

Why is Dead DEDA Still Alive?

Arjun Bhattacharya and O'Neil Rane

Introduction

Delhi Energy Development Agency (DEDA) was established by the Delhi Administration in February 1984 under the Societies Registration Act, 1860. The objective of this agency was to implement different energy schemes both in the rural as well as urban areas of Delhi.

It has been five years since the Comptroller and Auditor General (CAG) of India pulled up the Government of National Capital Territory (NCT) of Delhi for its lax management of the Delhi Energy Development Agency. It recommended its closure after it came out with its Annual Audit Report for the year ending 31 March 1997, in which it pointed out the gross mismanagement of resources, rampant corruption and wasteful expenditure. However, the agency continues to exist albeit all the charges levied. It continues to enjoy Rs 2 crore (2003-2004) as planned outlay towards payment of salaries for its huge staff which sits in office doing nothing.

Why has the Government of NCT of Delhi not taken any firm step yet? If at all it is planning to close the agency then why does it have to continue spending the hard earned taxpayers' money on an agency which is nothing but a white elephant?

Organisational Set up

DEDA was managed by a governing body consisting of a Chairman and 11 members. The Development Commissioner, Government of NCT of Delhi used to be the Chairman, and the Director of the agency was the Member Secretary of the Governing Body. Currently the post of Chairman is held by Secretary, Environment, Ministry of Forest and Environment. The other members were from the Government of India, Government of NCT of Delhi, Municipal Corporation of Delhi, State Bank of India and Delhi Cooperative Bank who were expected to provide assistance wherever necessary.

Purpose of DEDA

The main objectives of the agency were:

- a) To identify the beneficiaries and their problems with regard to energy scenario in the NCT of Delhi.
- b) To execute various plans of non-conventional and conventional energy sources including pilot projects.
- c) Organise and arrange supplies of energy devices like solar cookers, windmills, biogas plants, solar water heating systems and other energy saving equipment.
- d) To arrange and organise extension and demonstration services to educate the public about uses and working of different types of energy systems and devices.

Present Status

DEDA has been marred by controversies ever since its inception. The efficacy of DEDA has been in question for a long time. Despite various newspaper articles and reports questioning the rationale behind the existence of such a loss-making agency, it continues to exist while eating into the funds of the government as well as the hard-earned money of taxpayers

The CAG audit report of the Government of NCT of Delhi for the year ending 31 March 1997 pulled up DEDA for gross mismanagement and irregularities.

Our Visit to DEDA and Their Side of the Story

The agency is still alive today and is located at 37, Tughlakabad Institutional Area, New Delhi. It is well camouflaged by the Court of Sub-divisional Magistrate, which is currently using its premises.

There is no board indicating the presence of the agency. A visit to the office of the agency on the first floor revealed a run down, dingy, stinking corridor at the end of which was a room with 6-7 *babus* sitting around a table.

We approached them on the pretext of being students doing a project on Non-conventional energy resources. We were told that they would not reveal any information about the agency and it is working. According to them, no work has been done for the last 3-4 years. They said that the government had stopped all the subsidies, as the agency was not able to viably implement the programmes. Hence, they could not implemented or set up any new project. They have just been receiving salaries without doing any work.

The CAG Report

The highlights of the report are as follows:

A) Battery Bus Service

DEDA had been operating the battery buses for intra city transport as a pilot project since 1986 at the behest of the Ministry of Non-conventional Energy Sources (MNES). The scheme had the following objectives:

- To provide pollution free mode of transport
- To serve as an alternative to the slow moving transport like rickshaw, Tonga etc.

The results were as follows:

- a) The bus service incurred losses to the extent of Rs 414 lac during 1992-97. Even after incurring a total expenditure of Rs 1197 lac since 1986, it had not been able to achieve any of its objectives.
- b) Only 33 out of 84 buses remained road worthy by 1997.
- c) Ratio between average revenue earned and average revenue expenditure was 1:4 during 1992-97 and by 1996-97 it was 1:6, while occupancy per bus trip was only 68 per cent.
- d) The ratio of staff deployed per bus was 7:1 in October 1997. As against the standard norms of staff productivity of 25-309 km per employee per day, average distance worked out in DEDA was only six km.
- e) Nineteen battery sets were lying unutilised, which resulted in blocking of funds to the extent of Rs 21 lac.

