

This inspection report has been prepared on the basis of information provided by Executive Engineer, Electricity Distribution Division, Haldwani (Rural), Nainital. The office of the Accountant General (Audit) Uttarakhand, Dehradun disclaims any responsibility for any misinformation, non submission or submission of incomplete records.

Audit inspection of accounting records of Executive Engineer, Electricity Distribution Division, Haldwani (Rural), Nainital for the period April 2016 to March 2017 was carried out in exercise of the power conferred by section 19 of the C&AG, DPC Act 1971 read with section 619(3)(b) of the Companies Act 1956 & section 143 of Companies Act 2013. Audit Inspection was conducted by Shri Amit Kumar Mishra, AAO and Shri A P Singh, AAO under the partial supervision of Shri Mukesh Kumar, Sr. AO during the period from 05.06.2017 to 09.06.2017.

Part-I

1. **Introduction:-** The last audit of this unit was carried out by Shri Amit Kumar, AAO and Shri Khubchand, AAO under the partial supervision of Shri B C Suyal, Sr. AO in which accounting records of the period from April 2015 to March 2016 were generally examined. In current audit, accounting records of the period from April 2016 to March 2017 were generally examined.

2. (i) **Functions and geographical jurisdiction of the unit:**

The function of the Electricity Distribution Division, Haldwani (Rural), Nainital is to distribute electricity to rural area of Haldwani in Nainital district and keep as well as expand the electricity distribution system to this area. The geographical jurisdiction of the division is within rural area of Haldwani, Nainital district.

(ii) **Auditing methodology and scope of audit:**

Electricity Distribution Division, Haldwani (Rural), Nainital was covered in the audit. Inspection reports of all independent Drawing and Disbursing officers are being issued separately. This inspection report is based on findings of audit and April 2016 month was selected for detailed examination and October 2016 was selected for Arithmetical Accuracy.

(iii)

Year	Revenue	Expenditure	Profit
2016-17	1129994746.09	81556380	--

(To the extent this information is available & applicable)

(iv) Organisation structure of the unit and reporting lines.

The Electricity Distribution Division Haldwani (Rural), Nainital is an electricity distribution division of UPCL which is officiated by the Executive Engineer.

Part II A

Para 1: Non recovery of electricity dues from Non-Government Consumers

Commercial & Revenue manual of Uttar Pradesh Power Corporation (which is being followed by Uttarakhand Power Corporation Limited) provides that in case a consumer does not pay electricity dues against him, within 30 days from the receipt of bill, his connection would be disconnected and demand notice for recovery of electricity dues will be issued u/s 3 of UP Electricity Dues and Recovery Act 1958 for depositing of dues against him within 30 days. In case consumer again fails to deposit the dues in the stipulated period then a recovery certificate (RC) U/S-5 of UP Electricity dues and recovery Act 1958 would be issued through concerned District Authority. All such action for recovery of dues should be completed within Six Months.

During Scrutiny of records relating to electricity dues against Non-Government Consumers, it was noticed that electricity dues has increased from ` 2011.78 Lakh in 2014-15 to ` 2122.65 lakh in 2016-17 as detailed below:

(` In lakh)

Sl. No.	Particulars	2014-15	2015-16	2016-17
1	Balance outstanding at the beginning of the year	1964.37	2011.78	2047.02
2	Revenue assessed/Billed during the year	8644.10	9826.06	11565.64
3	Total amount due for realisation (1+2)	10608.47	11837.84	13612.66
4	Total amount adjusted/ waived off/ rebate	6.45	27.57	22.59
5	Amount realised during the year	8590.24	9763.25	11467.42
6	Balance outstanding at the end of the year	2011.78	2047.02	2122.65

It is evident from above table that there is marginal increase in arrears of Non Government consumers over the period from 2014-15 to 2016-17. Division should make more efforts for realizing the arrears. Division in its reply stated that action as provided in the revenue and commercial manual was being taken against the defaulter consumers. Further action for realizing electricity dues is continuing. The reply of the division is not convincing as the arrears in respect of Non Government consumers have risen from 2014-15 to 2016-17 to an alarming stage

Para 2: Non- realization of Revenue from Government consumers.

