

This Inspection Report has been prepared on the basis of information provided by Executive Engineer, Electricity Test Division (Urban), 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 Test Division (Urban), Dehradun for the period April 2013 to March 2018 was carried out in exercise of the power conferred by section 143 of Companies Act, 2013. Audit Inspection was conducted by Ms. Prerna Bhadula, AAO, Shri Khub Chand, AAO under the supervision of Ms. Usha Singh, Audit Officer during the period from 20.07.2018 to 26.07.2018.

Part-I

1. **Introduction:-** The last audit of this unit was carried out by Shri A. P. Singh, AAO and Shri Vikas Dhyani, AAO under the supervision of Shri O.P.S. Yadav, Sr. Audit Officer in which accounting records of the period from April 2011 to March 2013 were generally examined. In current audit, accounting records of the period from April 2013 to March 2018 were generally examined.

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

The function of the Electricity Test Division (Urban), Dehradun is to install the meters of appropriate rating at the premises of the consumers and to check the behaviour of the installed meters falling under its jurisdiction. It is also required to install/check meters at 33/11 KV Sub-stations and incoming and outgoing feeders. The geographical jurisdiction of the division is within EDD North, EDD South and EDD Central of Dehradun District.

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

Electricity Test Division (Urban), 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 and December 2013, May 2014, October 2016 and March 2018 month was selected for detailed examination.

(iii)

Year	Revenue	Expenditure	Profit
2013-14	--	`30740016.25	--
2014-15	--	` 31874798.60	--
2015-16	--	` 36017000.72	--
2016-17	--	` 41475494.20	--
2017-18	--	` 34644709.80	--

(To the extent this information is available & applicable)

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

The Electricity Test Division (Urban), Dehradun is an electricity Test division of UPCL which is officiated by the Executive Engineer.

Part II (A)

NIL

Part II-B

Para 1: Delay in execution of work and non replacement of mechanical meter.

An agreement was entered (9 May 2016) with M/s Uttaranchal Construction company by Electricity Test Division to replace 2000 no's one Phase IDF Mechanical/Electro mechanical meters with electronic meters at a value of ₹ 4.96 lakh (₹ 248 per meter). The time allotted for completion of work was 03 months from the handing over of the material.

During the audit it was observed that the work of replacement of mechanical meters was started by the contractor on 23.09.16 (after 05 months from signing the agreement). Further till 11.06.18 (after 26 months from signing the agreement) the contractor was able to replace only 1242 meters. Letters had been written by the division to the contractor for completion of work at the earliest. As per the letter dated 19.04.18, the contractor was instructed to complete the work of replacement within one month. However the work was not completed by the contractor till date.

Further, according to the point 13 of terms and conditions of the agreement, the contractor was required to deposit work security @ 10 percent of contract value before execution of agreement in the form of FDR or will be deducted from the bill. Also according to the Uttarakhand Procurement Rules 2008, Performance Security of 5 to 10 percent of the contract value has to be collected from the successful bidder before signing of the agreement.

It was seen the contractor has not submitted any Performance Security for the contract entered. Due to non availability of the Performance Security, the division has no means to financially secure/safeguard itself in the event of non completion of work due to any reason.

It was further noticed that the UERC in its Tariff Orders has been repeatedly giving directions to replace all old mechanical meters with new electronic meters.

Thus, the division failed to take any action on Uttaranchal Construction Company due to non completion of the awarded work and was also not able to adhere to the directions issued by UERC with respect to replacement of Mechanical Meters with Electronic Meters.

The division stated in its reply that due to non-availability of database of the consumers ie complete address, phone no., the contractor was not able to replace the meters. At the instance of audit letter has been sent to EDD for obtaining complete address and other record of the consumers.

The reply of the division is not tenable as the work awarded to the contractor is still incomplete even after lapse of 02 years from the award of the work which has resulted in non adherence to UERC guidelines.

