

This Audit inspection report has been prepared on the basis of information provided by Executive Engineer, Electricity Distribution Division Raipur, 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, Raipur, 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, Senior Audit Officer during the period from 21 October, 2020 to 02 November 2020. The records of two SDOs (IT Park and Aaraghar Dehradun) were also examined during compliance Audit of Electricity Distribution Division, Raipur, Dehradun.

### **Part-I**

1. **Introduction:** - The last audit of this unit was carried out by Shri Manoj Kumar Negi, AAO and Shri Seeti Ram Meena, Auditor under the supervision of Shri Amit Kumar Mishra, Sr. AO in which accounting records of the period from April 2018 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, Raipur, Dehradun is to distribute electricity to all over area of Rural area of Dehradun and keep as well as expand the electricity distribution system to 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, Raipur, 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 October 2019 was selected for detailed examination, July, 2019 was for Arithmetical Accuracy and February, 2020 selected for checking of revenue receipts.

(iii) *(₹ In Crore)*

Year	Revenue	Expenditure	Profit
2019-20	61.54	16.09	--

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

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

## Part-II A

### **Para 1–Non-realization of arrears from SAUBHAGYA consumers.**

According to 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 connection 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, Raipur revealed that the division had released 98 connections under SAUBHAGYA Scheme to BPL consumers and 2090 connections to APL consumers. Audit observed that neither APL nor BPL consumers were regular in paying their electricity bills. The details of outstanding amount accumulated due to non-payment of bills is tabulated below :-

<b>(in ₹)</b>			
<b>Category</b>	<b>Arrear Count (in months)</b>	<b>No. of consumers</b>	<b>Total Arrear</b>
BPL	< 6	12	29661.00
	>=6	55	41085.03
APL	< 6	105	516308.19
	>= 6	532	1133954.35

The above table indicates that the amount outstanding against unpaid electricity bill of APL consumers is ₹ 16.50 lakh out of which an amount of ₹ 5.16 lakh is outstanding for more than one year.

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.

Division replied that due to COVID pandemic the action was pending for recovery from the defaulters but from the month of October, 2020 speedy action taken for pending recovery from outstanding consumers and also issuing the notices of section-3 and section -5 of Uttar Pradesh Electricity Dues & Recovery Act, 1958 are under process.

The reply of the Division is not convincing as the amount of arrears were pending since more than one year.

## Part II B

### **Para 1A: Non-compliance of guidelines of DDUGJY**

According to 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 be maintained with relevant identification of households along with the reason cited by the respective households for not showing willingness towards benefit under the scheme. In this regard certificates declaring the village as electrified were called for to ascertain whether some consumers who were not willing to take connection under the scheme exist or not. However, same could not be ascertained as the certificates by the “*Sarpanch*” declaring the villages as electrified were not available in division.

Division states in its reply that certificates by the “*Sarpanch*” declaring the villages as electrified have been originally sent to Rural Electricity Division but in view of the audit objection division is again trying to obtain certificates from the Sarpanch and will be sent to audit very soon.

The reply of the division is not convincing as the certificates are not available with the division and in absence of the same audit cannot ensure the complete electrification of the villages.

### **Para 1B: - Performance review of DDUGJY/Saubhagya.**

The installation of meters at sub-stations, feeders, distribution transformers and consumers is important to ensure seamless accounting and auditing of energy at all levels in the distribution system. Accordingly, metering of all feeders and distribution transformers including metering at all input points to the utility shall be ensured under this scheme. The metering component under the scheme shall cover the following:

- (i) Installation of suitable static meters for feeders, distribution transformers and all categories of consumers for un-metered connections, replacement of faulty meters & electro-mechanical meters.
- (ii) Installation of Pillar Box for relocation of meters outside the premises of consumers including associated service cables and accessories.

Accordingly, the division had proposed the work of replacement of electro-mechanical meters and work of shifting of meter outside the premises of consumer as detailed below: -

Type	No.
Replacement of Electro-Mechanical Meters(1-Ph Domestic and Commercial Meters)	1200
Replacement of Electro-Mechanical Meters(3-Ph Domestic and Commercial Meters)	53
Total Requirement of shifting of meters outside(1-Ph Domestic and Commercial Meters)	4000
Total Requirement of shifting of meters outside(3-Ph Domestic and Commercial Meters)	650

It was observed that though the division had proposed the work of replacement of meters and shifting of meters outside the premises, the work was not executed by the contractor. Division replied that the work of replacement and shifting of meters is done by the Electricity Test Division but due to COVID the replacement and shifting of meters work was could not done smoothly.

The reply of division is not acceptable as the division had not executed the replacement and shifting of meters work till October, 2020. Also, the work related to power department was exempted even during the pandemic.

**Para 1C: - Performance review of DDUGJY/SAUBHAGYA.**

The DDUGJY scheme was introduced by GOI on December 2014. The scheme had a provision of providing free electricity connection to BPL households. The GOI later introduced Saubhagya Scheme which envisages universal electrification of households. The BPL households who were covered under DDUGJY scheme were to be covered under Saubhagya as the connections to these households could not be released under DDUGJY. Test check of the data of some villages pertaining to connection released to BPL households revealed that number of connections released under Saubhagya scheme in these villages were less than households proposed under DDUGJY. The details are as tabulated below:-

Village	BPL proposed under DDUGJY	BPL covered under DDUGJY	BPL covered under SAUBHAGYA
Miyanwala	15	0	1
Badripur	21	0	5
Nawada	10	0	4
Haldwari	7	0	0
Maraband	8	0	0

It has been further observed that two village *i.e.* Haldwari and Maraband where connections to BPL households were to provided under DDUGJY could not be covered under Saubhagya also.