The purpose of establishing distribution division in different parts of the State is to provide electricity to the consumers of different categories. One of the most important functions of the division is to realize electricity charges consumed by the consumers. The realisation as per the targets fixed by the UPCL is intimated monthly to the division indicated efficiency of the division and good financial health of the UPCL. The revenue collected/ realised by the division is intimated through monthly commercial diary of the distribution division.

The revenue collection efficiency of the Company lies in realisation of the billed and assessed energy as well as outstanding dues of electricity. The revenue from sale of energy is the main source of income of the Company. Therefore, prompt and effective collection of revenue assumes great significance. The details of outstanding of revenue/arrear of Government consumers of UPCL during the years 2014-15 to 2016-17 are given below:

(` In lakh)

Sl. No.	Particulars	2014-15	2015-16	2016-17
1	Balance outstanding at the beginning of the year	6121.54	5677.52	6079.34
2	Revenue assessed/Billed during the year	1702.91	1808.59	2448.14
3	Total amount due for realisation (1+2)	7824.45	7486.11	8527.48
4	Total amount adjusted/ waived off/ rebate	2146.93	406.48	-
5	Amount realised during the year	-	1000.29	5149.63
6	Balance outstanding at the end of the year	5677.52	6079.34	3377.85

Source: Information compiled from the data provided by the Company

It is evident from above that the arrears were decreased from ` 5677.52 lakh in 2014-15 to 3377.85 lakh in 2016-17 but still huge arrear is yet to be realized. Division should make sincere efforts and raise the matter with top management and HoD of the departments for early realization of the same. Division in its reply stated that constant efforts were being done regarding the realization of revenue from Government consumers at various levels, resulting which the department have realized a maximum amount efficiently as compared to the previous years. The reply of the division is not convincing as still huge arrears against Government consumers are still pending.

**Para 3: Non- realization of dues due to inappropriate monitoring of Recovery Certificates
` 32.53 lakh.**

As per Indian Electricity Act 2003, the payment of electricity dues should be made within due date mentioned in the bill. In case of default, the supply was required to be disconnected after seven days and a demand notice under section 3 of Dues Recovery Act 1958 (giving 30 days notice) was to be sent. If payment was not received, a Recovery Certificate (RC) under section- 5 of the said act was to be sent to the concerned District Magistrate to recover the dues as land revenue. Proper care was required to be taken that the particulars of the consumers were correct and permanent disconnection was duly finalized so that RC's could be realized.

The status of unrecovered Recovery Certificates u/s 5 during 2014-15 to 2016-17 (upto January 2017) was detailed below:

For the year 2014-15

` In lakh

Sl. No.	Particulars	Number	Amount
1.	Opening Balance of RCs which were issued to DM offices for recovery u/s 5 and pending with DM offices as on 01.04.2014.	127	31.34
2.	Number of RCs issued for recovery to DM office against the defaulting consumers under section 5 during the period April-2014 to March-2015	75	5.91
3.	Number of RCs and amount realized by DM office from defaulting consumers during the period April-2014 to March-2015.	23	1.88
4.	Number of RCs returned by DM office due to wrong address of consumers, deceased consumer, etc during the period April-2014 to March-2015.	42	5.50
5.	Number of RCs pending with the DM office due to non-realization as on 31.03.2015.	137	29.87

For the year 2015-16

Sl. No.	Particulars	Number	Amount
1.	Opening Balance of RCs which were issued to DM offices for recovery u/s 5 and pending with DM offices as on 01.04.2015.	137	29.87
2.	Number of RCs issued for recovery to DM office against the defaulting consumers under section 5 during the period April-2015 to March-2016	07	0.52
3.	Number of RCs and amount realized by DM office from defaulting consumers during the period April-2015 to March-2016.	1	0.19
4.	Number of RCs returned by DM office due to wrong address of consumers, deceased consumer, etc during the period April-2015 to March-2016.	-	-
5.	Number of RCs pending with the DM office due to non-realization as on 31.03.2016.	143	30.20

