For the purpose of computing working capital the components mentioned in the table below shall be considered: ...

c) Normative O&M expenses for 1 (one) month;

d) Maintenance spares @ 10% of the O&M expenses;

Further, according to Regulation 12.2 of MYT 2012 the adjustment of IWC at the time of true up is only w.r.t interest rates only as under:

“The elements of ARR of generating company and licensees to which incentive and penalty framework shall apply are as follows: ...

*(iv) Interest **on working capital- Applicable when interest rate falls***

below or exceeds the level specified by the Commission ”

It is evident from above that during calculation of working capital, Maintenance spares is considered on 10% of the **normative O&M expenses** not on actual basis and true-up is applicable only when **interest rate** falls below or exceeds the level specified by the Commission.

2. Further, it is submitted that DCRTPP, Yamuna Nagar was got erected under EPC contract by M/s R-Infra in the year 2007-08. The Boiler, Turbine, Generator and some other auxiliaries have been supplied by M/s R-Infra which is of Shanghai Electric Company, China. All these equipments are very critical and spares of these equipments have to be arranged from OEM i.e. M/s SEC, China. The lead period of the spares from China is more therefore, minimum inventory has to be maintained to meet with

emergencies and smooth running of the units. All the equipments installed in Unit-I&II, DCRTPP, Yamuna Nagar are in operation and none of the equipment is obsolete. The spares of these equipments have to be kept in stock to meet out day to day requirements of plant and attend any break down of equipments. The requirements of these spares can arise any time and the same can be meet out by utilizing these spares to ensure the uninterrupted generation of power.

The total value of O&M Spares for 2021-22 is Rs. 31.27 Crore as compared to HERC norms i.e. Rs. 22.31 Crore.

The details of inventory during the previous financial years is as under:

Financial Year	Cost of Inventory (Crore)
2017-18	61.82
2018-19	59.01
2019-20	33.76
2020-21	32.39
2021-22	31.27

From the above table, it is clear that the inventory has reduced from Rs. 61.82 Crore (FY 2017-18) to Rs. 31.27 Crore (FY 2021-22). Further all efforts are being made to keep the inventory near to HERC norms which are as under:

- a. 15-digit codifications of all the Three Power Projects have been done and non-availability of the material with 15-digit code is being taken from the other Power Projects before processing the case for new purchase.
- b. Quantity to be procured is being got pre-audited by finance wing keeping in view the consumption pattern of last 03 years, pending POs quantity, quantity available in stores and the quantity which can be spared from other power plants. The final pre-audited quantity is only being procured in the final purchase proposal.
- c. All the purchase proposals above Rs. 5.00 Lakhs are being recommended by the screening committee.
- d. Centralized purchase of common items i.e. chemicals, lubricants, bearings, welding electrodes, conveyor belts, and crusher hammers etc. has been started. Some of the identified common items have been divided among all the Three Power Projects & same are being procured in centralized manner for controlling the inventory.
- e. ARCs have been issued to various firms for the procurement of all consumable items such as chemicals, lubricants, bearings, conveyor belts, welding electrodes, bull ring segments and crusher hammers etc. and these items are being arranged within short time span as per requirements of user section.

RGTPP:

Mandatory and recommended spares were handed over by the OEM i.e. M/s RIL at the time of commissioning. Some of spares are insurance spares kept to meet out plant emergencies and other are being used for O&M purposes. However as per requirement of sites, end users of RGTPP & other plant of HPGCL are utilizing these spares.

These spares are not readily available in the market, as such procurement actions have to be initiated in advance as the delivery period of Boiler/Turbine/Generator and BOP etc. spares is very long say 8 to 10 months or more, as such these items have to be ordered/kept in stock so as to avoid generation loss due to non-availability of spares required for O&M of units.

The purchases are made keeping in view of all the factors such as availability in RGTPP/store, PTPS/Store and DCRTPP/store, the latest stock position & consumption pattern, overhauling which has led to reduction in inventory which is evident from the yearly inventory stock position in O&M store is as given below.

Month/ Year	Opening Balance	Recei pt	Issue	Closing Balance	Reduction/Increase in Crore
2016-17	98.26	32.37	48.10	82.42	-15.84
2017-18	82.42	22.09	22.49	82.72	+0.30
2018-19	82.72	23.77	26.63	79.80	-2.92
2019-20	79.80	38.17	54.06	63.88	-15.92
2020-21	63.88	19.69	21.05	62.53	-1.34
2021-22	62.53	44.76	46.28	61.04	-1.49
2022-23	61.04	75.52*	36.73	99.70	*Receipt value includes HIP Rotor of Rs 40.00 Cr.(Approx) received in the month of march23 and yet to be issued from stores.

From the above table, it can be seen that there is decreasing trend of inventory gradually every year despite the fact that the running of units was less prior to F.Y. 2022-23. However, there is increase in inventory in 2022-23 because of single item, HIP rotor bearing approx. cost of Rs 40.00 Cr. (Approx), which will be utilised during the upcoming overhauling of Unit-II RGTPP along with other allied inventory items leading to reduction in inventory.

PTPS:

- i) All the units at PTPS, Panipat i.e Unit- 5,6,7 & 8 have been installed in different stages. Units installed at PTPS are of different vintage & capacity due to which spares required for upkeep of these Units differ from each other, resulting into increase in number of spares enormously.

- ii) The inventory of Unit 5 to 8 mainly relates to spares of Boiler, Turbine & Generator of BHEL make, which have been purchased from time to time as per recommendation of OEM i.e. M/s. BHEL. The lead time of procurement of these spares from BHEL is more and in case of any breakdown in the running Unit, the non-availability of spares were going to effect the Generation of the Plant, as such these spares were procured so as to ensure the smooth Generation from Unit 5 to 8.
- iii) The Power Scenario has also changed in the State, as the Power is being purchased from the different agencies due to which, Units of PTPS generally remains boxup on no demand, resulting into less spares consumption.
- iv) The purchases were made keeping in view the stock position, pending supplies and consumption pattern. These spares are not readily available in the market as such procurement action has to be initiated earlier as the delivery period of Boiler/Turbine/Generator spares is very long say 8 to 10 month or more, as such these items have to be ordered earlier so as to ensure their timely availability to avoid the Generation Loss due to non-availability of spares required for Units.
- v) Further due to frequent boxing up of the Units No. 5 to 8, the consumption of spares remained on lower side thus resulting in accumulation of inventory/ Slow Moving Stock Items.
- vi) Matter was taken up with all end users of PTPS& other HPGCL plants to draw the material of Slow-moving Items from Store. All the end users have intimated that the material was purchased in advance to meet out the emergency during running of Units to avoid the Generation Losses due to non-availability of required spares which are long delivery items and in case the same were not available at the required time would have caused the loss of Generation. The same shall be used as per site requirement.
- vii) Now purchases of inventory is made keeping in view all the factors like availability in PTPS/Store, RGTPP/Store& DCRTTP/Store, the stock position, pending supplies and consumption pattern, which leads to reduction in inventory, which is evident from stock position in O&M store as under:-

