

**GOVERNMENT OF INDIA  
MINISTRY OF POWER**

**LOK SABHA  
UNSTARRED QUESTION NO.1758  
TO BE ANSWERED ON 28.12.2017**

**AUDIT OF DISCOM**

**†1758. SHRI SATISH CHANDRA DUBEY:**

**Will the Minister of POWER  
be pleased to state:**

- (a) whether the Government audits accounts of power distribution companies after every six months, if so, the details thereof and if not, the reasons therefor;**
- (b) whether the Government has any proposal to conduct such audits after every six months in future and if so, the details thereof; and**
- (c) whether any effective scheme has been proposed to prevent power companies from issuing incorrect bill to consumers, if so, the details thereof?**

**A N S W E R**

**THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR POWER AND  
NEW & RENEWABLE ENERGY**

**( SHRI R. K. SINGH )**

**(a) & (b) : No, Madam. Since the distribution of electricity at retail level falls within the domain of the State Governments, the Central Government does not carry out any audit of DISCOMs. However, since distribution companies come under the Companies Act, 1956, they have to get their accounts audited through Statutory Auditors. The Electricity Act, 2003 also has enabling provisions to specify any general or specific conditions while granting license to a DISCOM. Further, as per Section 86 of the Electricity Act, the State Commission, while discharging its function of determination of tariffs shall be guided by the Tariff Policy published under section 3. The provisions of sub-para (2) of para 8.2.1 of the Tariff Policy, state that the State Electricity Regulatory Commission (SERC) shall institute a system of independent scrutiny of financial & technical data submitted by the licensee. Besides, SERCs have the overarching power under section 181 to make any Regulations for discharge of their functions given under the Act.**

**All these provisions give adequate powers to SERCs to get independent audit done, if considered necessary. Apart from this, the State Government, under Section 108 of Electricity Act, 2003, have the powers to give directions to the SERCs in matter of policy involving public interest. In addition, the public sector DISCOMs are subject to C&AG audit.**

**(c) : Government of India (GoI) launched Integrated Power Development Scheme (IPDS), National Smart Grid Mission (NSGM) and Ujwal Discom Assurance Yojana (UDAY) which emphasizes on installation of Smart Meters. Smart Meters remove the human intervention from billing process and hence improve billing accuracy.**

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