

This Audit Inspection Report has been prepared on the basis of information provided by Executive Engineer, Electricity Distribution Division, Doiwala. 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, Doiwala for the period April 2019 to March 2020 was carried out in exercise of the power conferred by section 19 of the C&AG's (DPC) Act, 1971 read with section 143 of Companies Act, 2013. Audit inspection was conducted by Shri Rajesh Petwal, Ms. Prerna Bhadula, Manoj Kumar Negi, Assistant Audit Officers and Shri Bhuvnesh Sharma, Sr. Auditor under the supervision of Shri Amit Kumar Mishra, Senior Audit Officer during the period from 03 November, 2020 to 10 November, 2020.

Part I

1. **Introduction:-** The last audit of this unit was conducted by Shri Amit Kumar, Assistant Audit Officer and Shri Nishant Chaudhary, Auditor under the supervision of Ms. Usha Singh, Sr. Audit Officer in which accounting records for the period April 2017 to March 2019 were 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, Doiwala is to distribute electricity to Doiwala as well as strengthen the electricity distribution system. Geographical jurisdiction of the division is Doiwala, Dehradun
- (ii) **Auditing methodology and scope of audit:**

Electricity Distribution Division, Doiwala 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 February 2020 and September 2019 was selected for Revenue Receipt.

(iii)

(₹ in Crore)

Year	Revenue	Expenditure	Profit
2019-20	54.34	13.08	--

(To the extent this information is available & applicable)

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

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

Part –II A

Para 1: Non-realisation of arrears from the consumers under the SAUBHAGYA scheme.

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 of office of the Executive Engineer, EDD, Doiwala, Dehradun revealed that the division had released 22 connections to BPL consumers and 1900 connections to APL consumers under SAUBHAGYA Scheme. 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 bill is tabulated below :-

Category	Arrear Count	No. of consumers	APL/BPL	Total Arrear (in ₹)
BPL	< 6	15	BPL	37911
	>=6	42	BPL	38751
APL	< 6	171	APL	817931
	>= 6	754	APL	1302596

The above table indicates that the amount outstanding against the unpaid electricity bill of APL consumers is ₹ 24.70 lakh out of which an amount of ₹ 10.17 lakh is outstanding since 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 defaulter consumers have already been asked to deposit arrears in the past as pointed out by the audit and if the arrears not deposited by the defaulter's then effective action will be taken soon. Division reply is not convincing as there arrears were pending since more than one year.

The matter is brought to the notice of higher authorities.

Part-II B

Para 1 A: Non-maintenance of the record under the SAUBHAGYA scheme.

The SAUBHAGYA Scheme was introduced by Government of India (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) book 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 31st March 2019.

Division stated that MB number 25L was being maintained separately and after the handover of the work related to DDUGJY/SAUBHAGYA scheme, the entry of the finished work is being done in MB as per rule. The reply of the division is not acceptable because division failed to submit the MB related work to SAUBHAGYA.

Para 1 B: - Distribution of SPU in unplanned area.

The SAUBHAGYA Scheme was introduced by Government of India (GoI) on October 2017 which envisages universal house hold electrification. The scope of scheme includes providing Solar Photo Voltaic based stand alone system for un-electrified households located in remote and inaccessible villages/ habitations where grid extension is not feasible or cost effective.

As per REC letter dated 25.07.2018 Solar PV based standalone system should be provided for un-electrified households located in villages electrified through off- grid mode only. All remaining un-electrified households in grid connected villages should be electrified through grid only. In case, extremely remote and scattered and technically not feasible, the average cost of extending grid to some of the households located in already electrified villages is extremely high and is more than that of providing solar systems, the same may be considered

for electrification through solar system on case to case basis with proper techno-economic justification for those households.

EDD, Doiwala has provided Solar Photo Voltaic based stand alone system for un-electrified households in four villages. Audit observed that two villages which were to be covered as per the detailed project report were not covered and two villages which were not proposed in the detailed project report were reported. The details are as tabulated below:-

Name of the village proposed in DPR for SPV	Village actually covered	No. Of SPV provided
Markham Grant	Markham Grant	14
Nahikala	Nahikala	3
Mohhamadpur Barkali	Gujar Basti	5
Mazri Grant	Gadool	1

It is evident from the above table that instead of providing SPV in Mohhamadpur Barkali and Mazri Grant SPV were provided in Gujar Basti and Gadool. In this connection following clarifications are sought:-

1. Reasons for not providing SPV based stand alone system in Mazri Grant and Mohhamaadpur Barkali and instead covering Gujar Basti and Gadool villages.
2. Since all the villages where SPV based stand alone system were provided to selected beneficiaries were already electrified through grid, the reason for not undertaking the techno-economic justification as per the direction of REC for providing off-grid connection to these beneficiaries.