Month	Opening Balance (Crore)	Receipt (Crore)	Issues (Crore)	Closing Balance (Crore)
04/2017	178.05	1.49	2.47	177.07
04/2018	156.15	0.45	1.86	154.74
04/2019	148.58	0.72	0.95	148.35
04/2020	147.42	0.20	0.19	147.42
04/2021	142.21	0.98	0.63	142.56
04/2022	130.47	2.05	3.11	129.41
04/2023	137.59	16.32	16.17	137.74

Recommendation: -

During the oral examination, the Committee observed that the working capital involved in O&M spares was more than the prescribed norms of Haryana Electricity Regulatory Commission (HERC) in all the three plants of the Company. Therefore, the Committee recommend that the latest position of working capital involved in O&M spares inventory vis a vis HERC norms be submitted to the Committee and the Committee may also be apprised about the efforts/action taken to comply with the prescribed norms of HERC.

2. 3.5.3 Deficiency in procurement process

The Company has not set up any timeline for processing the cases for procurement of spare parts. Audit scrutiny of 117 Purchase orders valuing Rs. 183.63 crore selected through IDEA revealed the time taken in placement of purchase orders as under.

Table 3.9: Time taken in placement of selected purchase orders and their value

Time taken in finalisation of Purchase order since requirement/indent	DCRTPP		RGTPP		PTPS	
	Number of Purchase Orders	Value (in crore)	Number of Purchase Orders	Value (in crore)	Number of Purchase Orders	Value (Rs. in crore)
less than 180 days	12	11.56	20	55.32	9	37.82
180 to 360	15	15.33	16	13.77	11	36.42
More than 360 days	10	7.23	7	2.13	17	4.05
	37	34.12	43	71.22	37	78.29

Source: Information received from the Company and compiled from the Purchase Orders files

Further scrutiny revealed that DCRTPP had taken 65 days to 519 days, RGTPP 31 days to 584 days and PTPS 39 days to 652 days (minimum to maximum) in placing purchase orders for procurement of material since date of requirement by the users. The average time in placing the purchase orders was 257 days in DCRTPP, 223 days in RGTPP and 328 days in PTPS. The median time in placing the purchase orders was 261 days in DCRTPP, 203 days in RGTPP and 336 days in PTPS (**Appendix 3.1**).

Further, the users received this material in DCRTPP after 106 days to 987 days, RGTPP after 100 days to 919 days and PTPS after 302 days to 1600days (minimum to maximum) since their submission of requirement. The mean time in receiving the material by the users was 474 days in DCRTPP, 412 days in RGTPP and 682 days in PTPS. The median time in receiving the material by the users was 446 days in DCRTPP, 350 days in RGTPP and 614 days in PTPS.

Further scrutiny revealed that DCRTPP while submitting requirement of material in ten cases valuing Rs. 2.04 crore, users had specifically mentioned that material was urgently required. Despite urgency, the plant took 167 to 898days in supplying the material to the users. Audit scrutiny further revealed that out of ten cases of urgent purchase, in six cases valuing Rs. 1.70 crore, the approval of the competent authority was not obtained.

The Company has not prescribed any timeline for procurement of material in its Work and Purchase Regulations, 2015 which is a weakness of internal control system.

The Management replied (May 2022) that keeping in view of different modes of purchase (Proprietary, Limited Tender Enquiry and Press Tender Enquiry) which require different time spans to finalize the case and consumption of material as per site conditions, the difference of time period mentioned in audit para cannot be avoided. It was assured that efforts are being made to minimize time taken in purchases.

REPLY OF HPGCL: -

DCRTPP:

As per HPGCL Purchase Regulation 2015, there are 3 modes of purchases in HPGCL i.e. Proprietary Enquiry, Limited Tender Enquiry (LTE) and Press Tender Enquiry (E-NIT). Different cases of procurement have different approving authority as per delegation of power (DOP) depending upon the case value.

The cases whose value are more than 75 Lacs or those cases whose value is less than 75 lacs but less than 3 tender received against NIT, falls under the competency of Utility Level High Powered Purchase Committee at Panchkula. Hence different time periods are required for processing of different cases.

Similarly different purchase orders have different delivery periods and payment terms which affects the time period of the case.

Likewise, material which has been received to O&M stores, DCRTPP are used by the end users as per their site requirement. Some items are critical in nature but not required to be used immediately after receipt; however, it is essential for DCRTPP to keep them to meet out any emergency.

Keeping in view of different modes of purchase which require different time spans to finalize the case and consumption of material as per site conditions, the difference of time period mentioned in audit para can't be avoided.

The cases for procurement of material of indents received in Procurement division are dealt as per the procedures & guidelines defined in Purchase Regulations of HPGCL. No purchase order can be placed without following each & every procedure/step which is defined. These procedures are essential & required to be followed, to avoid unnecessary excess purchase of material.

In normal procurement procedure the following steps are required to be strictly followed:

1. Stock position & consumption pattern of the indented material from Store division.
2. Detailed justification of indent from End-user & other basic information as per Purchase Regulation no. 3.3.
3. Availability of indented material from other HPGCL plants.
4. If material is available in other plants or at DCRTPP stores, indented quantity is required to be reviewed.
5. If indented quantity is required over & above the available stock, approval for the same from competent authority.
6. Indented quantity pre-audited from Sr. A.O. DCRTPP Yamuna Nagar.
7. Approval/recommendation of screening committee for cases more than 05.00 Lacs.
8. Concurrence of the case from Director/Finance HPGCL.
9. Approval from competent authority to issue enquiry to the firm/Firms/ Press tender.
10. Pursuance with the firm for getting the offer or participation of firm in press tender.

11. After opening of bid, evaluation of firms credentials in r/o PQR of NIT to declare the qualifying firms.
12. Technical evaluations/ suitability of offer/offers from end-users after getting the replies from the firms against the technical deviations.
13. Commercial clarifications are required to be taken from firms against commercial deviations.
14. Approval from competent authority to open price bids of the participating firms.
15. Pre-audit of comparative statement from Sr. A.O. DCRTTP Yamuna Nagar.
16. In most of the cases, negotiation meeting is required for establishment of reasonability of rates quoted by the firm/firms.
17. Approval of competent authority/ authorities for final purchase proposal.
18. Pre-audit the draft purchase order (DPO)
19. Issuance of Purchase order.

During above defined procedures, files are required to be routed through different divisions/circles to obtain the reply/justifications of various observations raised at different levels at project. Not only this, a lot of pursuance is required with firms to get the reply against deviations (technical & commercial).

