

**2.3 Jaipur Vidyut Vitran Nigam Limited (JVVNL), Jodhpur Vidyut Vitran Nigam Limited (JdVVNL) and Ajmer Vidyut Vitran Nigam Limited (AVVNL) (erstwhile Rajasthan State Electricity Board)**

**Procurement, performance and repair of energy meters**

**Highlights**

The power sector distribution companies (Discoms) are required to install and maintain correct energy meters on each point of supply of energy under section 26 (2) of the Indian Electricity Act, 1910.

*(Paragraph 2.3.1)*

Against directions of Rajasthan Electricity Regulatory Commission to convert all flat rate agriculture consumers to metered category within three years from 2001-02, the Discoms could convert only 22.09 per cent of un-metered consumers in two years upto 2002-03.

*(Paragraph 2.3.5)*

Against directions of Rajasthan Electricity Regulatory Commission to reduce the transmission and distribution losses to the level of 20 per cent by the end of five years starting from 2001-02, the transmission and distribution losses actually increased and ranged between 39.14 and 40.95 per cent during 2002-03.

*(Paragraph 2.3.7)*

Due to delay in processing and preferring claims for disbursement of loan, the interest subsidy of Rs.3.62 crore could not be availed of from Power Finance Corporation Limited.

*(Paragraph 2.3.8)*

The procurement of three phase meters without assessment of proper requirement by three Discoms resulted in blocking of funds of Rs.15.51 crore.

*(Paragraph 2.3.10)*

Undue benefit extended to suppliers by non-application of price fall clause and offering balance quantity without analysing the requirement, which could have been deferred resulted in total loss of Rs.29.92 lakh.

*(Paragraphs 2.3.11 and 2.3.12)*

### **2.3.1 Introduction**

Energy meters are static/electronic/electromechanical equipments installed for recording the quantum of energy supplied/consumed. Energy meters are of five types viz. single phase, poly phase (three phase 10-40 and 10-60 Amps), low tension (LT) (trivector), high tension (HT) (trivector) and feeder meters. First four types of meters are installed at supply points for measuring energy consumed by consumers, while HT feeder meters are installed at the sub-stations for recording electricity received through incoming feeder and electricity supplied from the sub-station through outgoing feeder to a number of consumers or even to a single HT consumer. Meters are also installed at the generating stations and sub-stations for preparing energy account and determining system losses.

The Rajasthan State Electricity Board (Board) was un-bundled (19 July 2000) into five companies\* - a generation and a transmission company each and three distribution companies (Discoms).

In order to assess the quantum of energy sold, the companies (erstwhile Board) are required to install and maintain correct energy meters on each point of supply of energy to consumers for measuring the energy sold as per Section 26 (2) of the Indian Electricity Act, 1910.

As on 31 March 2003 there were 55.92 lakh metered consumers and 3.28 lakh un-metered (flat rate agriculture) active consumers under the jurisdiction of the three Discoms.

### **2.3.2 Organisational set up**

After unbundling of the Board, the affairs of the three Discoms are managed by respective Board of Directors. The Chairman-cum-Managing Director (CMD) of each Discom is the chief executive who is assisted by Chief Engineer (CE) Material Management (MM), CE Meter and Protection (M&P) and CE Operation and Maintenance (O&M) in management of affairs of procurement, performance, installation and replacement of defective meters.

There are 23 Assistant Controller of Stores (ACOS), who are responsible for receiving new meters as per despatch instructions issued by the MM Wing, for testing defective meters received from sub-divisions (O&M) in 32 laboratories, for receiving tested meters from laboratory for onward issue to sub-divisions (O&M) as per directions of the Superintending Engineer (SE) (O&M) and to pursue the suppliers for replacement of new rejected meters/meters failed during guarantee period. The Assistant Engineer (O&M) sub-division is responsible for release of new connections and replacement of stopped/defective meters of consumers.

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\* Rajasthan Rajya Vidyut Utpadan Nigam Limited, Rajasthan Vidyut Prasaran Nigam Limited, Jaipur Vidyut Vitran Nigam Limited (Jaipur Discom), Ajmer Vidyut Vitran Nigam Limited (Ajmer Discom) & Jodhpur Vidyut Vitran Nigam Limited (Jodhpur Discom).

### 2.3.3 Scope of Audit

Para Nos. 3.5.2 and 3.5.3 regarding deficiencies in procurement of energy meters in the review on 'Material Management', para No.3B.9 in the review on 'Transmission and Distribution System' and para No.3A.8 in the review on 'Fixation of Tariff, Billing and Collection of Revenue' revealing deficiencies in inspection, testing and replacement of meters featured in the Audit Reports (Commercial) for the years ended March 1997, March 1999, and March 2000, respectively. These reviews have been discussed by the Committee on Public Undertakings (COPU) in August 2001 and July 2003 but recommendations of the Committee were awaited (July 2003).