Division replied that the data use of consumer was taken from the census 2011 but till 2019 mostly household connected in Haldwari and Maraband village. Many BPL consumers have been

converted to APL consumer that time, due to which the number of connections released to consumers under the scheme against the proposed number of consumers.

The reply is not convincing because division failed to submit the records like certificates of the Surpanch in respect of electrification of the villages.

**Para 2: Non-recovery of additional Security amounting to ₹ 13.38 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 consumers of EE, EDD, Raipur, it was noticed that the Additional Security amounting to ₹ 13.38 crore was required and division could not recover any amount from the consumers. Thus, division failed to recover the amount ₹ 13.38 crore 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.

Division replied that direction issued to related SDOs for recovery of additional security. Notices are being issued to related consumers and action is being taken to recover the pending amount of additional security.

The reply of the division is not convincing as the recovery of additional security is still pending from April 2020 to till date and division failed to take appropriate action against the consumers with pending security.

**Para 3: Avoidable expenditure ` 61.00 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 8.15*percent* against the prescribed norms of three *per cent* fixed by the Board/Corporation which resulted in avoidable expenditure of ` 61.00 lakh. The details are given as under:

Sl.	Capacity of T/F (in KVA)	No. of T/F installed against each capacity	No. of T/F damaged	As per norm of 3 per cent	Excess of 3 per cent	Rate (in `)	Amount (in `)
1	25	143	17	5	12	47191	566292
2	63	148	13	5	8	99667	797336
3	100	485	48	15	33	143964	4750812
<b>TOTAL</b>							<b>6114440</b>

Division accepted the audit observation and stated in its reply that constant efforts are being made to reduce the damaged rate of transformers.

However, the fact remains that the issue of excess damage of transformers has been raised in previous audit but the damage rate is still high. Had divisions maintained the transformer and ensured preventive maintenance the loss could have been minimized.

Division accepted the audit observation and stated in its reply that constant efforts are being made to reduce the damaged rate of transformers.

**Para 4: Outstanding dues pending against the consumers amounting to ₹ 40.80 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 ₹ 40.80 crore was pending for realization from the Non-Government and Government consumers as per following:

(` in crore)

Category of Consumer	No. of Consumers	Connected Load (KW)	Arrear of Previous Year (in ` )	Realisation against arrears	Arrear as on March 2019 (in ` )
Non-Govt.	70458	173672	31.18	16.40	35.19
Govt.	132	5472	7.13	0.08	5.61
<b>Total</b>	<b>70590</b>	<b>179144</b>	<b>38.31</b>	<b>16.48</b>	<b>40.80</b>

The amount of arrears of previous year (03/2019) was ` 38.31 crore which were increased to ` 40.80 crore. The main reason was pending of arrear due to the very less realization of the previous year arrear. 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.

Division stated in its reply that there is almost zero recovery in the last week of March due to the start of lockdown of COVID.

The reply is not convincing as the realization of the arrears of the previous years were very less and division should be taken the necessary action timely for realisation of outstanding arrears and the issue of non realization of revenue has been continuously raised in previous audit but huge amount is still pending for recovery.



### **Part III**

Detail of unsettled paras of previous inspection reports: -

<b>Sl. No.</b>	<b>Period</b>	<b>Part II-A</b>	<b>Part II-B</b>
1.	4/2005 to 3/2006	1	1,2,3,4,5
2.	4/2006 to 3/2007	1	1,2,3,4
3.	4/2007 to 9/2008	1,2	1,2
4.	10/2008 to 3/2011	1,2	1,2,3,4,5
5.	4/2011 to 3/2012	1,2	1,2,3,4
6.	4/2012 to 3/2014	1	1,2,3,4,5
7.	04/2014 to 03/2015	1, 2	1,2,3,4,5
8.	04/2015 to 03/2016	1,2	1,2,3
9.	04/2016 to 03/2017	1 to 5	1 to 8
10.	04/2018 to 03/2019	1	1 to 5

#### **Compliance report of unsettled paras of previous inspection report-**

<b>Inspection report period and number</b>	<b>Para No. Audit observation</b>	<b>Compliance report</b>	<b>Comments of Audit Party</b>	<b>Remarks</b>
For furnishing of reply of the outstanding paras of old Inspection Reports, audit Memo number 71 book number 1054 was issued to the Division. The division stated that replies of these outstanding paras have been already sent and mostly paras have seen settled. Action is underway to send replies to the remaining outstanding paras.				

#### **Part IV**

##### **Best practices of the unit**

NIL

#### **Part V**

##### **Acknowledgement**

1. Office of the Principal Accountant General (Audit) Uttarakhand, Dehradun expresses gratitude towards Electricity Distribution Division, Dehradun, Rural, 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:**

<b>Sl. no.</b>	<b>Name</b>	<b>Post</b>
(i)	Shri Arvind Kumar (since last audit to till date)	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)**