Division replied that construction of the electricity line was not possible in the Markham Grant and Gujar Basti due to the dense forest in these areas. In respect of Gadool village, it is to intimate that only one family is residing there which was complex/isolated area and also falls in forest land, hence, the construction of electricity line was not practical. Reply of the division is not acceptable as the objective of the scheme was to provide long term solution to the consumers which can be done by extending the feeder only. Division also failed to provide the comparison of cost between new line and solar plant.

Para 1 C: - Non-compliance of guidelines of 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 needs 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. Audit observed that no such data of beneficiary who refused to take connection under the scheme was maintained.

It was also observed that certificate of gram panchayat declaring the village as 100 percent electrified was not available in division. In the absence of certificate, it could not be ensured, that whether the all the households were provided the connection as per the requirement of the scheme.

Division stated in its reply that certificates by the “*Sarpanch*” declaring the villages as electrified have been originally sent to Rural Electricity Division. The reply of the division is not convincing since the certificate may not available with the division and in absence of it audit cannot ensure the complete electrification of the villages.

Para 1 D: - Shortage of Manpower for DDUGJY/ SAUBHAGYA.

As per the Guidelines of the DDUGJY, Utility shall 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 and public representatives of the project areas. The provision was made for the smooth implementation of the scheme.

Audit examination of the implementation of the scheme at Doiwala division, revealed that the work of SAUBHAGYA and DDUGJY was given as additional charge to the J.E. 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 a 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, Division failed to implement the scheme in the true spirit and spare the manpower and non-marking of the dedicated team has affected adversely the progress of the scheme.

Division accepted the audit observation and stated that the decision of deputing the manpower in the division is of Hqr office and at present division is trying to work with available manpower.

Para 1 E: - Violation in data of beneficiaries of DDUGJY & SAUBHAGYA Scheme.

The DDUGJY scheme was introduced by Government of India (GOI) on December 2014. The scheme had provision of providing free electricity connection to BPL households. The GOI later introduced SAUBHAGYA Scheme which envisages universal electrification of households. The BPL households proposed by the division under DDUGJY scheme were to be covered under SAUBHAGYA scheme as the connections to these households could not be released under DDUGJY. Test check of the data of some villages proposed in Detailed Project Report (DPR) of DDUGJY scheme revealed that though the connections to BPL households in these villages were to be released under SAUBHAGYA scheme since the same were not covered under DDUGJY, these villages were not covered under SAUBHAGYA scheme. The details are as tabulated below:-

Village	BPL proposed under DDUGJY	BPL covered under DDUGJY	BPL covered under Saubhagya
Athoorwala	75	0	0
Bhattowala	30	0	0
Chakjogiwala	15	0	0
Dudhali	11	0	0
Nagal Bulandawala	3	0	0
Shiddar Wala	6	0	0
Ghissar Pari	17	0	0
Barkot Mafi	37	0	0
Bhaniya Wala	132	0	0

Division replied that mostly BPL consumers had been connected during the survey and implementing the scheme as per the charges fixed by the UERC for BPL consumer Rs. 200. Further division stated that Bhattowala, Chakjogiwala and Shiddar Wala villages are not under the jurisdiction of their division. Division reply is not convincing as division also did not have the certificates of sarpanch to prove the complete electrification and in absence it cannot be verified whether division provided connected to all the beneficiaries.

The matter is brought to the notice of higher authorities.

Para 2: Excess damage of Transformers.

As per internal norms, prescribed by UPCL, the number of transformers damaged in a year should not be more than three *per cent* 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 like topping up of oil regularly, load management, proper earthing of Transformers etc. to minimize the damage of transformers as recommended by the

Sl. No.	Capacity of T/F (in KVA)	No. of T/F installed against capacity each	No. of T/F damaged	As per norm of 3 percent	Excess of 3 percent
1	25	169	21	5	16
2	63	183	22	5	17
3	100	166	15	5	10
Total			58	15	43

Board/Corporation from time to time, due to which the percentage of damage was in range of ten to sixteen percent against the prescribed norms of three *per cent* fixed by the Board/Corporation. The details are given as under:

The causes of the damage of transformers were internal fault, heavy thundering and overloading of DTRs. Besides, feeders in Athoorwala and Ranipokhri were also found overloaded.