It is further submitted that cases against PO Nos. 20191050, 20171008, 20161054, 20161114, 20171080, 20181096, 20162114, 20162126, 20162135, 20162141 & 20162020 mentioned in Appendix 3.1 of para were issued after taking necessary approval from competent authorities as per DOP.

All efforts are being made to finalize the cases of procurement in minimum time frame after following all the defined procedures and material are being used as per the site conditions.

RGTPP:-

As per HPGCL's Works & Purchase Regulation-2015, the general principal for Purchase under regulation 3 is as under:-

The purchase of material should be:

“Restricted to the minimum requirement, and be made after obtaining non availability certificate from the store as well as sub-stores of J.E.s/A.E.s, if any. Such non-availability certificate should also be obtained from other HPGCL plants in case of Common use or Centralized Purchase items; and done keeping in view the consumption patten and various level of inventory so as to avoid over stocking, and at the same time to ensure that the stock is readily/timely available for consumption.”

The whole system at RGTPP is doing according to the above principal. The purchasing authority can't overlook any procedure/any objection and the same is properly

attended by the purchasing department. As per HPGCL purchase regulation, the most of the items are purchased through E-NIT.

Accordingly each indent of spares are to be processed with following steps;

- i. Non availability certificate from O&M Store
- ii. Non availability certificate from site stores
- iii. Non availability certificate from other power stations of HPGCL i.e. PTPS & DCRTPP.
- iv. Pre-auditing of indent from accounts division.
- v. Preparation of estimate and its financial concurrence from finance section.
- vi. Meeting of screening committee for review of the quantity of spares of indent if estimate value is more than 5 Lacs.
- vii. Concurrence of Director/Finance for procurement of materials if estimated amount of spares exceed above Rs.20 Lacs.
- viii. Preparation of draft NIT.
- ix. Pre-auditing of draft NIT from account section.

The NITs are generally published after various procedures as explained above with sufficient time to bidders for submission of offer. In most of the cases, dated corrigenda are also to be issued as less offer being received. Some of the cases even more than eight corrigenda are being issued for getting competitive offers.

After opening of the technical bids i.e. Part-I of the NIT, documents submitted by the bidders are securitized by Tender Evaluation Committee comprising of following members:-

- (i) XEN/ Purchase
- (ii) XEN/ End Users
- (iii) Sr. A.O
- (iv) SE/MM&Store

The Tender Evaluation Committee generally provides opportunity to bidders to furnish supporting documents as per PQR of the NIT. The objective is to qualify maximum no. of bidders for healthy competition. Sometimes, the bidders take longer time either to submit the supporting documents or showing inability to furnish the same. After giving sufficient time/chances to each bidder the Committee thoroughly checks the documents and takes final decision about qualifying the PQR by the respective bidder.

After the decision of Tender Evaluation Committee, the case is sent to the end users for technical vetting for each qualified bid. Here also, the bidders are provided sufficient time/chances to furnish requisite technical documents as per the NIT and the objective again is same i.e. to qualify maximum no. of bidders for competitive rates.

In the above, observation(s)/ short fall as regard documents are communicated to the firms/bidders for submitting their reply. Thereafter, the technical suitability decision is taken in respect of each bidder.

Apart from above, if any deviation is observed from Standard Commercial terms & conditions of NIT, then to bring all the bidders at par, they are asked to accept all terms & conditions of NIT.

Finally, the case is put up to competent authority for approval to open the price bid. After getting approval, Price Bid of NIT is opened.

Due to above steps in NIT process, generally longer time get lapsed for opening of Part-II. Thereafter purchase order is being placed to the firm according to purchase regulation.

Generally, the schedule of the overhauling of the units gets delayed due to various technical/ commercial reasons and accordingly the process of procurement are being delayed to avoid over stocking of inventory. The overhauling of unit-2, which was earlier scheduled during May 2021 but was deferred due to finding of crack in HIP Rotor. The overhauling activities of Unit-2 resumed during Dec. 2021 after dispatch of another HIP Rotor from SEC, China for its replacement. Accordingly process of indents of overhauling materials/spares was delayed deliberately during May 2021 to avoid the piling of the inventory.

Sometime taking offers from the firms on proprietary basis became hard task as there are limited resources. Sometime technology got updated and it took time to convince the user by the firm and to take approval of competent authority. Sometime proprietary firms rates are higher and it took lot of time to confirm the quoted price as justified. So delay in finalization of cases can't be ruled out. Also, in cases of household items like AC, Lighting material, furniture etc it becomes very hard to convince the firms to accept all the terms and conditions of the enquiry

However the audit observations have been noted and all out efforts will be made in future to reduce the time for procurement of spares.

In continuation to the earlier reply submitted by HPGCL it is submitted that different mode purchases are being done as per HPGCL's Works & Purchase Regulation -2015, the general principal for Purchase under regulation.

However, there are many factors which are beyond the control of HPGCL.

1. Firm is not offering the required material.
2. In NIT cases repeated corrigendum are done when number of bid are less than 3.
3. Firm take time for clarification regarding technical as well as commercial issues.

However the audit observations have been noted and all out efforts will be made in future to reduce the time for procurement of spares.

PTPS:

Purchase Indents (PI) received from the end user are processed mainly through 03 modes of procurement process i.e., e-NIT, Limited tender enquiry and Proprietary Purchase. Time required after receipt of PI to placement of PO depends upon the following:-

- i) MPIC clearance from store for stock position, consumption pattern etc.
- ii) Obtaining requisite information as per PR 3.3 from the indenter.
- iii) Non Availability Certificate from sister plants DCRTTP & RGTPP
- iv) Obtaining Administrative approval and technical section from competent authority.

- v) Pre-auditing of Purchase Indents from Accounts Wing.
- vi) Screening committee decision for the indent valuing more than five lacs.
- vii) Issue of the enquiry/NIT after taking the approval
- viii) Receipt of minimum 03 nos. Bids against e-NIT & Limited tender enquiry otherwise corrigendum is required to be issued till receipt of requisite bids/offers.
- ix) After scrutinizing the Firm's documents by the scrutinizing committee, Firms pursued for submission of pending documents as mandated in the NIT. After receipt of pending documents, file is again put up to scrutinizing committee.
- x) Technical vetting of the offer by the end user/indenter and thereafter clarification again sent to the bidders for deviation if any.
- xi) Negotiation meetings with the bidders for deviation in Part-1 tender.
- xii) Opening of Price Bids of technically qualified bidders after approval from competent authority.
- xiii) Pre-auditing of Comparative Statement from accounts wing.
- xiv) Negotiations with L-1 bidder.
- xv) Pre-auditing of Draft Purchase Order from accounts wing.

Hence in view of aforesaid reasons and procedures as laid down in HPGCL Purchase Regulation, processing and disposal of Purchase Indents requires significant time:

Very Less & Intermittent scheduling of PTPS Units till Feb 2022.