For the year 2016-17

Sl. No.	Particulars	Number	Amount
1.	Opening Balance of RCs which were issued to DM offices for recovery u/s 5 and pending with DM offices as on 01.04.2016.	143	30.20
2.	Number of RCs issued for recovery to DM office against the defaulting consumers under section 5 during the period April-2016 to March-2017	45	2.33
3.	Number of RCs and amount realized by DM office from defaulting consumers during the period April-2016 to March-2017.	-	-
4.	Number of RCs returned by DM office due to wrong address of consumers, deceased consumer, etc during the period April-2016 to March-2017.	-	-
5.	Number of RCs pending with the DM office due to non-realization as on 31.03.2017.	188	32.53

Audit also noticed that the 127 numbers of RCs amounting to ` 31.34 lakh were pending for realization in the beginning of April 2014 which marginally increased to 188 numbers of RCs amounting to ` 32.53 lakh in 2016-17. 42 RC amounting to ` 5.50 lakh were returned by DM office during 2014-15 to 2016-17 due to wrong address/ inadequate details provided by division. Had proper action for temporary/permanent disconnection been taken by the Company in time against the defaulting consumers this arrear would not have been accumulated.

Division in its reply stated that on being issued notices u/s 5, some consumers had deposited the dues against them while few consumers were not traced due to certain reasons, in that cases sub divisional officers were regularly instructed to trace them. However, efforts would be made that no such discrepancies lie part of division regarding mentioning the correct address in notice u/s 5. The reply of the division is not convincing as the amount to be realized u/s 5 has risen up in comparison to previous years and due to negligence of division in mentioning the correct details of consumers, 42 notices u/s 5 valuing ` 5.50 lakh were returned to division.

Para 4: Non recovery of additional Security amounting to ` 1.21 crore

As per para 2.2.1 of UERC Regulations 2007, security of the consumers should be assessed in end of each financial year in respect of those consumers who have been given the connection for supply of electricity, the security should be equal to average consumption of two month bill of the financial year. In case security reassessed exceeds the amount of security already deposited, the differential amount will be demanded as additional security by giving a notice to the consumers within the 45 days. In case the additional security which is not deposited within the stipulated period, the electricity supply of such consumers can be disconnected.

During scrutiny of billing files and other related records of the KCC consumers, it was noticed that the average two months bills of consumers exceeded the amount of security already deposited. Additional security amounting to ` 1.21 crore from 127 KCC consumers were pending from March 2017 and has not been recovered till date. As per circular in question, amount of this additional security was required to be recovered within 45 days. This amount should have been recovered from consumers within the stipulated period which was not recovered.

Division in its reply stated that notices were being sent to consumers to recover additional security. The reply of the division is not convincing as the additional security pertains to the 2016-17 which should have been realized within 45 days from consumers.

Part II B

Para 1: Suspected recovery of electricity dues from Private Tube wells Consumers

As per order of UPCL, if a consumer failed to deposit the electricity dues within 30 days, his connection would be liable to disconnect and action for recovery would be initiated i.e. finalization of P.D. report, O.M. under section 3 to be issued for depositing the electricity dues. If electricity dues are not deposited within one month, R.C under section 5 would be issued through DM Office for recovery. All these actions were to be completed within six months.

During the course of audit, it was noticed that the Company has been supplying electric power to Private Tube-well consumers (under RTS-4) and outstanding amount increased marginally from ` 19.20 lakh in 2014-15 to 21.65 lakh in 2016-17 against the consumers in question. The details up to March 2017 were as under:

(` in lakh)

2014-15			
Name of Department	No. of Consumers	Connected Load (KW)	Total Arrear
Private Tube-wells consumers	06	86	19.20
2015-16			
Private Tube-wells consumers	06	86	20.16
2016-17			
Private Tube-wells consumers	06	76	21.65

It was observed that amount of arrears has been increased and the same was not recovered by the Company. Also, as the periodicities of the dues are not clear so the chances of recovery of these dues could not be commented. Division in its reply stated that sub divisional officers were intimated regarding realisation of dues from private tube wells. The reply of the division is not convincing as the amount of arrear against consumers of private tube wells have increased in

comparison to previous years and sub divisional officers should have been directed earlier to realise the same in order to avoid accumulation of arrears.

