

The Audit Inspection report has been prepared on the basis of information provided by Electricity Test Division, Roorkee. The Office of the Principal Accountant General (Audit) Uttrakhand, 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 Roorkee 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 & Section 143 of the Companies Act, 2013. The audit was conducted by Shri Khub Chand, AAO under the supervision of Shri Vikas Dhyani Sr, AO during the period from 20 January 2021 to 27 January 2021.

Part-I

1. **Introduction:-** The last audit of this unit was carried out by Shri Ghanshyam Das Pal, AAO and Shri Ajay Bahuguna, AAO under the supervision of Shri Roshan Lal Sharma, AO 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 Corporation:**

The function of the Electricity Test Division Roorkee is to install/ replace meters of appropriate rating at the premises of the consumers and to check the accuracy of the installed meters falling under its jurisdiction. The jurisdiction of the division is urban and rural area of Roorkee, Bhagwanpur, Landhaura and Manglor.

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

Electricity Test Division, Roorkee, was covered in the audit. This inspection report is based on findings of audit and month March and December 2019 were selected for detailed examination and for arithmetical accuracy the month of December 2018 and July 2019 were selected.

(iii) **Revenue, Expenditure and profit/loss for the April 2018-19 to 2019-20.**

(₹ In crore)

Year	Revenue	Expenditure	Profit/Loss
2018-19	-	6.08	-
2019-20	-	5.01	-

(iv) **Organization structure of the unit and reporting lines.**

The Electricity Test Division Roorkee is a division of UPCL which is headed by the Executive Engineer.

PART-II A

Para 1: Unfruitful expenditure of ₹ 36.40 lakh due to poor maintenance of DTR metering.

Part A of R-APDRP scheme includes Metering of Distribution Transformers and Feeders, and Automatic Data Logging for all Distribution Transformers and Feeders. The main objective is to acquire meter data from selected DTR's, Feeders, HT services, and Boundary meters automatically from remote avoiding any human intervention, monitor important distribution parameters, use meter data for accurate billing purposes and generate exceptions and MIS reports for proper planning, monitoring, decision support and taking corrective actions on the business activities by the management. It will help in reduction in AT&C losses; establishment of IT enabled energy accounting / auditing system, improvement in billed energy based on metered consumption and improvement in collection efficiency.

During scrutiny of records/details of status of communication from modems installed in town areas under R-APDRP scheme in all the towns (R-APDRP towns) of Roorkee as on January 2021, it was observed that a total number of 507 meters/ modems were installed against which only 56 meters/modems (11.04 *per cent*) were working /communicative and remaining 451 were not working/non-communicative (88.96 *per cent*) as detailed in the table below:

Particulars	Name of Town		Total
	Rural Roorkee (Manglore & Landhaura)	Urban Roorkee & Ramnagar Roorkee	
Total no. of meters/modems installed	227	280	507
Communicative	31	25	56
Non-communicative	196	255	451

It was also observed that an expenditure of ₹ 27.45 lakh was incurred as cost of installation of meters/ modem in above distribution transformers (507). Further, an agreement was also awarded (March 2019) to M/s Royal Enterprises for work of installation of meters on new distribution transformers(DTs) and rectification of defects in metering installed on DTs under Electricity Distribution Circle (Roorkee) for a sum of ₹ 10.72 lakh (including GST) and a sum of ₹ 8.95 lakh was also paid to contractor. Despite awarding the work for maintenance of the same, the status of the communication remained poor. Poor status of communication of these modems/ meters adversely affects the accuracy of energy inflow/ outflow and measurements of AT&C losses. This shows that one of the basic objective of implementation of the scheme, to record accurate inflow/ outflow of energy, to reduce AT& C losses and to

improve revenue collection efficiency was defeated and resulted in wasteful expenditure of ₹ 36.40 lakh (₹ 27.45 lakh + ₹ 8.95 lakh).

Division accepted the audit observation and stated that work of installation of meters/modems on 268 old DTs and 63 new DTs is under progress but the same could not be completed due to non-receipt of modems from the Store Division. However, the fact remains that Poor status of communication of these modems/ meters resulted in wasteful expenditure of ₹ 36.40 lakh.