It is pertinent to mention that scheduling of PTPS Units was drastically reduced till Feb 2022. It was very difficult to forecast the requirement of spares in such intermittent and irregular running of units before Feb 2022. Keeping such unpredictable situation, it becomes essential to keep the indent under examination/review before issue of enquiry or purchase order in order to minimize the inventory. Therefore quantity of indent necessarily needs to be kept under critical review at each and every stage before issuing enquiry/purchase order which consumes time too. Generally e-NITs require more time for execution as compared to limited tender enquiry/Proprietary Purchase.

It is also added that around 100 nos. purchase orders has been placed in less than 180 days for the period under audit.

It is pertinent to mention here that no exigent situation arose in the plant due to procurement lead times as major spares/consumables are purchased well before overhauling of units or through rate contracts.

Spares in bulk are used during overhauling of the units and indents of overhauling are raised by the user in advance i.e., before one year of the due date of Overhauling. Material of emergent nature generally remains available in O&M store or at site but if any breakdown occurs and emergency arises such emergent items are arranged by procuring the same through SPC but it is again added that no exigent situation arose in the plant due to procurement lead times as major spares/consumables are purchased well before overhauling of units.

In current running status of PTPS units, it is useful to keep on checking the situation and then finally go ahead for procurement of the material. For urgent requirements, matter is deliberated in Daily Plant Meetings on regular basis and procurement process/delivery period is expedited by pursuing the case on top most priority and taking up the matter with suppliers for early delivery of the urgent material.

In view of irregular/intermittent running of units during the audit period (2016-17 to 2020-21), it was very difficult to forecast and finalize the exact requirement of spares. Thus it remained beneficial to procure the material only after consistent and continuous review at each and every stage, no matter what time it takes so that inventory can be minimized. However urgent requirements of plant as discussed in Daily Plant Meetings were always arranged on time.

Further a committee has been constituted by HPGCL vide office order no. 244/CE/Admn dated 30.06.2022 to reframe the Purchase Regulations so that lead time of procurement of spares can be minimized.

Recommendation: -

During the oral examination, the Committee observed that there was undue delay in the procurement process of spare parts. The representatives of the Corporation/Company have also agreed with the observation of the Committee and further informed that ERP (Enterprise Resource Planning) system has been implemented to streamline the future procurement process. Therefore, the Committee recommend that officers responsible for delay in the procurement process of spare parts be held accountable under intimation to the Committee and the success rate of the ERP system be also apprised to the Committee.

3. 4.1.1 Under recovery of energy charges through Fuel price adjustments

HERC notified Multi Year Tariff Regulations, 2012 which prescribed the terms and conditions for determination of tariff for generation, transmission and retail supply of power in Haryana State. The procedure for recovery of energy/variable charges against sale of power by a Generating Company have been defined in Clause 31 to 33.

As per Clause 33 of MYT Regulations, Fuel Price Adjustment (FPA) is based on various factors viz. normative fuel (coal and oil) consumption, normative SHR, normative auxiliary consumption, base value of GCV for fuel (oil and coal) as per tariff order, weighted average price of coal as per invoices submitted for the month at the power station etc.

The Company presents monthly provisional bill to DISCOMs for sale of power on 1st day of each calendar month on the basis of net energy supplied during previous month. This bill is presented at the Energy Charge Rate (ECR) for the respective financial year as contained in the Tariff order of HERC. Final Bill is presented on 7/8th day of that month after incorporating adjustment on account of fuel prices during the previous month. The Company prepares a monthly Coal Price Store ledger (CPSL) for computation of Weighted Average Price (WAP) of coal consumed during each month, This WAP of coal is used to compute the FPA amount for the corresponding month. For example, WAP for the month of April is used to compute the FPA for the month of April.

During scrutiny of FPA bills and CPSL in respect of all three thermal plants, it was noticed that the WAP of coal consumed during the month as per CPSL were not used while raising the FPA Bills during April 2016 to September 2017. For example, Company while raising FPA bills (i.e., for energy generated and sold during May month) used previous months WAP (of coal consumed during April month). Thus, using WAP different from corresponding months while raising FPA bills resulted in under recovery of energy charges of Rs. 5.45 crore during April 2016 to September 2017 from DISCOMs. Short recovery of energy charges leads to shortage of working capital which would ultimately increase the finance charges. Total financial implication on account of interest has been worked out to Rs. 3.23 crore on this amount of Rs. 5.45 crore.

The Management replied (May 2022) that the due date to raise the FPA bill was 8th of the month but during the period April 2016 to September 2017, the bills of the same month were not available. The receipt of bill in next month was entered into PSL and WAP was accordingly revised and ECR was charged in sale of power bill on that basis. The reply is not tenable as consumption of coal, price and actual generation were different for every month. Therefore, corresponding WAP should have been applied by the Company as per MYT Regulations.

REPLY OF HPGCL: -

HPGCL, for the period April 2016 to Sept 2017, raised FPA bills on the basis of last invoice received from same coal company to calculate weighted average price of previous month. The due date to raise the FPA bill is 8th of the month but during the period April 2016 to Sept 2017, the bills of the same month were not used to be available. The receipt of bill in next month was entered into PSL and WAP was accordingly revised and ECR was charged in sale of power bill on that basis. Thus, the calculation of interest loss given by

audit is hypothetical in nature since, the revision of weighted average price ensured that provisional recovery in form of FPA bill was adjusted in next month and thus was cyclical in nature.

Recommendation:-

During oral examination the Company stated that bills from Coal India Company during the period from April 2016 to September 2017 were received with delay, therefore the committee recommends as under: -

- 1. The documentary evidence showing that bills were received with delay may be submitted.**
- 2. The documents in support of efforts made to obtain monthly bills in time may be furnished.**
- 3. The detailed calculation sheet showing no loss on account of using weighted average price of previous month in raising bills may be furnished.**
- 4. Present status of raising energy bills incorporating adjustment on account of weighted average price of coal for the current month may be submitted.**

4 4.1.2 Excess recovery of fixed cost

The annual fixed cost of Western Yamuna Canal (WYC) Bhudkalan is paid by DISCOMs subject to the achievement of normative Plant Load factor (PLF) approved by HERC. Tariff orders provides that while determining the fixed cost, in case of annual PLF of any unit, including deemed generation, is lower than the normative PLF given in the order of HERC, the recoverable annual fixed charges are determined on pro-rata basis and if the PLF is more than the normative PLF given in the order of HERC, Fixed charges are to be restricted to the fixed charges as determined by the HERC.

