

Audit Inspection Report on the accounts of Electricity Distribution Division (Rural) Haridwar for the period from April 2015 to March 2016 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 New Companies Act 2013 by Shri Ghanshyam Das Pal, Asstt. Audit Officer and Shri Robince Kirtaj, Auditor, from 29-06-2016 to 09.07.2016 under the supervision of Shri Sohrab Husain, Sr. Audit Officer.

The Audit Inspection Report has been prepared on the basis of records/data/information made available by the Executive Engineer Electricity Distribution Division (Rural) Haridwar Office of the Accountant General (Audit) Uttarakhand Dehradun will not be held responsible for any incorrect information not made available to Audit.

PART-I-A

(A) **INTRODUCTORY**- Last audit of the Division was carried out by Sh. Roshan Lal Sharma, AAO and Sh. Ghanshyam Das Pal, AAO covering the period up to March 2015 under the supervision of Sh. Sohrab Husain, Sr. AO. During the present Audit records of the division for the period up to 3/2016 were generally examined.

The following officer held the charge of Division since last audit to till date

Shri Rakesh Kumar, Executive Engineer,-Since last audit 20.10.2014

Shri Y.S. Yomar, Executive Engineer – Since 21.10.2014 to till date of audit.

Shri **Satish Kumar Saini** held charge of the division-Since last audit to till date of audit.

(B) Outstanding Paras of previous AIR.

Sl. No.	Period	Part II A	Part IIB
1.	Since Inspection to 03/2007	-	1, 2
2.	4/2007 to 03/2008	-	1to 4
3.	4/2008 to 9/2010	1	4
4.	10/2010 to 03/2013	-	1 to 5
5	04/2013 to 03/2014	1 to 3	1,2
6.	04/2014 to 03/2015	1	1 to 4

(C) Persistent Irregularities:

-----Nil-----

(D) Record not put up

-----Nil-----

-----PART-II-A- REPORT-----

-----NIL-----

Part-II-B-Report

Para-1: Non-realisation of Electricity dues from Ganga Pradushan due to not taking proper action- `9.45 crore.

The purpose of establishing distribution divisions in the different parts of the state is to provide electricity to the consumers of different categories and to realise the electricity charges consumed by them promptly.

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 is required to be disconnected after seven days and a demand notice under section 3 of Dues & Recovery Act 1958 (giving 30 days' notice) is to be sent. If payment is not received a Recovery Certificate under section 5 is to be submitted to the District Magistrate (D.M.) to recover the dues as provided in the Land Revenue Act. A review of billing files of Ganaga Pradushan (A consumer), it was noticed that electricity dues of ` 9.45 crore (`1.20 crore as electricity charges+ ` 8.25 crore as surcharge) were outstanding for realisation against the consumer as on 31 March 2016. Further these dues are outstanding for a long time, however, no action as provided in the said manual was taken against the consumer by the division. Thus due to not taking action against the consumer, electricity dues amounting to ` 9.45 crore could not be recovered.

In turn division having accepted the audit observation stated that vigorous efforts are being made at its headquarters office level with the consumer for recovery of said dues. Reply of the division is not acceptable because recovery of dues should have been made at division level as per prescribed procedure.

Matter is brought to the notice of higher authorities of the division.

Para- 2 Excess damage of Transformers – ` 28.30 lakh

Distribution transformers are vital equipments for supply of power to consumers and also play vital role in stepping up the voltage of current to the consumers. Uttarakhand Power Corporation Limited (UPCL) has fixed norms for damage of transformers and issued guidelines that the damage should not exceed 3.0 *per cent* of the transformers installed.

During scrutiny of relevant records it was noticed that the damage rate of transformers during 2015-2016 was on higher side as compared to the norms fixed by UPCL as detailed below:

(2015-16)

Sl. No.	Capacity of T/F (in KVA)	No. of T/F installed against each capacity	No. of T/F damaged	No. of T/F allowed as per norms (i.e. 3%)	No. of T/F exceed the damage limit	Issue rate of T/F	Loss due to excess damage of T/F (in lakh)
1	63	365	39	11	28	101100	2830800
		365	39	11	28	101100	2830800

Above information revealed that against the prescribed norms of 3% actual damage rate of transformers was 10.95% during the years 2015-16, which was comparatively on higher side. Damage of transformers in excess of the prescribed norms.

Division having accepted the audit observation stated that in order to avoid excess damage rate of transformers capacity of the transformers is being enhanced and ABC cable is being installed in place of necked conductor. Reply of the division is not convincing because if such corrective actions had been taken in time the damage to transformers in excess of norms could have been avoided.

Matter is brought to the notice of higher authorities of the division.

Para 3: Heavy recurring revenue loss due to non-repair/replacement of defective meters.