B) Polaroid Division

Polaroid Division under DEDA was set up in 1985 for making driving licenses on behalf of the Transport Department of Delhi consisting of five motor licensing offices which expanded to nine later on. One of the main objectives of creating this division was to generate income for DEDA to meet the deficit budget of various schemes. Despite being a monopoly, this division could generate a profit of only Rs 15 Lac during the period 1992-1996. Scrutiny of records showed that DEDA could have generated greater savings had it managed its affairs more efficiently.

The following highlights the gross mismanagement of funds:

- a) Nine colour imaging systems were purchased during 1992-96 at a cost of Rs 172.77 lac, which exceeded the assessed market value of these systems prevalent at the time of purchase by Rs 82.20 lac. Similarly, the department paid Rs 18.77 lac extra per annum as compared to the then prevalent market value on purchase of consumables costing Rs108 lac. Both these purchases were irregular, as there was no sanction of the competent authority. Also, financial rules were flouted and a particular supplier was favoured.
- b) Income of Rs 10.43 lac of Polaroid units was misused on distribution of diwali gifts and providing free tea to the staff.

C) Solar Water Heating Systems

Under Integrated Urban Energy Programme (IUEP) scheme, the programme of installation of Solar Water Heating Systems having capacity between 100 and 1,000 litres per day was implemented by DEDA as per guidelines from MNES.

The main objective of the programme was to make use of freely available Solar power for providing low-grade thermal energy and save electricity.

Initially the average subsidy on systems was around 50 per cent, which was shared by MNES and DEDA but from July 1993, the subsidy was withdrawn and it was decided to provide financial assistance in the form of soft loans from Indian Renewable Energy Development Agency (IREDA).

The highlights of the report were:

- a) Solar water heating systems costing Rs 10.56 lac were installed on demonstration basis free of cost at the residences of Ministries/ Senior Government officials against the provisions of guidelines and without the approval of governing body. The residences selected for demonstrations were not accessible to public thereby also defeating the entire purpose of installation demonstration purpose SWH systems.
- b) There was a marked drop in capacity of installation over the years (1,35,200 LPD in 1992-93 to only 900 LPD in 1996-97).

Even the Tata Energy Research Institute (TERI) in its evaluation report of January 1996 attributed the declining trend to lack of interest and low attractiveness of the technology. However, no remedial action was taken by the agency.

D) Solar Lanterns

Under Integrated Urban Energy Programme (IUEP), the programme of sale of solar lanterns was implemented by DEDA with the objective of popularising its use as an alternative sources for lighting in rural and urban areas.

The central subsidy for Solar Lanterns was administered by MNES in the capital through DEDA. Against the total cost of Solar Lantern of Rs 5,600, the centre and state subsidies were Rs 2000 and Rs 800 per lantern respectively.

Some of the highlights of the report were:

- a) The genuineness of sales of solar lanterns involving subsidy of Rs 7.03 lac could not be confirmed by the agency, as given addresses were found to be fictitious.
- b) 64 solar lanterns costing Rs 3.50 lac were distributed free of cost to Ministers / Government officials on demonstration basis for which no provision existed in the guidelines and without the approval of the governing body.

E) Bio-gas Scheme

The scheme of installation of Biogas plants was implemented by DEDA under the Integrated Rural Energy Program (IREP) as per guidelines issued and targets fixed by MNES. The objectives of the scheme were mainly to provide fuel for cooking purposes and organic manure to rural household through family type Biogas plants. In case of Community Biogas plants, the entire operation was to be on commercial lines by DEDA.

As of October 1997, DEDA had three Community Biogas plants out of which the plant at Nangli Sakravati completed in October 1995 was yet to be commissioned.