Para 2: Non- realization of Initial Security Deposit

As per UERC norms, UPCL collects security deposit from all categories of consumers at the time of releasing connections. The rate of Security deposit varies on different categories of consumers. During scrutiny of the records, it was observed that there are 11 consumers of different categories to whom connection have been released without depositing the required security deposit. This resulted in non- realisation of Security deposit by ` 2.26 lakh and violation of UERC regulations. The details are as follows:

Sl. No.	KNO	Category	Load (in KW)	Security Deposit @ ` 1000 per KW
1.	7286	RTS-7 LT AND HT INDUSTRY	15.00	15000
2.	7628	RTS-7 LT AND HT INDUSTRY	100.00	100000
3.	11251	RTS-7 LT AND HT INDUSTRY	8.00	8000
4.	11284	RTS-2 NON-DOMESTIC	11.00	11000
5.	11311	RTS-7 LT AND HT INDUSTRY	6.00	6000
6.	11555	RTS-7 LT AND HT INDUSTRY	8.00	8000
7.	11728	RTS-7 LT AND HT INDUSTRY	8.00	8000
8.	18860	RTS-2 NON-DOMESTIC	10.00	10000
9.	19335	RTS-2 NON-DOMESTIC	10.00	10000
10.	23684	RTS-2 NON-DOMESTIC	25.00	25000
11.	27066	RTS-2 NON-DOMESTIC	25.00	25000
12.	Total			226000

It is evident from above table that division failed to collect the security amount at the time of releasing connections to above consumers. Division in its reply stated notices were being issued to recover the amount of security to the consumers. Division has accepted the audit observation. Initial security is supposed to be deposited at the time of releasing connections and the same has not been deposited so far

Para 3: Violation of UERC norms in release of connection to Steel Furnace.

Rate schedule of UPCL approved by UERC effective from 1.04.2006 and thereafter provides that the supply to Steel units shall be made available at the voltage of 33 KV or above through a dedicated (Independent) individual feeder only with check meter at substation end.

Scrutiny of records of the division revealed that M/s Pal Alloy and Steel Casting Pvt. Ltd. applied (21.042008) for power connection for steel furnace unit. The total load for unit was 980 KVA but the firm applied for a load of 400 KVA in the beginning so that production work could be started. The connection was released to the consumer from 11 KV world bank feeder with the condition that the above connection will remain temporary in nature till new line is constructed. After the construction of new line the connection will be transferred to the same and consumer will be liable to bear the construction cost of new line. The firm applied for load enhancement by 580 KVA in December 2009. UPCL order enhancement of the load of consumer to 980 KVA from 400 KVA on the same feeder without constructing the Independent feeder of 33 KV line as required in specific condition of supply for LT and HT Industry.

Thus by not constructing an independent feeder at 33 KV for a steel furnace as required the norm, UPCL not only violated the norms of UERC for release of connection to a HT consumer but also forego the opportunity to strengthen its network. It may also be intimated t audit that whether any approval from UERC was obtained for relaxing the its norms in this particular case. Also it may be intimated whether the division is able to implement schedule power cuts (Rostering) on the said consumer by switching of the power during such schedule. Division in its reply stated that additional load of 580 KVA was sanctioned in special conditions as per order 92 D (O) UPCL/C 12 dated 18.01.2010. The letter of the Executive Engineer to the Deputy General Manager regarding load sanctioned was also forwarded. The reply of the division is not

convincing as it has violated the above mentioned directions of UERC regulations in releasing the connection to steel furnace at 11 KV feeder instead of 33 KV feeder.

Para 4: Delay release of new connection.

UERC LT Regulation 2013 inter alia provides that “The licensee shall be under obligation to energize the connection through a correct meter within 30 days from the :

(a) date of Application if no defects or outstanding dues are found.

(b) date of intimation of removal of defects or liquidation of outstanding dues or the date of”

As per the LT regulation a penalty on the division will be imposed at the rate of ` 10 per day on per ` 1000 of the amount deposited by applicant subject to maximum of ` 1000 for each day of delay.