Division replied that the overall damage rate of transformer is 2.74% of the division and audit has calculated the damage rate of transformer on the basis of some capacity transformers. The reply of the division is not acceptable because the overall damage rate of transformer for the year 2019-20 was 10.10 *per cent*.

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

The matter is brought to the notice of higher authorities.

Para 3: Outstanding dues pending against the consumers amounting to ₹ 5.07 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 disconnected and a demand notice for recovery of electricity dues under section -3 of Uttar Pradesh Electricity Dues & Recovery Act, 1958 (Act) will be issued for depositing of dues against him within 30 days. In-case consumer does not deposit the dues within stipulated period a Recovery Certificate 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 ₹ 5.07 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	Current year Assessment	Realisation including Waive off	Arrear as on March 2020
Non-Govt.	33458	78693	134.04	5577.18	5563.26	147.96
Govt.	112	3901	235.07	1036.67	912.64	359.10
Total	33570	82594	369.11	6613.85	6475.9	507.06

The amount of arrears of previous year (03/2019) was ` 3.69 crore which were increased to ` 5.07 crore 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 further deteriorate.

Division replied and assured that the effective action will be taken up on the outstanding arrears.

The matter is brought to the notice of higher authorities.

Para 4: Non recovery of additional Security amounting to ₹ 7.07 crore.

As per Para 2.3.1 of UERC Regulations 2007, security of the consumers should be assessed at the 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 months' 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 45 days. In case the additional security is not deposited within the stipulated period, the electricity supply of such consumers can be disconnected. Amount of additional security deposited by the consumers may be utilized by the Company as working capital.

During scrutiny of the records, it was observed that a total amount of ₹ 7.07 crore was recoverable as additional security from different consumers. Test check of the records relating to consumers with high electricity consumption (from whom additional security of ₹100000 and above was recoverable) revealed that there were 41 such consumers from whom a total amount of ₹ 2.17 crore was pending to be recovered.

Division stated in its reply that notices had issued to all the consumers and consumers requested that they are unable to deposit the additional security due to COVID.

Reply of the division is not convincing as the COVID was spread from the month of March 2020 while the additional security was generated from the Month of April 2019 and during the period April 2019 to February 2020, division could recovered only ` 4.89 lakh against the amount of ` 7.07 crore.

The matter is brought to the notice of higher authorities.

Para 5: Loss of ` 7.96 lakh due to non-refund of cash handling charges by the bank.

Revenue account is maintained in the division for collection of amount received from consumers for sale of energy. Revenue receipt account shows financial strength of the division as well as the corporation. Division also maintained Ear Mark Funds accounts for deposit of security money of consumers and deposit works amount. The following two accounts are being maintained in the division:

Sl. No.	Bank name	Account No.	Reconciled Upto	Account Name
1.	Punjab National Bank	0609002100007836	31.03.2020	Receipt
2.	Punjab National Bank	0609002100007845	31.03.2020	Earmarked Funds

As per Memorandum of Understanding (MOU) made (12.05.2003) between UPCL and Bank, bank should not debit any bank charges in above mentioned accounts.

During scrutiny of Bank Reconciliation Statements of above both accounts of March 2020 revealed that bank had debited ` 7.38 lakh as cash handling charges in receipt account and `58026.98/- in EMF account. The total amount of ` 7.96 lakh deducted by the bank should have been credited in the respective accounts. Thus due to non-refund of `7.96 lakh by the bank the division suffered a loss of ` 7.96 lakh.

Division accepted the facts and stated that continuously letter written by the division to banks for non-deduction of the commission charges and to return the deductible amount to division but neither the bank returned the deductible amount nor gave any reply about this. The matter was also in the knowledge of the headquarter office so solution of this would be possible from headquarter.

The reply of the division is not acceptable because bank is deducting the amount in contravention of the agreement and UPCL has failed to take the appropriate action.

The matter is brought to the notice of higher authorities.

Part III

Detail of unsettled paras of previous inspection reports:-

Sl. No.	AIR for the period	Part-II-A	Part-II-B
1	Since inception (Dec 2014) to 03/ 2017	1	1, 3 & 4
2	April 207 to March 2019	1,2	1,2,3

For furnishing reply of the outstanding paras of old Inspection reports, the audit memo number 88 (book number 1054) was issued to the division and division replied that the reply of the outstanding paras will be sent to PAG office as soon as possible.

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, Doiwala 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. Shakti Prasad (April 2019 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-248195 within one month of receipt of the letter.

Sr. Audit Officer/AMG-II(PSU)