

This audit inspection report has been prepared on the basis of information provided by Executive Engineer, Electricity Test Division (Rural), 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 (Rural), Dehradun for the period April 2018 to March 2020 was carried out in exercise of the power conferred by Section 19 of the C&AG's (DPC) Act, 1971 & Section 143 of the Companies Act 2013. Audit Inspection was conducted by Sh. Ghanshyam Das Pal, AAO, Sh. Saurabh, Sr. Auditor under the supervision of Sh. Roshan Lal Sharma, Sr. Audit Officer during the period from 09 December 2020 to 16 December 2020. The records of four sub-division SDOs of Electricity Test Lab (ETL) Doiwala, ETL Vikasnagar, ETL Aragarh and ETL Rishikesh under jurisdiction of EE, ETD (Rural), 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 generally examined.

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

The function of the Electricity Test Division (Rural), 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 Vikasnagar, EDD Doiwala, EDD, Rishikesh and EDD, (Rural) Dehradun of Dehradun District.

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

Electricity Test Division (Rural), 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. Months of March 2019 & March 2020 were selected for detailed examination and months of June 2018 & September 2019 were also selected for arithmetical accuracy.

(iii)

(` in crore)

Year	Revenue	Expenditure	Profit
2018-19	--	5.49	--
2019-20	--	6.49	--

(To the extent this information is available & applicable)

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

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

Part II-A

Para 1: Loss of ` 92.60 lakh against un-returned defective meters under guarantee period.

During the review of records of the Electricity Test Division, (Rural) Dehradun it was noticed that defective meters Under Guarantee Period (UGP) were returned to the supplier/store for repair/replacement of meters by the division during the period ranging from 2014 to 2015. The meter were either handed over to the authorized representative of the firms or sent to store for repair/replacement. The details are as follows:

Sl. No.	Name of company	No. of un-returned meters	Year in which meter sent to supplier	Total Cost of Un-returned Meters (in `.)
1.	M/s Accurate Meters Ltd.	3988	2014	39,88,000.00
2.	The Conventional Fastner (Comet)	5272	2015	52,72,000.00
Total				92,60,000.00

From the above table, it is evident that more than five years have elapsed but the supplier has not repaired/replaced the defective UGP meters and no action has been 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 ` 92.60 lakh cannot be ruled out.

Division in its reply stated that the defective meters UGP are send to store division, UPCL, Kaulagarh, Derhadun and UGP details of meters are maintained by the store. Division further stated that regular correspondence has been made with the supplier/store division in respect of defective meters UGP. 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 is still awaited. Therefore, loss of ` 92.60 lakh cannot be ruled out.

Matter is bought to the notice of higher authorities.

Sr. Audit Officer/AMG-II (PSUs)

Part-II-B

Para 1: Short deduction of penalty amounting to ` 13.02 lakh.

Electricity Distribution Circle (Rural), Dehradun awarded (October 2019) a contract to M/s R P InfraPower (Pvt.), Ghaziabad under the supervision of EE, ETD (Rural) Dehradun for the supply and fixing of CT/PT for various divisions of Garhwal and Haridwar Zone on turnkey basis at a cost of ` 4.80 crore as per following terms and conditions:

1. As per clause-6 of the agreement, the completion period of the contract would be seven months from the date of issue of LOA/Contract, i.e, April 2020.
2. As per clause no-12 penalty of 0.5 *per cent* per week subject to maximum of 10 *per cent* of the cost of undelivered material would be deducted from contractor's bills.

During the scrutiny of records, audit observed that more than eight months have elapsed from the scheduled date of completion of the work (April 2020) but the contractor has not completed the work till date. As on date, the contractor has completed only 50 *per cent* of the work and the division has deducted penalty amounting to ` 10.98 lakh including GST from the contractor's bills, instead of ` 24.00 lakh (cost of remaining 50 *per cent* work). Also, GST amount was not deposited by the division to the GST department.

Division in its reply stated that the main reason of delay in completion of work was nationwide lockdown due to COVID-19 pandemic in the month of March 2020. The contractor has resumed (July 2020) the work after complete unlock. Division further stated that the grant of time extension to the contractor for completion of work is in process and if time extension is not allowed to the contractor then penalty as per terms and conditions would be deducted from the contractor's running bills. Also, ` 10.98 lakh deducted from the contractor's bill has been kept in the form of retention money.

Reply of the division is not convincing as the fact remains that more than eight months have elapsed beyond the schedule date of completion of work. if we exclude three months (where in lockdown was imposed), the delay works out to five months and accordingly penalty/LD should have been levied at the rate of 10 *per cent* (@ 0.5 *per cent* per week for 20 weeks). Thus undue favour was given to contractor.

Current status of amount recovered may be intimated to Audit.

The matter is bought to the notice of higher authorities.

Part III

Detail of unsettled paras of previous inspection reports:-

Sl. No.	Period	Part-II A	Part-II B	Total
1.	04/05 to 09/10	--	1,2	02
2.	04/11 to 03/13	--	1,2	02
3.	04/11 to 03/13	--	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 72 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.	Sh. Pravesh Kumar	Executive Engineer	Last audit to 03.11.2020
2.	Ms. Pooja Rani	Executive Engineer	04.11.2020 to till date
3.	Sh. Amit Arya	DA	Last audit to 05.08.2020
4.	Ms. Shivani Godiyal	DA	06.08.2020 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)