

This inspection report has been prepared on the basis of information provided by Executive Engineer, Electricity Distribution Division, (Rural) Dehradun. The office of the 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 Distribution Division, (Rural) Dehradun for the period 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 619(3)(b) of the Companies Act 1956 & section 143 of Companies Act 2013. Audit Inspection was conducted by Shri Amit Kumar Mishra, AAO, Shri A.P. Singh, AAO and Shri Vikas Dhyani, AAO under the partial supervision of Shri Mukesh Kumar, Sr. AO during the period from 13.02.2017 to 20.02.2017.

### **Part-I**

1. **Introduction:-** The last audit of this unit was carried out by Shri Amit Kumar Mishra, AAO, Shri A.P. Singh, AAO and Shri Vikas Dhyani, AAO under the partial supervision of Shri Mukesh Kumar, Sr. AO in which accounting records of the period from April 2014 to March 2015 were generally examined. In current audit, accounting records of the period from April 2015 to March 2016 were generally examined.

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

The function of the Electricity Distribution Division, (Rural) Dehradun is to distribute electricity to all over rural areas of Dehradun district and keep as well as expand the electricity distribution system to this area. The geographical jurisdiction of the division is Selaqui Industrial Area, Raipur and other outer area of Dehradun district.

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

Electricity Distribution 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 and June, 2015 month was selected for detailed examination and May 2015 was selected for Arithmetical Accuracy.

(iii)

Year	Revenue	Expenditure	Profit(In Rs.)
2015-16	2272566222.35	195729975.70	--

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

The Electricity Distribution Division (Rural) Dehradun is an electricity distribution division of UPCL which is officiated by the Executive Engineer.

## **Part-II A**

### **Para 1: Avoidable expenditure of Rs. 90.25 lakh**

As per UERC Regulation 2013 (Release of new LT connections, Enhancement and reduction of loads), If the distribution division concerned failed to provide LT connection to the consumers applying in the stipulated time, a penalty on the division will be imposed as per laid norms of UERC.

During scrutiny of the records of four sub-divisions under the jurisdiction of the division, it was revealed that penalty of Rs. 90.25 lakh was imposed on the division during the period 2013-14 to December 2016 for not releasing the connections in the stipulated time. Delay in releasing the connections to the consumers resulted in avoidable loss to the division in the form of penalty but inconvenience to the consumers also.

The division accepted the audit observation and stated in its reply that as per H'ble UERC order, it is being ensured at division level that there will be no delay in release of New Service Connection and no such penalty shall be levied on the division in future. In this regard, all the sub-divisional officers have been directed for compliance of the same vide letter no. 1009 dated 23.02.2017. The reply of the division is not tenable because if the division had taken the sincere efforts well before in time, the penalty of Rs. 90.25 lakh due to delay could have been avoided.

The matter is brought to the notice of the management.

**Para 2: Non recovery of additional Security amounting to Rs. 74.55 lakh**

As per para 2.2.1 of UERC Regulations 2007, security of the consumers should be assessed in end of each financial year in respect of those consumers who have been given the connection for supply of electricity, the security should be equal to average consumption of two month bill of the financial year. In case security reassessed exceeds the amount of security already deposited, the differential amount will be demanded as additional security by giving a notice to the consumers within the 45 days. In case the additional security which is not deposited within the stipulated period, the electricity supply of such consumers can be disconnected.

During scrutiny of billing files and other related records of the large & heavy consumers, it was noticed that the average two months bills of consumers exceeded the amount of security already deposited by Rs. 74.55 lakh. As per circular in question, amount of this additional security was required to be recovered within 45 days. This amount should have been recovered from consumers within the stipulated period which was not recovered.

Management stated in its reply that notices to concerned consumers are being issued. Further, instructions to sub divisional officers and concerned employees were being issued for realization of the additional security. The reply is not convincing as the amount of additional security should have been recovered within 45 days i.e. upto 15<sup>th</sup> February 2017 but a huge amount was yet to be realized till date. The progress of recovery would be watched in next audit.

The matter is brought to the notice of the management.

**Sr. AO/ES-I**



## **Part-II-B**

**Para 1:       Blockade of funds due to excess damage of transformers amounting to Rs. 1.53 crore**

As per internal norms, prescribed by UPCL, the number of transformers damaged in a year should not be more than three per cent (3%) of the installed transformers. To minimize the damages, following preventive steps were recommended by UPCL.

- (i)       Carrying out detailed monitoring including ascertaining reasons for damages.
- (ii)       Maintenance of history card for each transformer.
- (iii)      Use of drop out losses on 11 KVA side in case of transformers above 25 KVA ratings.
- (iv)      Joining of LT terminals with gripping tools and copper lugs etc.

During test check of related records for the period April 2015 to March 2016, it was observed that the division did not follow the preventive steps to minimize the damage of transformers as recommended by the Board/Corporation from time to time, due to which the percentage of damage ranged between 5.93 per cent to 50.00 per cent in respect of 25 KVA to 400 KVA capacity transformers against the prescribed norms of three percent fixed by the Board/Corporation which resulted in blockade of funds of Rs. 1.53 crore (Annexure-I).