The following table indicates detail of fixed cost determined by HERC and recovered by the Company during 2016-17 to 2020-21:

Table 4.1: Normative PLF approved by HERC, actual PLF achieved and recovery of fixed cost

Year	Plant Load Factor (<i>per cent</i>)		Fixed cost (Rs. in crore)		
	Approved by HERC	Actual	Approved byHERC	Actual recovered	Difference
2016-17	37	37.55	49.816	49.816	Nil
2017-18	37	32.33	43.374	37.983	-5.391
2018-19	37	43.48	54.876	64.711	9.835
2019-20	43.5	54.74	62.552	79.173	16.621
2020-21	46	44.63	37.620	36.502	-1.118

Source: Bills of sale of power and HERC Tariff orders

It is seen that during the year 2016-17, actual PLF was 37.55 *per cent* against the normative PLF of 37 *per cent* and Company thus recovered full annual fixed cost of Rs. 49.816 crore. However, during the year 2017-18 and 2020-21, the Hydel project could not achieve the normative PLF. Resultantly full annual fixed cost could not be recovered by the Company during these periods.

Further, during the 2018-19 and 2019-20, the actual PLF were 43.48 and 54.74 *per cent* against the normative target of 37 and 43.5 *per cent* respectively. As per HERC tariff orders of respective years, Company was entitled for full recovery of annual fixed cost during these years. The Company, however, recovered fixed cost amounting to Rs. 64.711 crore and Rs. 79.173 crore against the approved fixed of Rs. 54.876 crore and Rs. 62.552 crore respectively. Thus, the Company recovered excess fixed cost amounting to Rs. 9.835 crore and Rs. 16.621 crore during 2018-19 and 2019-20 respectively. The reasons for excess recovery were analysed in Audit and it was found that the Company raised the monthly fixed cost bills on the basis of monthly generation multiplied by normative energy charge rate (by dividing the annual fixed cost with normative generation). As a result, whenever, the actual generation was more than the

normative generation, the Company recovered excess fixed cost in contravention of the tariff orders of HERC.

Audit further noticed that amount of fixed cost should have been recovered on the basis of cumulative PLF and recovery of fixed cost should have been restricted to the amount determined by HERC as per approved PLF. Thus, excess recovery of fixed cost amounting to Rs. 26.46 crore during the period 2018-20 were made by the Company in contravention of HERC Tariff Orders.

The Management replied (May 2022) that HPPC had deducted above amount from sale of power bills of the Company with interest arbitrarily and the Company had filed a petition before APTEL against above recovery. The final outcome of the case is awaited (May 2022).

REPLY OF HPGCL: -

As per HERC Regulation, recovery of fixed cost of thermal units should not be more than normative fixed cost allowed by HERC. Hon'ble HERC has determined separate regulation for Determination of Tariff for Hydro power plants. Recovery of fixed cost of WYC has been claimed by HPGCL as per specific Regulation i.e. Regulation no 34 of HERC MYT Regulation 2012 (**Copy enclosed**). As per this regulation recovery of fixed cost of WYC is done by multiplying Units generated with Energy Charge rate. Energy charge rate is based on Normative Ex bus generation and Normative fixed cost. The content of the regulation no. 34.5(e) are as under:

The payment of charges shall be on a monthly basis. The energy charges shall be payable by each beneficiary for the total energy supplied during the month on ex-power plant basis at the computed energy rate.

As above, there is no limit for recovery of FC for Hydel unit.

a) HPPC has not considering the specific regulation for WYC. HPPC has deducted an amount of Rs. 26.46 crore while making payment for the month of June 2020 bills made on 31st July 2020 with interest arbitrarily.

In addition to above, it is also submitted that HPGCL has opted for an appeal in the matter for both years ARR. The matter is subjudiced as on date.

2. The deductions vide DFR No 216/2020 and Appeal No 150 of 2021 to seek the relief at par with other SHEPs in the State. Date of the Hearing 07.03.2022 for the F.Y 2018-19 and 09.03.2022 for the F.Y 2019-2020.

Recommendation:-

During the oral examination, the representatives of the department/ corporation intimated that HPGCL has filed a petition before APTEL (Appellate Tribunal for Electricity) against the recovery of Rs. 26.46 crore made by the HPPC (Haryana Power Purchase Centre). Therefore, the Committee recommend that final outcome of the case filed before the APTEL be furnished to the Committee.

5. 6.1.2 Analysis of Power Purchase from Exchange and short-term Power

Further analysis for the period 2019-21 revealed that HPPC had purchased short term thermal power ranging between 208.41 MW to 391.21 MW. This power was purchased from two private thermal power plants (SKS Power and MB Power) at variable cost of Rs. 4.29 per unit. Similarly, power purchased from Energy Exchange ranged between 0.57 MW to 1405.40 MW at average cost of Rs. 3.18 per unit.

It was noticed that during the period of 2019-21, Unit-VI of HPGCL (210 MW) remained backed down (except July 2020). Audit observed that instead of purchasing power at the rate of Rs. 4.882 per unit from private plants, Unit-6 of HPGCL having lower variable cost of Rs. 3.90 per unit could have also been considered for scheduling for power purchase.

REPLY OF HPGCL: -

After due approval of HERC by following all usual formalities, HPPC had procured power from SKS & MB power and against contracted capacity of 400 MW power on medium term basis under pilot-I scheme of Gol, 217.40 MW (minimum 55% obligation as per PPA) was scheduled from the SKS Power plant & MB Power plant. Hence, HPPC scheduled the power from the said plant only upto 55% being contractual obligation. It is added that the said PPA was entered into for 3 calendar years i.e. 2019 to 2021 without any cost escalation with off take limited to 8 months (i.e. April to Nov) only during which the Haryana faces maximum demand and it helped to match with the peak season requirement. The state thermal power plants i.e. CLP and APCPL (NTPC) could not run to their full capacity during the FY 2018-19 due to critical shortage of coal and there was strong signal/ communication from both case-1 projects of M/s Adani (1424 MW) and Tata/ CGPL (380 MW) regarding disruption of power. Further, Tata/ CGPL has stopped supplying power to Haryana under terms and conditions of PPA since 18.09.2021 citing reasons of increase in price of imported coal. M/s Adani (1424MW) also discontinued supply of power during 25.08.2021 to 09.05.2022 due to depletion of coal and unaffordable cost of generation.

In FY 2019-20, PTPS Unit-VI was scheduled as per MoD procedure being followed by Discoms. HERC vide tariff order dated 18.2.2021 in petition no. Pro-76 of 2020, not approved the tariff for unit-VI of PTPS for the FY 2021-22. Thereafter, APTEL vide its order dated 24.09.2021 in IA no. 529 of 2021 on appeal of HPGCL directed Discoms to pay fixed charge as per PPA. Accordingly, after obtaining the requisite approval, power was scheduled from PTPS Unit-VI as per Merit Order Dispatch principle w.e.f. 05.02.2022.

Recommendation:-

During the oral examination, the committee observed that the company has suffered loss in power purchase. Therefore, the Committee recommend that detailed calculation has to be worked out to ascertain the same, so that the department can ascertain the exact amount of loss involved and the documentary evidence in support of shortage of coal may also furnished to the Committee.