The scrutiny of the records of the divisions for 2015-16 to 2016-17 revealed the following:

Year	No. of cases where connection were released beyond stipulated time	Amount of Penalty (` in lakh)
2014-15	54	0.50
2015-16	224	9.36
2016-17	152	10.58
		20.44

It is evident from above due to delay in release of connection in 2014-15 to 2016-17 division incurred an avoidable expenditure in form of penalty amounting to ` 20.44 lakh. The reasons for the delay may be intimated to audit. Division in its reply stated that delay in release of new connections aroused due to non-availability of meters, local disputes at site and incomplete wiring at consumer’s end. Junior Engineers and Sub Divisional Officers were instructed to

review the pendency of new connections from time to time and sort out the matter as soon as possible. The reply of the division is not convincing as division had violated the above mentioned UERC directions in respect of releasing new connections. Moreover, division has not provided any documentary evidence regarding delay in release of new connections due to local dispute at site and incomplete wiring at consumer's end.

Para 5: Non replacement of defective meters.

The Electricity supply code Regulation 3.1.4 provides that If the meter is not recording/stuck as reported by the consumer, the Licensee shall check the meter within 30 days of receipt of complaint and if found stuck or identified as defective (IDF), the meter shall be replaced by the Licensee/consumer, as the case may be, within 15 days thereafter, also all new case of defective meters namely ADF, RDF or IDF, if any, shall necessarily be rectified within a maximum period of 3 months.

Scrutiny of the billing records of the division revealed that division issued 416 IDF bills as on date. It was also observed that the bills of the consumers were defective in the range of 1 to 76 months and 179 consumers were billed continuously defective from 13 to 76 months.

It was observed that after that the division has issued bills of certain KCC consumers (KNO 7824, 26095, 24924, 26372) on IDF basis for more than three months.

During the period of defect the consumer is billed on the basis of assessment of average billing of past three billing cycle and not on actual energy consumed as the same cannot be recorded in absence of correct meter. The chances of taking the benefit in form of above average consumption of consumer during IDF billing cannot be ruled out as UPCL has no mechanism to check the actual consumption during period of IDF billing. The absence of co-ordination between the Test Division (responsible for replacement of Defective meter) and Distribution Division results in heavy recurring loss to the company and undue benefit to the consumers. Division in its reply stated it had intimated regularly Test Division regularly regarding the change of IDF meters of KCC consumers. Non KCC consumers IDF meter were changed by Test Division and IDF consumers have reduced substantially from 4.32 percent in 2014 to 1.28

percent in 2017. The reply of the division is not convincing as the KCC consumers are key consumers of the division and IDF meters should have been changed within stipulated time in order to avoid the chances of taking benefit by consumers as bills were issued to them on assessment basis.

Para 6: Poor quality of billing.

In the Tariff order of 2016-17 UPCL has stated that installation of AMR meter is one of the essential requirement for reduction of line losses also UPCL has committed that all connections upto 5 KW shall be billed by AMR meters. Audit noticed that out of total 576 KCC consumers Automatic Meter Reading of only 120 consumers were being done in 2014-15 and meter reading of remaining 456 consumers were done manually. In 2016-17, out of 635 KCC consumers IAMR was done for 128 consumers only and remaining 507 consumers were billed manually. The IAMR process of billing records electricity consumption of consumers and sends the same using SIM and Modems to a server for real time recording power consumption by consumer. This process of metering reduces the chance of power theft and manipulations.

Division in its reply stated that Test Division were informed to install modems in the meters at the consumer premises. However due to unavailability of modems process is slow. Division has accepted the audit observation and should co-ordinate with Test division for early installation of modems in order to reduces the chance of power theft and manipulations.

Para 7: Billing of Public water works and Government Irrigation System on assessment basis.

Billing of Jal Sansthan is covered under RTS 6 of the tariff of UPCL. This RTS applies to supply of power to public water works, sewage pumping stations, sewage treatment plants under Jal Sansthan or other local bodies. Billing of Govt. Irrigation System is covered in RTS 5 and it applies to Irrigation System owned and operated by State Government and State Tubewell, World Bank tubewell etc. During the scrutiny of billing records of the division it was observed that there are 30 connections issued under RTS 5 which were running IDF from 42 to 47 months and two connections of public water works were IDF for 13 months. Division has been raising the bills of these consumers on assessment basis and in absence of actual reading the consumption of these consumers could not be verified.

Division in its reply stated that Test Divisions were intimated regularly regarding change of IDF meters of Public water works and Government Irrigation Systems. Division has accepted the audit observation. These connections have been billed on assessment basis and running IDF from 42 to 47 months which shows the poor co-ordination between Test Division and Distribution Division.