The division in its reply stated that out of damaged transformers, some were very old and were being used for many years continuously. In order to reduce the damage rate of transformers, sub-divisional officers are being directed to take efforts such as checking of earthing, oil, lightening arrester and load balancing of transformers and replacement of arching horn from time to time. The reply of division is not convincing as despite the rigorous efforts made by the division, the damage rate is too high against the norms fixed by UPCL itself which shows that divisions efforts were not sufficient.

The matter is brought to the notice of the management.

**Para 2: Non- realization of Revenue**

The purpose of establishing distribution division in different parts of the State is to provide electricity to the consumers of different categories. One of the most important functions of the division is to realize charges for electricity consumed by the consumers. The realisation as per the targets fixed by the UPCL indicated efficiency of the division and good financial health of the UPCL. The revenue collected/ realised by the division is intimated through monthly commercial diary of the distribution division. Review of the commercial diary of the division for the month of March 2016 revealed that there are huge arrears pending for realisation from almost all the categories of consumers as follows:

**(Rs. in Lakh)**

<b>Sl. No.</b>	<b>Category of Consumers</b>	<b>Arrears as on March 2015</b>	<b>Arrears as on March 2016</b>
1.	Domestic Consumers	403.94	795.77
2.	Non-domestic consumers	345.18	458.37
3.	Public Lamps	49.57	69.44
4.	Government Irrigation System	1363.96	1566.24
5.	Public Water Works	415.10	1096.04
6.	LT & HT Consumers	932.63	1031.53
<b>Total</b>		<b>3510.38</b>	<b>5017.39</b>

The arrears has risen up 42.93 per cent to an alarming stage amounting to Rs. 5017.39 lakh as on March 2016 in comparison to previous year's i.e. Rs. 3510.38 lakh which is harmful for the sound financial health of the Company.

Division stated in its reply that camps are being organized, sub-divisional officers are being directed and arrear lists are being reviewed so that realization of arrears from consumers can be ensured. Reply of the division is not convincing as arrear has risen up to an alarming stage despite the efforts made by division.

The matter is brought to the notice of the management.

**Para 3: Non returning of Revenue Receipt Books**

In order to realize the electricity dues from the consumers EDD (Rural) Dehradun issued revenue receipt books to the SDO's/collecting agents. After realization of revenue the counterfoil of receipt books should have been returned to the Division in order to check that revenue receipt books were used properly.

During scrutiny of revenue receipt book issue register, it was noticed that 54 revenue receipt books issued to sub divisions for revenue collection were not returned to the division. These books are lying with the subdivision/ collecting agents since October 2012 to March 2015. As period ranging from 02 to 04 years have been elapsed from the date of issue of Revenue Receipt books, the possibility of misuse of these receipt books cannot be ruled out as receipt books are important document in order to check the revenue realisation.

Division accepted the audit observation and stated in its reply that it may be possible that some of these old receipt books were returned to the division but not recorded in the receipt book register. Further, these books are being reconciled and searched for. All sub-divisional Officers are directed to ensure that they should clear the status of these receipt books and make available to the division without any delay. If any of the receipt books is lost, an FIR should be lodged against them. As these receipt books are lying unreconciled for a long time i.e. 02 to 04 years, the possibility of misuse of these receipt books cannot be ruled out.

The matter is brought to the notice of the management.



### Part III

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

Details of unsettled paras of previous inspection reports:-

<b>Sl. No.</b>	<b>Period</b>	<b>Part II-A</b>	<b>Part II-B</b>
1.	4/93 to 3/94	1,2	3,4,5
2.	4/94 to 3/96	1,2,3	-
3.	4/96 to 3/97	1,2,3	-
4.	4/97 to 3/98	1 to 6	1
5.	4/99 to 3/2000	1 to 3	1 to 4
6.	4/2000 to 12/2000	--	1 to 5
7.	1/2001 to 12/2001	1,2	1 to 8
8.	1/2002 to 3/2003	1,2	1,2,3,4,5
9.	4/2003 to 3/2004	1	1 to 6
10.	4/2004 to 3/2005	1,2	1 to 4
11.	4/2005 to 3/2006	1	1,2,3,4,5
12.	4/2006 to 3/2007	1	1,2,3,4
13.	4/2007 to 9/2008	1,2	1,2
14.	10/2008 to 3/2011	1,2	1,2,3,4,5
15.	4/2011 to 3/2012	1,2	1,2,3,4
16.	4/2012 to 3/2014	1	1,2,3,4,5
17.	4/2014 to 3/2015	1,2	1,2,3,4,5

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
-	-	-	-	-

**Part IV**

**Best practices of the unit**

NIL

**Part V**

**Acknowledgement**

1. Office of The Accountant General (Audit) Uttarakhand, Dehradun expresses gratitude towards Electricity Distribution Division, (Rural) 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:**

<b>Sr. no.</b>	<b>Name</b>	<b>Post</b>
(i)	Shri Arvind Kumar	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-I**