

This Audit Inspection Report has been prepared on the basis of information provided by Executive Engineer, Electricity Distribution Division, Mohanpur, Dehradun. The office of the Principal 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, Mohanpur, Dehradun for the period April 2019 to March 2020 was carried out in exercise of the power conferred by section 19 of the C&AG, DPC Act, 1971 read with section 143 of the Companies Act, 2013. Audit Inspection was conducted by Shri Rajesh Petwal AAO, Shri M. K. Negi, AAO and Shri Bhuvnesh Sharma, Sr. Auditor under the supervision of Shri Amit Kumar Mishra, Sr. Audit Officer during the period from 12 October 2020 to 20 October 2020.

Part-I

1. **Introduction:** - The last audit of this unit was carried out by Shri Manoj Kumar Negi, AAO and Shri Siti Ram Meena, Auditor under the supervision of Shri Amit Kumar Mishra, Sr. Audit Officer in which accounting records of the period from since inception to March 2019 were generally examined. In current audit, accounting records of the period from April 2019 to March 2020 were generally examined.

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

The function of the Electricity Distribution Division, Mohanpur, Dehradun is to distribute electricity to Mohanpur, Premnagar and Selaquie area of Dehradun and keep as well as expand the electricity distribution system in this area. The geographical jurisdiction of the division is within the rural area of Dehradun.

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

Electricity Distribution Division, Mohanpur, Dehradun 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 of August 2019 for detailed examination for expenditure, May 2019 for checking of arithmetical accuracy and March 2020 were selected for checking of revenue receipts.

(iii)

(₹ in crore)

Year	Revenue	Expenditure	Profit
2019-20	190.40	11.83	--

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

The Electricity Distribution Division, Mohanpur, Dehradun is an electricity distribution division of UPCL which is officiated by the Executive Engineer.

Part-II A

NIL

Part-II B

Para 1: Non-payment of electricity dues by DDUGJY/SAUBHAGYA consumers amounting to ` 10.17 lakh.

The para 4.1 of the Uttarakhand Electricity Supply Code 2007, the Licensee may issue a disconnection notice in writing, as per Section 56 of the Act, to the consumer who defaults on his payment of dues giving him 15 clear days to pay the dues. Thereafter, the Licensee may disconnect the consumer's installation on expiry of the said notice period. If the Consumer does not clear all the dues including arrears within 6 months of the date of disconnection, such connections shall be disconnected permanently.

The analysis of the records at office of the Executive Engineer, Mohanpur revealed that the division has released 22 connections to Below Poverty Line (BPL) consumers and 1900 connections to Above Poverty Line (APL) consumers under SAUBHAGYA Scheme. Audit observed that neither APL nor BPL consumers were regular in payment of electricity dues. The details of outstanding amount accumulated due to non-payment of bill is tabulated below: -

Category	Arrear Count	No. of consumers	APL/BPL	Total Arrear (in ₹)
BPL	< 6	2	BPL	23479
	>=6	11	BPL	54457
APL	< 6	157	APL	1017517
	>= 6	650	APL	1452753
Total		820		2548206

The above table indicates that the amount outstanding on account of unpaid electricity bill in case of APL consumers is ` 2470270 (` 1017517+ ` 1452753) out of which an amount of ` 1017517 is outstanding since more than six months.

The division failed to initiate any action against the defaulters despite the fact that enabling provisions for the same are available in the supply code. In this respect following points may be elucidated to the audit: -

1. The reason for not taking the timely action against the defaulters especially in case of APL consumers.
2. The details of steps taken by the division for recovery of dues.
3. Details of RC 3 and RC 5 issued by the division during 2019-20.

Management replied that due to corona pandemic no supply was disconnected during the period March 2020 to June 2020. However, after that division has increased the rate of recovery from the consumers with outstanding dues.

Reply of the division is not convincing because as per section-56 of electricity act, 2003 any consumer who defaults, in payment the utility may disconnect the connection after 15 days after issuing a disconnection notice in writing. Further, all the connections highlighted in the audit

comment have a arrear period of more than one year. Therefore, division should ensure collection of dues from the said consumers as soon as possible or take appropriate action as per electricity act or supply code issued by UERC.

Para 2: - Non-maintenance of Measurement Book for the work of SAUBHAGYA scheme.

The SAUBHAGYA Scheme was introduced by GoI on October 2017 which envisages universal house hold electrification. The scheme has provision of last mile connectivity and service connection for providing electricity to un-electrified households. The electricity connections to un-electrified households include provision of service line cable, energy meter/smart metre, single point wiring, LED lamp and associated accessories and last mile connectivity includes erection of pole, conductor *etc.* for providing as may be required for extending service connections to remaining un-electrified households.

Audit observed that the Measurement Book (MB) for the last mile connectivity works undertaken by the division has been maintained by the division. However, MB for the SAUBHAGYA work executed by the division has not been maintained despite the completion of the scheme by 31.03.2019.