The report stated:

- a) Though the community biogas plants were meant to be self-sustaining after its installation, DEDA has incurred Rs 10 lac on purchase of fresh dung by diverting funds from other schemes, whereas accumulated bio-manure valued at Rs 7 lac was lying unsold and was being washed out by rains as it was dumped in the open space.

- b) Funds worth Rs 16.29 lac was blocked due to non-commissioning of community biogas plants at Nangli Sakravati.

F) National Programme on Improved Chulhas

The National Programme on Improved Chulhas was implemented by DEDA under IREP. The main objectives of the scheme were reduction in fuel consumption, environmental upgradation by reducing smoke level and reduction of drudgery of rural women while cooking and collecting firewood.

Under the programme, DEDA sold fixed and portable Chulhas. There was no subsidy admissible on fixed type Chulhas. The break up of the central and state subsidy towards the cost of the portable Chulha was as indicated below:

Table 1

(In rupees)				
Category	Cost of Chulhas	Central Subsidy	State Subsidy	Sale Price
SC/ST	128	75	18	35
General	128	50	8	70

Source: CAG Report 1997

The report pointed out:

- a) The genuineness of the caste certificates for sale of chulhas could not be confirmed by the agency and there was no assurance of subsidy not being misused.
- b) Irregular sales resulted in misuse of subsidy of Rs 16.64 lac.

TERI in its evaluation of this scheme in January 1996 had pointed out that this scheme was potential source of leakage of fund through subsidy element. They had pointed out that since DEDA paid Rs 128 to the manufacturer for the portable chulha and collected only Rs 35 (SC/ST) and Rs 70 (general), unless these chulhas were stamped with distinguishing marks, there was a possibility that these chulhas could be recycled by showing bogus sales. However, no corrective / remedial action was initiated by DEDA in this direction.

G) Solar Cookers

The scheme for sale of Solar cookers was implemented by DEDA with a subsidy of 40percent. The agency was getting a subsidy of Rs 150 per cooker from MNES and Rs 280/320 from the Government of NCT of Delhi. Subsidy from MNES was discontinued from April 1, 1994.

CAG found:

- a) Expenditure of Rs 11.36 lac was incurred on advertising and publicity during 1994-97 against the sales of 344 solar cookers valuing Rs 1.65 lac.
- b) About 100 solar cookers costing Rs 1 lac were distributed free of cost to MPs/Ministers/Government officials.

H) Wind Mill Scheme

The scheme of installation of Wind Mill was implemented by DEDA, under IREP, for pumping out ground water thereby saving electricity. Against the target for installation of 20 Wind Mills during 1992-96, only one Wind Mill was installed, which remained to be commissioned.

It was observed that before initiating the scheme, pre-installation data like wind velocity, ground water level, selection of site etc. was not collected. The applicability/viability of the scheme for Delhi was not determined. As a result, Wind Mill scheme remained a non-starter and the entire expenditure of Rs 2.37 lac proved infructuous.

I) Other irregularities

- a) Overpayment of Rs 11.50 lac was made to casual workers on grant of temporary status to them.

- b) Rs 1.04 lac were paid in excess on the purchase of PVC pipes and there was non-accountal of PVC pipes valued at Rs 3.89 lac.
- c) In a large number of cases, Receipt Books containing records of sales of cookers, lanterns etc. were never returned to the Accounts branch after use for audit.
- d) In Delhi, Delhi Energy Development Agency (DEDA) placed an order on BHEL, Hyderabad in March 1986 for supply of five 5 kW biogas operating generating sets complete in all respects and commissioned at the rate of Rs 50,000 per set inclusive of all taxes, cost of transportation etc. One set was to be supplied immediately and remaining four sets were to be supplied within two months from the date of issue of supply order. One DG set was supplied in March 1986 but it did not work. Remaining four sets were supplied in March 1987 without approval of the competent authority for the extended period. These sets were not installed/commissioned until April 1993 but payment of Rs 0.02 crore being 90 percent of the total payment was released to BHEL in March 1988 and the balance of Rs 25000 was withheld by DEDA. This resulted in blocking of funds to the extent of Rs 0.02 crore.