Para 8: Deficiencies in IT implementations regarding Revenue collection.

As per rate tariff of UPCL approved by UERC, If consumers installs and uses solar water heating system, rebate of ` 100 per month for each 100 litre capacity of the system or actual bill for that month whichever is lower shall be given subject to the condition that consumer gives an affidavit to the licensee to the effect that he has installed such system, which the licensee shall be free to verify from time to time. If any such claim found to be false, in addition to punitive legal action that may be taken against such consumer, the licensee will recover the total rebate allowed to the consumer with 100 % penalty and debars him from availing such rebate for next 12 months. It was noticed that the system never gives alerts to the licensee (UPCL) for verification of the water heating system and updation of its status periodically. Division had given solar rebate of ` 1.53 lakh to the consumers.

Division in its reply stated that solar water heating system were installed at consumer's premises and letter were being issued to SDO's regarding verification of the solar water heating system and its updation. Division has accepted the audit observation. Had the action been taken earlier by the division the chances of leakages of revenue could have been avoided

Para 9: Energy as well as revenue loss due to theft/pilferage.

In order to minimise the cases of pilferage/ loss of energy, Section 163 of Electricity Act 2003 provides that the licensee may enter in the premises of a consumer for inspection and testing the apparatus. As per section 135 of Electricity Act 2003 and Electricity (amendment) Act, 2007, theft of energy is an offence punishable under the said Act.

Audit observed that the division did not fix any target for inspection and testing of apparatus. An analysis of the theft cases and assessments made by the division of the Company during 2014-15 to 2016-17 is detailed below:

(` in lakh)

Name of sub-division	Year of checking	Total number of consumers	Number of checking	Number of theft cases detected/ Assessment made	FIR lodged	Amount assessed	Amount realized	Balance
EDD (R) Haldwani	2014-15	56102	72	14/14	09	4.15	2.87	1.28
EDD (R) Haldwani	2015-16	57334	608	27/27	15	7.29	6.87	0.42
EDD (R) Haldwani	2016-17	67080	782	51/51	50	7.93	7.63	0.30

Source: Information compiled from the data provided by the Company

It can be seen that the total number of checking carried out by division ranged from 0.12 per cent to 1.16 per cent against the total number of consumers during the period 2014-15 to 2016-17. It is pertinent to mention that percentage of checking itself as compared to total number of consumers was negligible. Had the division increased the number of checking in a year, leakage of revenue could be avoided.

Division in its reply stated that regular efforts were being made to increase the percentage of inspection and testing of apparatus and letter were also issued to sub divisional officers regarding the improvement of inspection/checking percentage of any theft cases. Division has accepted the audit observation. Had the division increased the number checkings in a year, chances of revenue leakage could have been avoided.

Para 10: Non deduction of building and other construction workers welfare cess.

As per provision of Building & Other Construction Workers' Welfare cess Act, 1996, UPCL has to collect one percent cess on cost of construction and deposit the same through bank draft in name of Labour Commissioner/Secretary, Uttarakhand Bhawan and other construction labour welfare board, ShramBhawan, Halwani. In this regard a letter from Labour Commissioner/Secretary, Haldwani dated 15.06.2012 was written to Managing Director UPCL. During scrutiny of agreements and its related payment vouchers, it was observed that a turnkey agreement (18/C(C&P-I)15/2013-2014 dated 03.01.2014) was entered into for laying of LT cable with supply and erection of LT XLPE AB cable with M/s Fedders Lloyd Corporation Ltd, New Delhi. Terms and conditions of agreement inter alia states that all the taxes are included in bid price such ED, ST, Octroi, Cess, WCT, Service Tax etc. The total bill amount was ` 177.59 lakh. The work has been completed. It was noticed that division had not deducted building and other construction workers welfare cess (equivalent to one percent on cost of construction) amounting to ` 1.78 lakh. Non deduction of the same from running bills submitted by contractors resulted in violation of the provision of Building & Other Construction Workers' Welfare cess Act, 1996.

Division in its reply stated that no directions were issued to division in respect of deduction of labourcess. However, the same would be recovered from the security that had been deducted from the running bills of contractor. The recovery of labourcess is still pending and would be next audit.