6. 6.4 Excess Tied up Contracted Capacity of thermal power

Haryana Power Purchase Centre (HPPC) on behalf of both the DISCOMS (UHBVNL and DHBVNL) procures and trades electricity to cater the electricity requirement of Haryana State. A proper cost benefit analysis should be carried out before adding new capacities as the procurer has to bear the liability of fixed cost for entire life (25 years appx.) of Power generating unit irrespective of the scheduling of plant which results into creation of undue liability on the State Consumers.

HPPC had total contracted capacity of 11,624 MW as on 31 March 2021. Of which 8,766 MW is subject to merit order scheduling and remaining capacity of 2,858 MW are of must run generation category which includes Hydro, Solar, Wind, other Renewable power which might be expensive but dispensed with merit order scheduling being environmental friendly.

During the years 2019-20 and 2020-21, total contracted capacity of HPPC was 8,766 MW against which normative availability was 7,204 MW (as per normative plant load factor of 85/80 *per cent*). Audit has conducted an exercise to work out the actual capacity utilization against actual availability of power during the period 2019-21.

It is seen from the above chart that during 2019-20 and 2020-21 the HPPC could utilize maximum 5,119 MW and 5,595 MW capacity against the actual available of 7,204 MW capacity during 2019-20 and 2020-21 respectively. Thus, 2,085 MW capacity during 2019-20 and 1,609 MW capacity during 2020-21 remained unutilized. Due to which, the units of thermal power plants including Haryana State owned generating units were backed down (non-operational) for significant period of time during these years. However, HPPC had to pay fixed cost to these power generators which put undue financial burden on state consumers. The proportionate fixed cost of unutilized capacity works out to be Rs. 3,030.64 crore (Rs. 1,757.92 crore and Rs. 1,272.72 crore) for the period 2019-21. This has resulted into additional financial burden on state consumers due to increase in power purchase cost.

REPLY OF HPGCL: -

The reasoning for sufficient tied up capacity against the estimated demand has been discussed in the reply to the subsequent para 6.5. As far as the comparison between contracted capacity, normative available capacity and actual capacity utilization of thermal power purchased on the basis of merit order dispatch by HPPC during the years 2019-20 and 2020-21, is concerned, it is submitted that it can be seen from the graphs depicted in the audit para itself reveal energy utilized during the months from April 2020 to August 2020 is quite less than the consumption during the same months of FY 2019-20. These months being the period when Covid 19 was at its peak and the whole country was under shutdown resulting in minimum industrial/commercial load during this period. Hence, capacity utilization was far less than the availability. This being unprecedented period of pandemic cannot be taken as a case study period for power purchase planning and audit. The availability of power plants further depends upon the availability of fuel/forced outage/planned outage.

Currently, HPPC has an contracted capacity of 14027 MW as on 15.09.2023 from which around 10500 MW during paddy season and around 9000 MW during winter season remains available as per the PLF of power plants. Further, it is added that availability of

around 800 MW to 1000 MW is being reduced on account on annual maintenance shutdown of various power plants. Further, the seasonal variation in the load pattern of Haryana is around 6000 MW and in order to avoid the unscheduled power cuts during peak hours and to provide reliable & smooth power supply to all its consumers of the State, the availability/contracted capacity has to be arranged to take care of the maximum demand during summer/ paddy season. Presently, M/s CGPL Mundra (380 MW) is not supplying power to Haryana under PPA terms and conditions since 18.09.2021 citing reasons of increase in price of imported coal and 432 MW power is not being scheduled from Faridabad Gas plants due to non-availability of cheaper gas/ Administered Pricing Mechanism (APM).

To avoid any unscheduled power cuts and to provide reliable power supply as per adopted PRM, there should be adequate cushion in availability of power, so that HPPC may use these power plants in case of sudden increase of demand or outage of any generation due to various reasons. Also, running of extra unit will result in excessive surplus power during off-peak hours.

Now, during FY 2022-23, the maximum demand felt on 28.06.2022 is 12687 MW. Even after running all the tied up power plants, HPPC has to procure power from Power Exchange(s) to bridge the gap between demand and availability.

As far as Unit-VI PTPS of HPGCL is concerned, during FY 2019-20, unit was not scheduled due to higher ranking in merit order dispatch. The list of merit order dispatch for FY 2019-20.

In this regard, Clause 59.3 of HERC MYT Regulation 2019 is brought hereunder:

“While approving the cost of power purchase, the Commission shall determine the quantum of power to be purchased from various sources in accordance with the principles of merit order schedule and despatch based on a ranking of all approved sources of supply in the order of their variable cost of power.”

Thus, Distribution Licensees are bound to schedule power from various plants on the principle of merit order dispatch as mandated by HERC MYT Regulations. HPGCL power plants are not/ less scheduled because of their higher energy charges as compared to the other competitive sources of power available to Discoms.

Further, it is added that as on date the demand and the availability are such that all the power plants of HPGCL are being scheduled.

7 6.5 Capacity Addition by Haryana Discoms

Audit has conducted analysis on the capacity addition by Haryana Power Purchase Centre over the years. During the period of 2006-2008, Maximum capacity had been added. During this period 18 Power Purchase Agreements (PPAs) of 5,600 MW capacity (almost 50 per cent of total capacity as on date) were signed. Above PPAs includes PPA with 6 major private plants i.e. Lanco Amarkantak Power Limited 285 MW (2006), Sasan Ultra Mega Power Project 445 (2007), Coastal Gujarat Power Limited 380 MW (2007), Adani Power Limited 1,424 MW (2008), Jhajjar Power Limited 1,188 MW (2008), GMR Kamalanga Energy Limited, 300 MW (2008). The power from above power plants started flowing from the year 2011. It was observed that although power purchase cost from these power plants (except Jhajjar Power Limited) was cheaper in comparison to existing power plants but over addition of capacity has resulted into backing down of other existing plants except during peak season.

The table below shows the capacity added by HPPC during last 10 years.

Year	Power available at the beginning of the year (in MW)	Capacity added during the year (in MW)	Power available at the end of year (in MW)	Source added, its capacity (PPA Signing year)
2011	3,890	2,434	6,324	Rajeev Gandhi Thermal Power Plant Hisar 1,200 MW (2003), Aravali 693 MW (2008), Lanco Amarkantak 285 MW (2006), Pragati Power 137 MW (2009), DVC Mejia 100 MW (2010)
2012	6,324	3,074	9,398	Adani 1,424 MW (2008), CGPL-380 MW (2007), JPL-1,188 MW (2008)
2013	9,398	577	9,975	SASAN 445 (2007), DVC Koderma 100 MW (2006)
2014	9,975	758	10,733	PTC GMR 300 MW (2008), Karchamwangtoo 376 MW (2006)
2015	10,733	158	10,891	Only Renewable power has been added since 2014
2016	10,891	110	11,001	
2017	11,001	61	11,062	
2018	11,062	25	11,087	
2019	11,087	100	11,187	
2020	11,187	124	11,311	
2021	11,311	699	12,011	

Since 2015 renewable power of 1,433 MW had also been added in compliance to Renewable Power Obligations (RPO) Regulations notified by the Commission. Under RPO Regulations, DISCOMs are bound to purchase certain quantum of power (as determined by the commission) from Renewable Sources. The power purchased from Renewable power plants further reduced the utilization of existing thermal power plants and contributed towards their backing down. Renewable Power plants have Must Run status and they are not subject to merit order scheduling.