Para 2: Blockade of funds against un-returned meters-₹ 129.63 lakh

During the review of records of the Electricity Test Division, Urban Dehradun it was noticed that meters were sent back for repair/ replacement to various firms supplying meters to the division during the period ranging from Nov 2006 to Jan 2013. The meter were either handed over to the authorized representative of the firm or sent through courier. During March 2014 to May 2014, the ETD wrote letters to various firms regarding the non-receipt of the new/repaired meters against the defective meters. Thereafter, no correspondence was available in this regard. Also the books of accounts of the division reveal recoverable from these firms and has shown under miscellaneous advance. The details are as follows:

Sl. No.	Name of company	No. of meters not received back	Date of return of meters	Amount shown as misc. advance
1.	M/sAccurate Meters Ltd.	3505	20.11.06 to 24.06.08	4434500
2.	The Conventional Fastner(Comet)	2724	17.05.07 to21.12.12	2910900
3.	M/s ITL Meters	1127	31.10.07to 23.10.12	1262800
4.	M/s Secure Meters	177	04.02.08 to 01.05.12	871970
5.	Genus Power Infrastructures Ltd.	372	Not available	2062900
6.	M/sLarsen & Toubro	44	15.11.07 to 29.01.13	159900
7.	Elester Metering (P) Ltd.	91	18.12.06 to 23.06.09	410800
8.	Emco Pvt. Ltd.	133	19.02.09 to 15.0.12	66000
9.	M/s HPL-Socomec Pvt. Ltd.	21	27.04.11 to 18.02.12	21000
10.	M/s Modern Instrument Pvt. Ltd.	506	06.08.11 to 10.09.12	555600
11.	M/s ABB	37		207200
Total				₹ 12963570

Further, from the above 11 firms, 02 firms namely L&T and Genus are currently the supplier of meters to the division thereby giving an opportunity to the division to at least recover the outstanding dues from these two firms or obtain the meters in lieu of the returned meters.

Thus, non recovery of the dues against the meters returned back to various firms has led to blockade of funds amounting to ₹ 129.63 lakh as the same pertains to a period more than 6 years old and the chances of recovery are very grim.

The division stated in its reply that the matter has been brought to the notice of electricity store division as the performance guarantee/security deposit of the contractors is available with the store division. The recovery as and when made shall be intimated to audit.

The reply of the division is not tenable as the fact remains that an amount of ₹ 129.63 lakh continues to be shown as recoverable in the books of the division,

Para 3: Defective DTR metering

The UERC from time to time through its directions issued in tariff orders has been directing the distribution licensee to provide/maintain the metering system at each feeder, 'T' points, DTs and consumers in its distribution network for effective energy auditing and accounting. DT metering is essential for energy auditing and accounting which is in very interest of the distribution licensee for controlling the AT&C losses in the distribution system. Moreover, the need of the hour is to focus on the pockets where theft/pilferage of electricity is taking place resulting in increased technical & commercial losses. Thus, it is important to do metering at DT level also.

The situation of Distribution Transformer Metering in the Electricity Test Division, Urban is as follows:

Name of the zone under ETD	Total number of Feeders/Transformers on which meter is installed	All ok meters/modems	Defective meters due to various reasons	Status of meter not known
EDD South	503	242	233	28
EDD Central	515	282	190	43
EDD North	323	178	127	18
Total	1341	702	550	89

From the above table it can be seen that out of the total 1341 meters installed on various feeders/transformers under the test division, only 702 (52.34 percent) were showing the status of all ok. Further for 89 meters the working status was not known. Rest other meters, 550 nos. were defective due to various reasons such as meter/modem off, modem burnt, wire damaged etc. Thus the situation of DTR metering was not in accordance with the UERC guidelines..

Further, it was also observed that the DT meters were not installed on all the transformers under the division.

Had the division taken sufficient efforts to monitor the working of the DT meters, it could have contributed to improvement in the reduction of distribution losses.

The division stated in its reply that the non-working DT meters are replaced under the supervision of AE(Meter) as and when the same is informed by concerned distribution division.

The reply of the division is not tenable as the fact remains that proper metering was done only on 52.4 percent DT meters leaving the rest as defective.

Part III

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

Detail of unsettled paras of previous inspection reports:-

Sl. No.	Period	Part-IIA	Part-IIB	Total
1.	04/1992 to 03/1993	--	1,2	02
2.	08/1995 to 07/1998	--	1	01
3.	08/1998 to 08/2000	--	1	01
4.	09/2000 to 08/2002	--	1,2	02

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
No replies to the previous outstanding paras were furnished.				

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 TestDivision (Urban), 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 Vinod Pandey (23.01.2013 to 29.05.2014)	Executive Engineer
(ii)	Shri Pradeep Kumar (02.06.2014 to 15.05.2015)	Executive Engineer
(iii)	Shri D.P. Singh (15.05.2015 to 13.06.2017)	Executive Engineer
(iv)	Shri Dharm Beer Singh (13.06.2017 to till date)	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-1