Para-4 regarding defective meters of general condition of Rate Schedule effective from 01.04.2014 and 31.3.2015 inter-alia provides as under:

In case of defective meter the consumer shall be billed on the basis of the average consumption of the past three billing cycle immediately preceding the date of the meter being found or being reported defective (as per Regulations 3.2 (1) of the Electricity Supply Code) The charges shall be levied for maximum period of three month only during which time the license is expected to have replaced the defective meter. Thereafter, the license shall not be entitled to raise any bill without correct meters.

Scrutiny of relevant records of the division revealed that 252 meters of the consumers were defective for a long time (from 13 months to 97 months) as per detail of the consumers whose meters are defective. Further, scrutiny of records revealed that meters of 33 consumers are defective for the period from more than 50 months which is very serious matter. However no action was taken to repair/replace of these meters. Thus non-repair/replacement of the defective meters is the violation of Para-4 of general condition of said rate schedules and also causes heavy recurring revenue loss to the division because consumers whose meters are defective, misuse the Electricity.

Division having accepted the audit observation and stated that meters of the consumer are replaced by the Executive Engineer, Test Division not by Executive Engineer, Distribution Division. Further, detail of the defective meters are continuously being sent to the Test Division for replacement of the defective meters.

Reply of the division is not acceptable because fact remain that defective meters had not been replaced either due to negligence on the part of Executive Engineer EDD or Executive Engineer Test Division.

Matter is brought to the notice of higher authorities of the division.

Para 4: Non - recovery of electricity dues amounting to ` 150.04 Crore due to violation of Commercial and Revenue manual.

Commercial and Revenue Manual of Uttar Pradesh Power Corporation (which has been adopted by Uttarakhand Power Corporation) *interalia* provides that in case a consumer does not deposit electricity dues within 30 days from the date of receipt of bill, his connection would liable to be disconnected and demand notice for recovery of electricity dues will be issued U/s 3 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 U/s -5 through District authorities. All such action for recovery of electricity dues should be completed within six months.

During the scrutiny of records, it was noticed that the electricity dues of ` 67.16 lakh were outstanding against State Tube wells (a consumer) of March 2015 which increased to ` 150.04 lakh till March 2016. These electricity dues could not be realised because division has not taken action against the defaulting consumers as provided in the Commercial and Revenue Manual. Thus it would be observed that division was not serious to recover the dues from the defaulting consumer.

Division having accepted the audit observation stated that vigorous efforts are being made with the consumer for recovery of electricity dues.

Recovery of dues would be watched in the next audit of the division.

Para 5: Diversion of fund

During scrutiny of records it was noticed that Electricity Distribution Division SIIDCUL, Haridwar of Uttarakhand Power Corporation Ltd. released two connection to M/s ITC LTD (A consumer) having connected load 800 KVA (K.N. No. 1071) and 600 KVA (K.N. No. 256280) to supply the electricity for their industries situated in Sector-11 of SIIDCUL Haridwar. Consumer applied for supply of electricity to their industries through Independent Feeder. Independent feeder required a separate bay. Accordingly, division sent a proposal to Power Transmission Corporation Ltd. (PTCUL) for preparation of a estimate for construction of 33 KV bay. Accordingly, PTCUL prepared a estimate of ` 55.47 lakh. On receiving the estimate of ` 55.47 lakh from the PTCUL, the Executive Engineer of the division intimated to M/s ITC Ltd. for depositing ` 55.47 lakh.

Accordingly M/s ITC deposited ` 55.47 lakh vide DD No 005139 dated 03.01.2015 in the division. But the Executive Engineer of the division deposited this amount against the pending dues of M/s Taxplast Composite Engineer Private Ltd. and issued the receipt No. D-148171/24 dated 07.02.2015 of ` 50.00 lakh and Receipt No D-148171/25 dated 07.02.2015 of ` 5.47 lakh. Thus there was diversion of fund of ` 55.47 lakh. After some time this was leaked out and came in to the notice of Managing Director of UPCL. On the issue having come to the notice of the Managing Director this amount of ` 55.47 lakh was taken back from M/s Taxplast Composite Engineer Private Ltd. vide DD No. 94177 & 023021 dated 21.11.2015 of ` 50.00 lakh and ` 5.47 lakh respectively and deposited in division's account. Further it was also noticed that division has also recovered ` 7.63 lakh form M/s Taxplast Composite Engineer Private Ltd. as Delay Payment Surcharge during the period from 03.01.2015 to 20.11.2015 vide receipt No 43/146369 & 44/146369 dated 23.11.2015. Thus it would be observed from the above that there was diversion of fund of ` 55.47 lakh. However, there is no revenue loss to the Division/UPCL.

Division accepted the audit observation stated that ` 55.47 lakh deposited by the ITC, the same amount by mistake deposited against the pending dues of M/s Taxplast Composite Engineer Private Ltd.

Matter is brought to the notice of higher authorities of the division.

PART III

-----NIL-----

Sr. Audit Officer/ES-I