In this regard, the following information may be furnished: -

1. Reason for not maintaining the MB book under SAUBHAGYA scheme despite the completion of work under SAUBHAGYA by 31.03.2019.
2. There was a provision of ` 3000 towards each service connection released by the contractor under the SAUBHAGYA Scheme. It may be stated that whether any amount towards service connection has been claimed by the contractor under the scheme. If yes, details of the same may be provided, in case no amount has been claimed by the contractor, the reason for the same may be provided.
3. In absence of MB how does the division verify the actual work done /connections released by the contractor under the scheme?

Management replied that since in case of SAUBHAGYA scheme only connections were to be released and no infrastructure was to be created therefore, it was not mandatory to maintain a MB. Further, all the connections which were released under SAUBHAGYA were digitally mapped for calculation purposes.

Reply of the management is not convincing because in absence of MB it was not possible to ascertain any work related to the last mile connectivity was undertaken by the division. Also there was a provision of ` 1500 which can be claimed from REC for the work of last mile connectivity, whether the same was appropriately claimed by REC could not be verified in absence of MB.

Para 3: - Non-maintenance of records under SAUBHAGYA scheme.

As per the para 8.6 “Field Survey and Identification of beneficiaries” Guidelines for SAUBHAGYA Scheme data of un-electrified households not willing to avail free electricity connection under the scheme need to maintained with relevant identification of households along with the reason cited by the respective households for not showing willingness towards benefit under the scheme. On test check of the certificate declaring the village as electrified by the sarpanch it has been noticed that some of the households have not shown their willingness for availing the connection under the SAUBHAGYA Scheme. However, the details of such households who refused to take connections under the scheme along with the reasons have not been maintained as required under guidelines. The details are as given below: -

Village census code	No. of families	Connection released	No. of families not willing to take connection under the scheme
045063	314	299	15
045065	84	74	10
045079	523	515	8
045227	590	580	10

Management replied that consumer did not provide the specific reason for not taking connection under the scheme therefore, it was not recorded.

Reply of the management is not convincing as they failed to maintain the list of individual consumers who were not willing to take connection under the scheme.

Para 4 : Non- creation of team for DDUGJY scheme.

As per the Guidelines of the DDUGJY, Utility was to create a dedicated team for implementation of projects at district and Utility/State level including necessary manpower and requisite infrastructure like office, logistics etc. to ensure smooth implementation, monitoring and to redress grievance of public as well as public representatives of the project areas. The details of the dedicated team has been mentioned in the Detailed Project Report (DPR). An officer of the rank of Chief Engineer/General Manager or above, was to be designated as Nodal Officer from the dedicated team at utility/ state level. The provision was made for the smooth implementation of the scheme.

The review of the DPRs of DDUGJY revealed that DPRs did not mention the details of the dedicated team.

Further, audit examination of the implementation of the scheme at Dehradun district, revealed that in lieu of the dedicated team, the work of SAUBHAGYA and DDUGJY was given as additional charge to the Junior Engineer (JE) of the distribution division who was already overburdened by the regular duty assigned. The JE of the distribution division has to carry out over 400 checking in a month (order dated 01.05.2019) (approx 300 hrs in a month considering 45 minutes for each checking) release new connection attend local complaints, attend break downs, attend BDC meeting and Tehsil meeting, carry out PD cases MRI of KCC projects etc. The regular work requires the JE to work for 10 hrs a day for 30 days each month to achieve the target of checking only. Then, the same JE has additional charge of these schemes, it is highly ambitious to expect that the JEs may be able to perform efficiently under such situation. Thus, UPCL failed to implement the scheme in the true spirit and spare the manpower. Non marking of the dedicated team has also affected adversely the progress of the scheme.

Division replied that additional manpower was not provided by the UPCL Hqr office. Hence, only one JE was deputed for the work of DDUGJY and SAUBHAGYA.

Reply is not acceptable as the guideline clearly state that the dedicated team for the was required to be deputed for DDUGJY and SAUBHAGYA scheme.

Para 5: Outstanding dues pending against the consumers amounting to ₹ 26.77 crore.

Commercial and Revenue Manual of Uttar Pradesh Power Corporation (which has been adopted by Uttarakhand Power Corporation) inter-alia provides that in case a consumer does not deposit electricity dues within 30 days from the date of receipt of bill, his connection would be liable to be disconnected and a demand notice for recovery of electricity dues will be issued under section -3 of Electricity Dues & Recovery Act, 1958 (Act) for depositing of dues against him within 30 days. In case consumer does not deposit the dues within stipulated period a Recovery Certificate (R.C.) will be issued under section -5 of the Act through District authorities. All such action for recovery of electricity dues should be completed within six month.