Audit has observed that HPPC/DISCOMs had added capacity on an ad hoc assessment basis in the past which has resulted into underutilization of existing sources and undue burden of fixed cost on State Consumers. Existing capacity was utilized during peak time for the year 2019-20 and 2020-21 as the peak demand during the period remained at 11,030 MW on 3 July 2019 and 10,897 MW on 3 July 2020 respectively and in remaining period it remained underutilized. Therefore, every new PPA should have been signed after conducting detailed cost benefit analysis. Future demand and availability of power from existing sources should have been kept in mind before adding new capacity to get the maximum benefit with minimum cost to avoid unnecessary financial burden of unutilized capacity. HPPC should use Operational Research/Optimisation Techniques to get the best mix for procurement of power. The addition of the capacities through PPA are assessed to be beyond the requirement of Haryana even after lapse of 10 to 15 years and recommended to be investigated.

Apart from above detailed analysis, audit has noticed specific cases related to Merit order and PPA which is given in subsequent paragraph:

REPLY OF HPGCL: -

As far as capacity addition of 5600 MW from 2006-08 is concerned, it is submitted that SCPP has been notified under orders of Government of Haryana vide notification dated 11.04.2008 and acts as single buyer model for performing the function of arranging Short Term and Long-Term Power on behalf of distribution licensees of Haryana, i.e., Dakshin Haryana Bijli Vitran Nigam Limited and Uttar Haryana Bijli Vitran Nigam Limited. However, the capacities are added considering the future load growth and available offers at the junction and considering the long generation period of setting up of the power plant. Further, power from long term PPAs are never available on instantly on demand. Further, as per the table provided by the Audit, only 237 MW gas/ thermal power was added after formation of HPPC till the finalization of audit report under reply.

Also, capacity addition from year 2011 to 2021 is mainly due to PPAs signed before 11.04.2008 namely, Adani Power (1424 MW), Sasan (445 MW), CGPL (380 MW), JPL (1188 MW), GMR (Kamalanga (300 MW) & Lanco Amarkantak (285 MW). It has been acknowledged in the Audit para itself that these are cheaper sources of power in comparison to the existing power plants. Moreover, during FY 2020-21 the demand was compromised due to nationwide lock down on all commercial/ industrial activities due to Covid-19 guidelines. As such, this period cannot be construed as representative year for carrying out any type of investigation regarding less utilisation of capacity addition. Further, all power has been tied up by considering CAGR provided by the Energy Survey published by Central Electricity Authority (CEA).

The other reason of capacity addition since year 2010 is introduction of HERC RE Regulations, 2010, which mandates DISCOMs to purchase solar & non-solar power to meet RPO targets. As on date HPPC is able to meet non-solar RPO targets and solar RPO targets as set by HERC. However, due to delay in commissioning of solar projects due to force measure being COVID-19, solar RPO could not be achieved during FY 2020-21 and FY 2021-22.

The purchase of renewable power is done primarily to meet the RPO obligation of Discoms and meeting the demand of the consumer of the State with this power is the

resultant effect. In addition to above, power from Solar and Wind power plants are infirm in nature. It is pertinent to point out that actual availability of power plants is far less than the installed capacity/ contracted capacity, considering the normative PLF of various power plants as under:

- For Thermal/Gas -85%;
- For Hydro
 - i. 61% - April, May, Sept;
 - ii. 87% -June, July, August
 - iii. 26% - Oct to March
- For Solar - 19%;
- For Wind - 34%;
- For Biomass/Bagasse - 80%.

The actual availability of power plants in totality is between 54% to 85% depending upon the season of the year/demand of power in the State. Thus, status of State being power surplus/deficit is arrived by comparing demand with the actual availability and not by contracted capacity.

Further, during the lean demand period of Nov-March, the thermal plants are scheduled for annual/ capital overhauling and thus not available. The surplus power available during lean months/winter months of the year is banked to other States and received back during summer/peak demand months of the State. As such all effort are being made to use each source of power judiciously in the interest of the consumers of the State.

The low peak demand during FY 2020-21 is due to lockdown conditions prevailing in the Country at that time. Further, there has been steady increase in the peak demand felt during the previous years and capacity addition is the need of the hour.

In order to make available quality power for 24x7, DISCOMs leave no stone unturned and accordingly average supply hours for the consumers in every category i.e. RDS, Urban, Agriculture, AP have been increased considerably, which is possible only if some redundant supply is available with the State.

The availability of coal in thermal plants is again an issue. State owned power projects including APCPL & JPL, Jhajjar were facing acute shortage of coal, for instance, during FY 2017-18, HPGCL projects were able to generate on an average of 43% (1170 MW out of 2720 MW) of installed capacity. Further, one unit of JPL Jhajjar remained under forced shutdown multiple times due to shortage of coal. Similarly, APCPL shut down its units because of shortage of coal from time to time. Coal stock position in HPGCL plants, JPL and APCPL Jhajjar has remained critical since June 2018 and never exceeded above 7 days. Not only this, HPGCL one unit of 600 MW Khedar, Hisar remained under forced shutdown from 18.09.2020 to June 2022 and DCRTPP Yamuna Nagar Unit-I remained under forced shutdown 08.07.2021 to 04.11.2021. CGPL has stopped supplying power to Haryana under PPA terms and conditions since 18.09.2021 citing reasons of increase in

price of imported coal. M/s Adani Power (1424MW) was also not available during 25.08.2021 to 09.05.2022 due to depletion of coal and unaffordable cost of generation.

Since September 2021, the whole Country is facing acute power shortage due to abrupt increase in price of imported coal. CGPL and Adani Power with whom HPPC has long term contracts, stopped supplying power.

At times, power has to be purchased at high rates from power exchanges to give uninterrupted supply to the consumers of the state.

Keeping in view the above, it is submitted that capacity addition is the need of the hour and HPPC is making all efforts for economic, reliable and cost-effective power procurement for long term and short-term duration.

Recommendation:-

During the course of oral examination, the Committee observed that the loss has occurred due to mismanagement and negligence of officers of the department/corporation. The Committee recommend the company to carry out a detailed examination of the case and action taken report be submitted to the Committee at the earliest.

ANNEXURE-1

Details of Pending Recommendations of the Committee till the Finalization of this Report.

