



दिल्ली विद्युत विनियामक आयोग
Delhi Electricity Regulatory Commission



F.3(768)/Tariff/DERC/2025-26/8586/1455

Dated 22/01/2026

To

Secretary (Power),
Department of Power,
Government of National Capital Territory of Delhi,
Delhi Secretariat, 8th Level, B-Wing
New Delhi- 110002.

Sub: Intensive Audit of DISCOMs.

Ref. Letter from O/o the Accountant General (Audit), Delhi dated 20/01/2026 and 19/01/2026

Sir,

This has reference to the above referred letter regarding Intensive Audit of Distribution Companies of Delhi in line with Hon'ble Supreme Court judgement dated 6/8/2025, I am hereby directed to submit that:

- a) Dy. Accountant General (TSC) vide its above referred letter has given the in-principle approval for conducting the same. Further, they have requested that valid entrustment under Section 20(1) of the CAG's DPC Act, 1971 may kindly be provided to them at the earliest from the Hon'ble Lt. Governor of NCT of Delhi to proceed further.
- b) It is submitted that Section 20 (1) of the CAG's DPC Act, 1971 is quoted as follows:

“Audit of accounts of certain authorities or bodies

20.(1) Save as otherwise provided in section 19, where the audit of the accounts of anybody or authority has not been entrusted to the Comptroller and Auditor-General by or under any law made by Parliament, he shall, if requested so to do by the President or the Governor of a State or the Administrator of a Union territory having a Legislative Assembly, as the case may be, undertake the audit of the accounts of such body or authority on such terms and conditions as may be agreed upon between him and the concerned Government and shall have, for

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Viniyamak Bhawan, C-Block, Shivalik, Malviya Nagar, New Delhi-110017

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the purposes of such audit, right of access to the books and accounts of that body or authority:

Provided that no such request shall be made except after consultation with the Comptroller and Auditor-General"

2. In view of the above request from the office of Accountant General (Audit), Delhi, it is requested that the entrustment under Section 20(1) of CAG's DPC Act, 1971 may please be sought from Hon'ble Lt. Governor of Delhi for conducting Intensive Audit of Delhi DISCOMs (namely BRPL, BYPL and TPDDL). Further, detailed Scope, objectives and expected audit product along-with time schedule will be submitted shortly.

This issues with the approval of the Commission.

Yours faithfully


(Kannan Chinniah)
Executive Director

Enclosures:

- a) **Annexure - 1:** DERC letter dated 16/01/2026
- b) **Annexure - 2:** Letter from O/o the Accountant General (Audit), Delhi dated 19/01/2026
- c) **Annexure - 3:** Letter from O/o the Accountant General (Audit), Delhi dated 20/01/2026



दिल्ली विद्युत विनियामक आयोग
Delhi Electricity Regulatory Commission



F.3(768)/Tariff/DERC/2025-26/8586 / 14/28

Dated 16/01/2026

To

The Director General (Commercial),
Commercial Audit
O/o the Comptroller and Auditor General of India,
Pocket-9, Deen Dayal Upadhaya Marg,
New Delhi- 110 124.

Sub: Conducting of Strict and Intensive Audit of Distribution Companies of Delhi.

- Ref. a) DERC letter No. F.3(768)/Tariff/DERC/2025-26/8586/919 dated 19/09/2025
b) DERC letter No. F.3(768)/Tariff/DERC/2025-26/8586/1005 dated 15/10/2025
c) CAG email dated 29/10/2025

Sir,

This has reference to the reference correspondences regarding conducting of Strict and Intensive Audit of Distribution Companies of Delhi in line with Hon'ble Supreme Court judgement dated 6/8/2025.

2. In line with the directions of the Hon'ble Supreme Court, the matter is currently sub-judice before Hon'ble APTEL wherein they have vide Order dated 14/01/2026 (copy enclosed for ready reference) has given directions to DERC quoted below:

"Mr. Amir Kapur, Learned Counsel appearing on behalf of two of the Delhi Discoms, would submit that the DERC has not complied with the directions of the Supreme Court for conducting of an intensive audit. Mr. Nikhil Nayyar, Learned Senior Counsel appearing on behalf of the DERC, would submit that the DERC had earlier requested that Comptroller and Auditor General of India to conduct the audit; the CAG, in turn, had addressed letter dated 21.11.2025 to the Auditor General of the Government of Delhi to act on this proposal of the DERC; and it is because of the delay in intimation by the CAG in this regard that the DERC is in no position to have an intensive audit conducted.