Scrutiny of records revealed that as on 31 March 2020 an amount of ₹ 26.77 crore was pending for realization from the Non-Government and Government consumers as per following:

(` in Lakh)

Category of Consumer	No. of Consumers	Connected Load (KW)	Arrear of Previous Year (in `)	Current year Assessment (in `)	Realisation including Waive off (in `)	Arrear as on March 2019 (in `)
Non-Govt.	60411	215908	181.33	26497.72	24968.08	1710.97
Government	127	4113	222.44	1003.57	259.32	966.69
Total	60538	220021	403.77	27501.29	25227.40	2677.66

The amount of arrears of previous year (03/2019) was ` 403.77 lakh which were increased (six times approximate) to ` 2677.66 lakh due to the realization for the year 2019-20 was less than of the assessment of electricity dues for the current year. To realize the dues vigorous efforts, need to be taken by the division by issuing timely notices under section 3 and 5 so as to realise the outstanding dues otherwise the situation of revenue realisation may also deteriorate.

Management replied that notices have been issued to consumers with huge outstanding balances and division will intimate to audit after recovery of outstanding dues.

Reply of the management is not convincing as the arrear of the division has increase in comparison to previous year and division should timely issue recovery notices under section-3 and section-5 to timely realize the outstanding dues.

Para 6: Avoidable expenditure ` 82.00 lakh.

As per internal norms, prescribed by UPCL, the number of transformers damaged in a year should not be more than three *per cent* (3%) of the installed transformers. To minimize the damages, following preventive steps were recommended by UPCL.

- (i) Carrying out detailed monitoring including ascertaining reasons for damages.
- (ii) Maintenance of history card for each transformer.
- (iii) Use of drop out losses on 11 KVA side in case of transformers above 25 KVA ratings.
- (iv) Joining of LT terminals with gripping tools and copper lugs etc.

During scrutiny of records for the period 2019-20, it was observed that the division did not follow the preventive steps to minimize the damage of transformers as recommended by the Board/Corporation from time to time, due to which the percentage of damage was 9.47 *per cent* against the prescribed norms of three *per cent* fixed by the Board/Corporation which resulted in avoidable expenditure of ` 82.00 lakh. The details are given as under:

Sl. No.	Capacity of T/F (in KVA)	No. of T/F installed against each capacity	No. of T/F damaged	As per norm of 3 <i>per cent</i>	Excess of 3 <i>per cent</i>	Rate (in `)	Amount (in `)
1	25	263	21	8	13	47191	613483
2	63	366	22	11	11	99667	1096337
3	100	448	59	14	45	143964	6478380
TOTAL		1077	102	33	69		8188200

Had divisions maintained the transformer and ensured preventive maintenance the loss could have been minimized?

Division replied that most of the transformers were very old which resulted in damaged and the same are being replaced. Also, during 2020-21 the damage rate has reduced to 2.25 *per cent* only.

Reply of the division is not convincing as during 2019-20 the damage rate was higher than the internal target of UPCL, also old transformer should be replaced in a timely manner to avoid such damage.

Para 7: Non-recovery of additional Security amounting to ₹ 16.39 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. The same should be deposited 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 of EE, EDD, Mohanpur, it was noticed that the Additional Security amounting to ` 17.54 crore was required and division recovered only ` 1.15 crore from the consumers. Thus, division failed to recover the amount ₹ 16.39 crore from the 190 consumers till October 2020.

As per circular of the UPCL the additional security was required to be recovered within 45 days. This amount should have been recovered from consumers within the stipulated period (45 days) which was not done.

Management replied that upto September 2020 ₹ 2.51 crore of the outstanding additional security have been recovered and the remaining amount notices have been issued.

The reply of the management is not convincing as per the norms division should have taken appropriate measures for the recovery of additional security.

Part III

Details of unsettled paras of previous inspection reports: -

Sl. No.	AIR for the period	Part-II-A	Part-II-B	Total
1	Since Inception to 03/2019	1,2	1,2	04

Compliance report of unsettled paras of previous inspection report-

Inspection report period and number	Para No. Audit observation	Compliance report	Comments of Audit Party	Remarks
				For furnishing of reply of the outstanding paras of old Inspection Reports an audit Memo number 55 book number 1054 was issued to the Division. In turn division stated that replies of these outstanding paras will be provided soon.

Part IV

Best practices of the unit

NIL

Part V

Acknowledgement

1. Office of the Principal Accountant General (Audit) Uttarakhand, Dehradun expresses gratitude towards Executive Engineer, Electricity Distribution Division, Mohanpur, Dehradun 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
(i)	Shri Sudhir Singh	Executive Engineer

The compliance report on the AIR may be sent to Deputy Accountant General/AMG-II (PSU), Office of the Principal Accountant General (Audit), Uttarakhand, Mahalekhakaar, Bhawan, Kaulagarh, Dehradun within one month of receipt of the letter.

Sr. AO/AMG-II (PSUs)