

This Audit 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 2018 to March 2020 was carried out in exercise of the power conferred by Section 19 of the CAG's, (DPC) Act, 1971 read with Section 143 of Companies Act, 2013. Audit Inspection was conducted by Shri Ghanshyam Das Pal, AAO, Shri Saurabh, Sr. Auditor under the supervision of Shri Roshan Lal Sharma, Sr. Audit Officer during the period from 02 December 2020 to 08 December 2020. The records of three sub-division SDOs of Electricity Test Lab (ETL) Central Dehradun, ETL North, Dehradun and ETL South, Dehradun under jurisdiction of EE, ETD (Urban), Dehradun were also examined during compliance audit.

Part-I

1. Introduction: - The last audit of this unit was carried out by Ms. Purna Bhadula, AAO, Shri Khub Chand, AAO under the supervision of Ms. Usha Singh, Audit Officer in which accounting records of the period from April 2013 to March 2018 were generally examined. In current audit, accounting records of the period from April 2018 to March 2020 were 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. November 2018 & August 2019 months were selected for detailed examination and months of March 2019 & October 2019 were also selected for arithmetical accuracy.

(iii)

(₹ in crore)

Year	Revenue	Expenditure	Profit
2018-19	--	4.13	--
2019-20	--	4.68	--

(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

Para 1: Loss of ₹ 1.07 crore due to non-repairing/replacement of defective meters under guarantee period by suppliers.

During the review of records of the Electricity Test Division, Urban Dehradun it was noticed that defective meters Under Guarantee Period (UGP) were returned to the supplier for repair/replacement by the division during November 2006 to March 2020. The meter were either handed over to the authorized representative of the firms or sent through courier. During the period from April 2018 to March 2020, the division wrote letters to two firms namely, M/s Larsen & Toubro and M/s the Conventional Fastner (Comet), regarding the non-receipt of the new/repared meters against the defective meters. Thereafter, no correspondence was made available to audit. The details are as follows:

Sl. No.	Name of company	No. of un-returned meters	Date of return of meters	Total Cost of Un-returned Meters (in ₹)
1.	M/s Accurate Meters Ltd.	3505	20.11.06 to 24.06.08	4434500
2.	The Conventional Fastner (Comet)	2724	17.05.07 to 21.12.12	2910900
3.	M/s TTL Meters	1127	31.10.07 to 23.10.12	1262800
4.	M/s Secure Meters	177	04.02.08 to 01.05.12	871970
5.	Elester Metering (P) Ltd.	91	18.12.06 to 23.06.09	410800
6.	Emco Pvt. Ltd.	133	19.02.09 to 15.0.12	66000
7.	M/s HPL-Socomec Pvt. Ltd.	21	27.04.11 to 18.02.12	21000
8.	M/s Modern Instrument Pvt. Ltd.	506	06.08.11 to 10.09.12	555600
9.	M/s ABB	37		207200
Total				₹ 1,07,40,771

From the above table, it is evident that though more than 14 years have been elapsed, the supplier had not repaired/replaced the defective UGP meters and no action taken by the division against these suppliers till date. Presently, only two suppliers firms namely, M/s Larsen & Toubro and M/s Geneus are supplying meters, so, the possibility of replacement of these meters is very bleak. Due to non replacement of Meters, loss of ₹ 1.07 crore cannot be ruled out.

Division in its reply stated that the firms have been supplying meters directly to Store division, UPCL, Kaulagarh. The Store maintains information regarding performance guarantee of meters. Division further stated that regular correspondence has been carried out

with the supplying firms regarding return of replaced/repared meters in lieu of defective meters UGP along with informing the same to the store division. Division also stated that decision in respect of un-returned defective meters UGP is pending with higher authorities and their direction is awaited.

Reply of the division is not convincing as defective meters under UGP still awaits repair/replacement by the supplying firms which at present are not active supplier of meters to the division. Further, the information about meter directly supplied (out of defective meter sent) to store division may be provided. Therefore, loss of ₹ 1.07 crore could not be ruled out.

Part - II B

Para 1: Non deduction of Liquidated Damages from the contractor.