The matter is brought to the notice of the higher authorities.

PART-II B

Para 1: Loss of ₹ 9.20 lakh against un-returned defective meters under guarantee period.

During the review of records of the Electricity Test Division, Roorkee, it was noticed that defective meters Under Guarantee Period (UGP) are returned by test division to supplier/ store for repair/ replacement of meters. However, one supplier namely L&T has not repaired/ replaced the defective meters since November 2019 as detailed below:

Sl. No.	Type of meter	No. of un-returned meters	Month and year in which meter was last sent to supplier	Rate per meter	Total Cost of Un-returned Meters (in ₹)
1.	Single Phase meter	786	November 2019	819	651594
2.	Three Phase meter	112	November 2019	2025	226800
3.	LTLTVM/5 meter	15	November 2019	2762	41430
Total					919824

From the above table, it is evident that more than thirteen months 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. Hence, the possibility of replacement of these meters is very bleak. Due to non-replacement of meters, loss of ₹ 9.20 lakh cannot be ruled out.

Division accepted the audit observation and stated in its reply that the details/ information of defective meters are being sent to concerned firm and store division on time but the action for replacement of defective meters are not taken by the firm. This results in increase in the numbers of defective meters. Further, the Store division is required to take action against the firms for timely repair of defective meters under guarantee period. However the fact remains that it is the joint responsibility of Store and Test divisions to replace the defective meters (UGP) in time to avoid loss due to non-replacement.

The matter is brought to the notice of higher authorities.

Para 2: Irregularities in award of work.

As per clause 21(1) of Uttarakhand Procurement Rules, 2008, to ensure due performance of the contract, performance security is to be obtained from the successful bidder who has been awarded the contract. Performance security may be furnished in the form of account payee demand draft, fixed deposit receipt from commercial bank, Bank Guarantee in an acceptable form safeguarding the department/ company's interest in all respects.

As per clause of the various agreements entered into by division regarding submission of Performance Security, "The Contractor/ firm will have to submit the 10 *per cent* security in shape of FDR/CDR/Bank Guarantee of the concerned agreement. It will be on the discretion of the Executive Engineer (Test) to accept the request of the firm to deduct the security from their running bills, which will be returned after completion of guarantee period as required under rules".

Audit noticed that none of the contractor/firm submitted their performance security at the time of award of the work. Divisions of UPCL deducted the same from the running bills of contractor which is a violation of the Uttarakhand Procurement Rules.

Division accepted the audit observation and stated in its reply that the provision for deposit the security in advance is also mentioned in the tender documents. However, contractors/ tenderers showed their inability in depositing the security and requested to deduct the same from their running bills. However, this was in a violation of the Uttarakhand Procurement Rules.

The matter is brought to the notice of higher authorities.

Part III

Details of unsettled paras of previous inspection reports:-

Sl No.	Period	Part-II-A	Part-II-B
1	12/2001 to 12/2004	-	1
2	04/2013 to 03/2018	2	2

Compliance report of unsettled paras of previous inspection report-

For furnishing of reply of the outstanding paras of old Inspection Report, Audit Memo number 69 book number 1051 was issued to the Division. The reply of the same is still awaited.

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, Electricity Test Division, Roorkee and its 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:

Sl. no.	Name	Post	Period
1	Smt. Nandita Agarwal	Executive Engineer	12.07.2017 to 10.03.2019
2	Shri Rajeev Chakrvarti	Executive Engineer	10.03.2019 to 09.11.2020
3	Shri Amit Kr. Kataria	Executive Engineer	09.11.2020 to till date
4	Sh. Neeraj Goyal	Div. Accountant	16.08.2014 to 12.09.2019
5	Sh. Deepak shukla	Div. Accountant	12.09.2019 to till date

The Compliance Report on the AIR may be sent to Deputy Accountant General/AMG-II, Office of the Principal Accountant General (Audit), Uttarakhand, Mahalekhakaar Bhawan, Kaulagarh, Dehradun within one month of receipt of the letter.

Sr. AO/AMG-II