Para 11: Consumer having arrears more than one lakh.

Scrutiny of records of the division revealed that there are 17 consumers of RTS 1, RTS 4 and RTS 6 categories which have arrear amounting to ` 1.80 crore and the arrear is pending for 8 to 71 months. Further all these consumers are billed on Non MU basis. Similarly there are 31 consumers of various categories which are billed on MU basis and have an accumulated arrear of ` 6.18 crore which is pending for 8 to 78 months.

Division in its reply stated that sub divisional officers were intimated regularly regarding realization of arrears of said consumers. Division has accepted that audit observation. consumers having arrear more than one lakh is pending for 8 to 71 months. Had the division taken timely action against these consumer, the arrears could have been realized earlier.

Para 12: Non realization of Revenue in respect of Commercially used electricity.

Electric Rickshaw or E Rickshaw are eco-friendly and pollution free as are fitted with batteries and charged using electricity. They have been becoming more popular as an alternative to auto rickshaws and pulled rickshaws because of their low fuel cost, and less human effort compared to pulled rickshaws. They are being widely accepted as an alternative to petrol/diesel/CNG auto rickshaws.

The decision of the Transport Department to ply total 1625 e-rickshaws in Kumaon division came in October 2015. Out of which, total 485 will be plied in Haldwani and Nainital followed by Kashipur (470), Rudrapur (415) and Tanakpur (80).

During scrutiny of records, it was observed that in Haldwani town a number of e-rickshaws are plying on the road. An e-rickshaw normally operates on battery. The battery should be charged on daily basis. Thus, the daily fuel requirement of an e-rickshaw is the electricity only to charge its battery. In order to get fully charged, a battery needs 8 to 10 hours and consumes 5 to 6 units of electricity. All the e-rickshaws in Haldwani town need electricity on daily basis and the purpose of this particular use of electricity is commercial. Hence, the charge of electricity should be as per commercial tariff/category.

Division accepted audit observation and stated in its reply that in respect of billing of E-rickshaw, correspondence with higher authorities are being made. After receiving proper guidelines from them, necessary action regarding billing of E-rickshaw will be taken. However, the details regarding how these E-rickshaws are using electricity to get their battery charged and

number and details of E-rickshaw owner from Regional Transport Office was asked for but not provided by the division. As all e-rickshaws need electricity on daily basis and the purpose of this particular use of electricity is purely commercial, the division is suffering daily loss of revenue due to non-billing of them.

The matter was brought to the notice of the management.

Part III

(In this part, detail of unsettled paras of previous inspection reports to be reported in below given format.)

Details of unsettled paras of previous inspection reports:-

Sl. No.	Period	Part II-A	Part II-B
1.	10/2006 to 09/2007	1,2,3,4	1,2
2.	10/2007 to 09/2008	1	2
3.	10/2008 to 3/2011	1	-
4.	4/2011 to 3/2013	1	-
5.	4/2013 to 3/2014	1	1,2,3,4&5
6.	04/2014 to 03/2015	1	1,2,3
7.	04/2015 to 03/2016	1	1,2,3,4

Compliance report of unsettled paras of previous inspection report-

Inspection report period	Para No. Audit observation	Compliance report	Comments of Audit Party	Remarks

and number				
-	-	-	-	-

Part IV

Best practices of the unit

NIL

Part V

Acknowledgement

1. Office of The Accountant General (Audit) Uttarakhand, Dehradun expresses gratitude towards Electricity Distribution Division, Haldwani (Rural), Nainital and their officers and employees for promptly providing desired documents and information including infrastructure related co-operation during the course of audit.

Though following documents were not produced during audit:

NIL

2. **Persistent irregularities.**

NIL

3. The following officers held the charge of head of the office during the audit period:

Sr. no.	Name	Post
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- | | | |
|-----|---|--|
| (i) | Shri Amit Anand, (last audit to 30.03.2017) Executive Engineer. | |
|-----|---|--|

Minor and operational irregularities which could not be resolved at the time of audit and have been included in Temporary Audit Note with the request that the compliance report on the same may be sent to Sr. DAG/DAG (concerned sector) within one month of receipt of the letter.

Sr. AO/ES-I