Electricity Distribution Circle (Urban), Dehradun awarded (September 2018) an agreement to M/s Universal Engineering, Dehradun under the supervision of EE, ETD (Urban) Dehradun for the installation of 33/0.4 KVA Transformers on 33/11 KV sub-station under EDC (Urban), Dehradun at a cost of ₹ 91.67 lakh as per following terms and conditions:

1. As per article-3 of the agreement, the completion period of the contract was six months from the date of issue of LOA, *i.e.*, 08 August 2018.
2. As per clause no-38, a penalty of 0.1 *per cent* per day subject to maximum of 10 *per cent* of the cost of work was to be levied on contractor, if the contractor failed to complete the work within stipulated time.
3. As per clause 2, the contractor will furnish 10 *per cent* security cum performance guarantee in favour of EE, ETD (Urban), Dehradun. Out of above 10 *per cent*, the contractor was to submit performance security 5 *per cent* of the contract value at the time of signing agreement and the remaining 5 *per cent* was to be deducted from the contractor's running bills.

During the scrutiny of records, audit observed that more than 21 months have been elapsed from the scheduled date of completion of the work (February 2019), but the work is not complete and the division has not deducted penalty at the rate of 10 *per cent* amounting to ₹ 9.17 lakh. Moreover, Superintending Engineer, EDC (Urban), Dehradun has instructed division if the contractor has installed/energized each transformer separately, then each installed/energised transformer would be treated as separate work and payment would be done accordingly. Further, the division has deducted ₹ 3.82 lakh from the running bills of the contractor as security deposit and taken bank guarantee of ₹ 4.58 lakh (5 *per cent* of cost of work) which has already been expired on 20 May 2020.

Division in its reply stated that out of 57 numbers of transformers, contractor has installed 18 numbers of transformers till date and mentioned that the main reason of delay was non-availability of material from the UPCL store. Division further stated that a letter has been issued to the contractor for renewal of bank guarantee.

Reply of the division is not convincing as the fact remains that out of 57 numbers of transformers, 39 numbers of transformers are still to be uninstalled. Further, division neither recovered penalty amounting to ₹ 9.17 lakh from the contractor bills nor renewed the performance security till date.

Para 2: Non recovery/ adjustment of the old amount ₹ 94.94 lakh pending against different contractor.

During scrutiny of accounts records (Contractor's Material Control Account Capital (GL Code 25.7)) it was noticed that the division had given advances/material advances (Capital) of ₹ 94.94 lakh to the various contractors for execution of the works before March 2015. The details of advance booked in the books of accounts against each contractor were not available in the records. These works had been completed long back but the division has not adjusted/recovered the amounts of advance from the contractor's bills. As of now, most of the contractors are not executing any work for division and no correspondence was made with the contractors for recovering the advances against them by the divisions. Hence, the chances for recovery are very bleak.

Division in its reply stated that the balance of ₹ 94.94 lakh pertains to previous year which hasn't been reconciled. Division further stated that the process of reconciliation of the same is underway and would be done at the earliest.

Progress of the reconciliation/ recovery may be intimated to audit.

Part III

Detail of unsettled paras of previous inspection reports:-

Sl. No.	Period	Part-II A	Part-II B	Total
1.	04/2013 to 03/2018	--	1,2,3	03

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 Report, Audit Memo number 66 book number 1055 was issued to the division. The division stated that preparation of replies of these outstanding paras is underway and the same will be forwarded to audit at the earliest.				

Part IV

Best practices of the Division

No good practices or innovation noticed during the course of audit

Part V

Acknowledgement

1. Office of the Principal Accountant General (Audit) Uttarakhand, Dehradun expresses gratitude towards Executive Engineer of the Division and their officers and employees for promptly providing desired documents and information including infrastructure related co-operation during the course of audit.

2. Documents were not produced during audit:

-----NIL-----

3. Persistent irregularities.

-----NIL-----

4. **The following officers held the charge of head of the division during the audit period:**

Sr. No.	Name	Post	Period
1.	Shri Dharam Beer Singh	Executive Engineer	Last audit to till date
2.	Shri Surendra Lal	DA	Last audit to 27.10.2020
3.	Ms. Lovely Siddiqui	DA	28.10.2020 to till date

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. Audit Officer/AMG-II (PSUs)