Our Assessment

Despite the above report, the Delhi Government is yet to close down the agency completely. There was another report that was sent to the Lieutenant Governor in April 1999 by the Lokayukta, pointing out the irregularities in the activities of DEDA, but still no action was taken by the Delhi Government.

According to a source within DEDA and as pointed by some newspaper reports, the main issue was the relocation of the 500-odd workforces. Excess workforce has been a problem for DEDA ever since its inception. For instance, after the Battery Bus unit of DEDA was closed down due to non-viability of the service, DEDA had a tough time relocating the 225 strong staff. Another problem haunting DEDA was the problem of employees straying to greener pastures. While some had set up businesses, others had moved to private agencies. But all of them drew their salaries, anywhere between Rs 6,500 and Rs 9,500. DEDA officials also pointed out that difficulty in changing the mindset of the people towards use of non-conventional energies also led to the poor performance of DEDA. The following table shows the annual subsidy provided to DEDA over the period 1997-98 to the current fiscal year under the following sub-heads:

- Rural Development
- Energy.

Table 2
Plan Outlay and Expenditure for DEDA

Rs in Lac

Year	Head/sub-Head of Development	Approved Outlay	Revised Outlay	Expenditure	% wrt AO	% wrt RO
97-98	Rural Development	81.00	75.00	75.00	92.59%	100.00%
	Energy	200.00	175.00	175.00	87.50%	100.00%
98-99	Rural Development	80.00	90.00	90.00	112.50%	100.00%
	Energy	200.00	240.00	240.00	120.00%	100.00%
99-00	Rural Development	80.00	88.00	97.30	121.63%	110.57%
	Energy	200.00	240.00	215.00	107.50%	89.58%
00-01	Rural Development	88.00	170.00	128.00	145.45%	75.29%
	Energy	150.00	150.00	146.65	97.77%	97.77%
01-02	Rural Development	150.00	130.00	114.00	76.00%	87.69%
	Energy	150.00	150.00	139.18	92.79%	92.79%
02-03	Rural Development	100.00	100.00	63.15	63.15%	63.15%
	Energy	100.00	100.00	104.39	104.39%	104.39%
03-04	Rural Development	100.00	-	-	-	-
	Energy	100.00	-	-	-	-

Source: Planning Department, Government of NCT of Delhi.

It is no surprise that the workforce of DEDA has come down drastically from 500-odd people to only about 100 people. But as the above table reveals, the Delhi Government is still dishing out Rs two crore every year in its annual plan budgetary outlay, for the past two years. The question is, why are these 100 people still there when no work is being done? Unfortunately, the answer to this question was not easy to extract from officials at the Ministry of Non-Conventional Energy Sources, who were elusive about the whole issue. However, sources at the Planning Department of the Delhi Government admitted that DEDA has been non-functional but say that as of now no time frame has been drawn up for its closure. Surprisingly, the Government is yet to take any decision whether or not to close down DEDA. Apparently, the Government wants DEDA to die a natural death! Sources also said that the amount of subsidy is only to sustain the present staff because the Delhi Government has no clue where to relocate them. There is no doubt that Rs two crore that is being spent to support unproductive employees of an overly generous Government could be spent on alternative rural projects, improving basic civic amenities like roads, public transport. It is not that the left over staff cannot find alternative job opportunities considering their qualification and experience. If the Government does not know how to deal with overstaffing, it is time it reviewed its labour laws.

Conclusion

Despite making various field trips and talking to concerned Government officials, getting information about DEDA was a major problem. The attitude of these people made the entire issue on DEDA look like some sort of a clandestine operation of the Government.

The issue of mismanagement of Government Departments is nothing new. It has been written about and has been probed into on plenty of occasions earlier. What lacks is swift action on part of the Government with regard to making decisions, which is what seems to be the major problem here as well. Another major issue emerging from the above report is the overstaffing problem of the Government. The Government is just an employment-generating machine that renders jobless people even more jobless thereby forgoing a great deal of resources in the process, both monetary as well as human.

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