Sr. No.	Board/Corporation	Report No.	Recommendation	No. of Recommendation
1	2	3	4	5
	HVPNL/HPGCL/ UHBVNL/DHBVNL	35th	23 HPGCL	1
		52nd	8,10 HVPNL	2
		53rd	1 HPGCL	2
			42 UHBVNL	
		58th	1 DHBVNL	1
		62nd	5 HPGCL	1
			13-14 HVPNL	2
		63rd	1-7	7
			UHBVNL & DHBVNL	
		64th	3-7, 12-13 UHBVNL & DHBVNL	7
			1- DHBVNL	1
		65th	1-3 HPGCL	3
			3- UHBVNL	1
5- UHBVNL & DHBVNL	1			
66th	6-7 UHBVNL	2		
	8-DHBVNL	1		
67th	4-5 UHBVNL	2		
	12-14 HPGCL	3		
	15- UHBVNL & DHBVNL	1		
	16-DHBVNL	1		
68th	7- UHBVNL	1		
	15- DHBVNL	1		
69th	1-8 HVPNL	8		
	9-HPGCL	1		

			10-DHBVNL	1
			11-12 UHBVNL	2
		70th	1 & 9 HVPNL	2
			2-4 & 6 UHBVNL	4
			5 & 7-8 DHBVNL	3
	TOTAL			62
2.	Haryana State industrial and infrastructure Development Corporation	57th	4	1
		58th	4	1
		60th	8	1
		62nd	6-10	5
		65th	6	1
		67th	9-11	3
		68th	1-6 & 17	7
		69th	13-14, 16-17	4
		70th	10-11	2
	TOTAL			25
3.	Haryana Financial Corporation	49th	2-6	5
		50th	4 & 23	2
		52nd	18	1
		56th	5-6	2
		57th	9-10	2
		67th	7	1
	TOTAL			13
4.	Haryana Agro Industries Corporation Ltd.	16th	6.29	1
		23rd	15-16	2
		48th	27, 30-33	5
		53rd	29-36	8
		56th	2	1
		57th	7	1
		58th	6-7	2
	59th	8-16	9	

		62nd	11	1
		64th	15	1
		65th	7	1
	Haryana Agro Industries Corporation Ltd. And Haryana Warehousing Corporation	66th	1-4	4
		67th	1-3 8-9	3 2
	Haryana Agro Industries Corporation Ltd.	68th	8-14	7
	Haryana Agro Industries Corporation Ltd.	69th	15, 18-19	3
	TOTAL			51
5.	Haryana Land Reclamation & Development Corporation Ltd.	53rd	39	1
	TOTAL			1
6.	Haryana Warehousing Corporation	50th	16 & 18	2
		52nd	19	1
		53rd	28, 47	2
		55th	8,9,10,11,13	5
		60th	7	1
		63rd	8-14	7
		69th	20-21	2
	TOTAL			20
7.	Haryana Seeds Development Corporation Ltd.	49th	9	1
		TOTAL		
8.	Haryana Tourism Corporation Limited	59th	5	1
		62nd	3-4	2
	TOTAL			3

9.	Haryana Forest Development Corporation Limited	58th	3	1
		66th	9	1
	TOTAL			2
10.	Haryana SC Finance & Development Corporation Limited	60th	6	1
		63rd	1	1
	TOTAL			2
11.	Haryana Roads & Bridges Development Corporation Limited	57th	8	1
		61st	5,7,8,9,11,12	6
		62nd	15	1
		64th	14	1
		68th	19-20	2
	TOTAL			11
12.	Haryana Police Housing Corporation Limited	60th	5	1
		68th	18	1
	TOTAL			2
13	Haryana Women Development Corporation Limited	64th	16	1
			TOTAL	1
14	Haryana State Electronics Development Corp. Ltd.	67th	9	1
			TOTAL	1
15	Haryana Medical Services Corporation Ltd.	69th	22	1
			TOTAL	1

Sr. No.	Board/Corporation	Report No.	Recommendation	No. of Recommendation
1	2	3	4	5
Outstanding recommendation in respect of Non-General working companies				
1.	Haryana State Small Minor Irrigation & Tubewells Corporation	42nd	27	1
		51st	5-6	2
TOTAL				3
2.	Haryana State Small Industries Export Corporation	19th	11 (General)	1
		43rd	3-4 & 7	3
		51st	8	1
		TOTAL		
3.	Haryana Mineral Limited	41st	18	1
		45th	1-14 (General)	14
		48th	23-24 & 41	3
TOTAL				18
Outstanding recommendation in respect of General working companies				
1.	Haryana Urban Development Authority	47th	7-20	14
		67th	1	1
TOTAL				15

Annexure II**Statement Showing Status of Action Taken Reports from Various Boards/Corporations during the Year 2025–26**

- Action Taken Report (ATRs) reviewed: 36
- Action Taken Report (ATRs) Dropped/Settled: 13

After scrutiny and oral examination, the Committee was satisfied with the replies received and accordingly dropped following 13 paragraphs.

Sr. No.	Name of Boards/ Corporations	Report No.	Paragraph No.	Brief Subject of Paragraph
1	Police Housing Corporation	70	12 (5.17)	Avoidable Expenditure
2	Haryana Seeds Development Corporation	53	3	Failure to sell wheat seed to a private party out side the state
3	Haryana Seeds Development Corporation	53	4	Loss due to injudicious decision the inter State sale
4	Haryana Seeds Development Corporation	64	8	Irregular placement of funds
5	Haryana State Roads & Bridges Development Corporation	62	16	Loss of Revenue- The Company suffered loss of revenue of Rs.78 Lac due to delayed issue of letter of allotment
6	Haryana Agro Industries Corporation Limited	23	14	Transfer and re-transfer of Plants
7	Haryana Agro Industries Corporation Limited	38	8(2A.13(iii))	Accumulated shortage
8	Haryana Agro Industries Corporation Limited	48	28	Cattle feed plant, Jind Production Performance
9	Haryana Agro Industries Corporation Limited	48	29	Excess consumption of Gunny Bales

10	Dakshin Haryana Bijli Vitran Nigam Limited	60	2	Unfruitful expenditure: Due to non-rectification of fault occurred in the Energy Audit system, expenditure of Rs.12.38 crore incurred on installation od system remained unfruitful
11	Dakshin Haryana Bijli Vitran Nigam Limited and Uttar Haryana Bijli Vitran Nigam Ltd.	61	1	Unfruitful expenditure on HVDS in Nuna Majra village
12	Dakshin Haryana Bijli Vitran Nigam Limited and Uttar Haryana Bijli Vitran Nigam Limited	61	2	Idle works
13	Dakshin Haryana Bijli Vitran Nigam Limited and Uttar Haryana Bijli Vitran Nigam Limited	61	4	Remote monitoring & control of rural agriculture pumps sets.