The order of the Supreme Court dated 06.08.2025 does not obligate the DERC to have an intensive audit conducted only by the CAG or by an Auditor appointed by them. Several State Regulatory Commissions have, in compliance with the orders of the Supreme Court dated 06.08.2025, appointed Chartered Accountants to conduct the intensive audit. Nothing prevented the DERC from doing so likewise. While the delay on the part

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*of the DERC in appointing the auditor for conducting the intensive audit does not appear to be justified, we deem it appropriate to permit the DERC, in compliance with the orders of the Supreme Court dated 06.08.2025, to initiate the process for appointment of auditor(s), for conducting the intensive audit, within two weeks from today. **We make it clear that, in case the CAG chooses not to conduct an audit or appoint an auditor or refrains from intimating the DERC in this regard within one week from today,** the DERC shall proceed and initiate the process for appointment of a suitable Chartered Accountant, to conduct the intensive audit in terms of the Supreme Court order dated 06.08.2025, within two weeks from today.”*

3. In view of the above directions of Hon'ble APTEL, office of CAG is requested to kindly inform the Commission about the decision of the CAG about conducting the audit of DISCOMs or any other decision taken by the CAG office. Further, if office of CAG is not inclined to take up the matter, it is requested that the name/s of CAG empanelled auditor may be provided within One Week otherwise the Commission shall take other suitable action to comply with the directions of Hon'ble APTEL.

This issues with the approval of the Commission.

Yours faithfully


(Kannan Chinniah)
Executive Director

कार्यालय महालेखाकार (लेखापरीक्षा), दिल्ली
ब्लिट नवन, आई.पी.एस्टेट, नई दिल्ली-110002



SUPREME AUDIT INSTITUTION OF INDIA
सर्वोच्च लेखापरीक्षा संस्थान
Dedicated to Truth in Public Interest

O/o the Accountant General (Audit), Delhi
Audit Bhawan, I.P. Estate, New Delhi-110002



Dated: 19.01.2026

To
The Secretary,
Delhi Electricity Regulatory Authority (DERC),
Vinayak Bhawan, C- Block, Shivalik
Malviya Nagar, New Delhi - 110017



Sub: Conducting of Strict and intensive Audit of Distribution Companies of Delhi

Sir,

Reference is invited to your letter No. F/3(768/Tariff.-DERC/2025-26/85-86/919 dated 19.09.2025 on the above-mentioned subject, wherein a request was made for consideration of special audit of Delhi DISCOMs, namely BSIS Rajdhani Power Ltd. (BRPL), BSIS Yamuna Power Ltd. (BYPL) and Tata Power Delhi Distribution Ltd. (TPDDL).

In this regard, the following information may kindly be provided to enable this office to take an informed view on undertaking the assignment:

1. The detailed scope of audit entailing the areas and period which are required to be covered under the audit,
2. The detailed objectives for conducting the audit and
3. Expected audit product i.e. what is expected from the audit and expected time schedule for completion of audit.

It is further informed that, if the audit is taken up, it shall be conducted in accordance with the provisions of the CAG (DPC) Act, 1971 and the regulations framed thereunder. This would require a formal and reasoned proposal from the Hon'ble Lieutenant Governor of NCT of Delhi, citing public interest, statutory authority and scope of audit, and indicating that reasonable opportunity was provided to the DISCOMs by the respective departments, to submit their representations and that the same were duly considered.

Further, the directions received from the Hon'ble High Court in the W.P. (C) 895/2011, W.P. (C) 529/2014 & CM Nos. 1065/2014 & 64818/2014, W.P. (C) 539/2014 & CM Nos. 1078/2014 & 6420/2014 and W.P. (C) 559/2014 & cm Nos. 1125/2014 & 6419/2014 dated 30.10.2025 or subsequent court order if any, on this, may also be adhered to.

Accordingly, the above information may kindly be furnished at the earliest, along with confirmation that requisite approvals shall be provided, as and when required, if the audit is approved.

This issues with the approval of the Principal Accountant General (Audit), Delhi,

Yours faithfully,



(KSM Rafi)

Dy. Accountant General (TSC)



SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थं सत्यनिष्ठा
Dedicated to Truth in Public Interest



Dated: 20.01.2026

To,

The Secretary,
Delhi Electricity Regulatory Authority (DERC),
Vinayak Bhawan, C- Block, Shivalik
Malviya Nagar, New Delhi - 110017

Sub: Conducting of Strict and intensive Audit of Distribution Companies of Delhi.

Ref: DERC F.3(768)/Tariff/DERC/2025-26/8586/1438 dated 16.01.2026

Sir,

In continuation of this office letter no.TSC/7-2/Correspondence-with-State Comm.(IIQ)/2025-26/463 dated 19.01.2026 on the subject cited above, I hereby communicate the in-principle approval of this office for conducting the audit.

It is requested that valid entrustment under Section 20(1) of the CAG's DPC Act 1971, may kindly be provided to this office at the earliest, from the Hon'ble Lt. Governor of NCT of Delhi to proceed further.

This issues with the approval of Principal Accountant General (Audit) Delhi.

Yours faithfully,

(KSM Rafi)

Dy. Accountant General (TSC)