The present review covers assessment of requirement, procurement, installation and replacement of defective meters during the last five years ending March 2003. The review also covers the position of implementation of commitments made by the State Government regarding metering in the Memorandum of Understanding (MOU) signed (23 March 2001) with Government of India.

The audit findings as a result of test check of records relating to purchase orders placed during 1998-2003 by MM Wing of the three Discoms, 8\* out of 23 ACOS, 6# out of 32 meter testing laboratories and 6\$ out of 24 SE (O&M) were reported to Government/management in June 2003 with a specific request for attending the meeting of Audit Review Committee for State Public Enterprises (ARCPSE) so that view point of Government/management was taken into account before finalising the review. The meeting of ARCPSE was held in June 2003 which was attended by Assistant Secretary, Energy Department, Government of Rajasthan (representative of Secretary, Energy) and CMDs of Jodhpur and Ajmer Discoms.

### 2.3.4 Memorandum of Understanding

In September 1999, Rajasthan Power Sector Reforms Act was passed by the State Legislature. Accordingly in January 2000 Rajasthan Electricity Regulatory Commission (RERC) was established to regulate the functioning of power sector on sound commercial principles. The issue of power sector reforms by the States was also discussed in the conference of Chief Ministers/Power Ministers held in March 2001, wherein a consensus was reached to speed up their implementation. As a follow up thereto, a Memorandum of Understanding (MOU) was signed (23 March 2001), *inter alia*, between the Government of Rajasthan (GOR) and Government of India (GOI) to undertake the reforms in a time-bound manner.

\* Jaipur District, Jaipur City, Dausa, Sawaimadhampur, Ajmer, Udaipur, Jodhpur and Pali.

# Sanganer, Dausa, Sawaimadhampur, Ajmer, Jodhpur and Udaipur.

\$ Jaipur District, Sawaimadhampur, Dausa, Ajmer, Jodhpur city and Jodhpur District.

Mention was made in para 2C of the Report of Comptroller and Auditor General of India (Commercial) for the year ended 31 March 2002 highlighting power sector reforms and implementation thereof. The position regarding improvement in metering system is discussed below.

### 2.3.5 Conversion of flat rate agriculture consumers

**Discoms could convert only 22.09 per cent flat rate agriculture consumers to metered in two years upto 2002-03.**

The RERC directed (March 2001) the three Discoms to convert all the agriculture flat rate consumers to metered category within three years commencing from the year 2001-02. As on 31 March 2001, there were 4.21 lakh un-metered agriculture consumers, of these only 0.93 lakh un-metered consumers, i.e. 22.09 per cent of the un-metered consumers as on 31 March 2001, were converted in two years upto 2002-03. As on 31 March 2003, the Discoms were having 3.28 lakh un-metered consumers. In view of slow progress, target of conversion of all agricultural flat rate consumers to metered category within three years as fixed by RERC is not likely to be achieved.

Discoms attributed (June/July 2003) poor progress of conversion to drought conditions in the State for last three years, resistance from the consumers and directions of the State Government (May 2001) to convert for the time being only those consumers who had voluntarily agreed. The delay in conversion of flat rate consumers to metered category would adversely affect the goal of controlling transmission and distribution losses.

### 2.3.6 Energy audit

MOU required the GOR to complete 100 per cent metering of all consumers by 31 December 2001 but in no case later than 30 June 2002; to install meters at 11 KV feeders by 31 March 2001 but not later than September 2001 and to undertake energy audit at all levels to reduce system losses.

As per directions given by RERC to assess the non-technical losses i.e. difference between energy fed for distribution and the energy billed for each feeder, the three Discoms obtained loan from Power Finance Corporation Limited (PFC) for 100 per cent metering of consumers and of distribution feeders. The three Discoms installed meters on feeders as required by RERC upto May 2003 but did not achieve main objective of ascertaining feeder-wise losses because work of mapping of consumers to feeders was not complete.

### 2.3.7 Transmission and distribution losses

The RERC vide tariff order 2001, directed three Discoms to reduce transmission and distribution (T & D) losses by 5.4 per cent by 31 March 2002 and to bring down these losses to the level of 20 per cent by the end of five years starting from 2001-2002. The Discoms have not been able to reduce T&D losses as depicted in the table given below:

**T&D losses in three Discoms ranged between 39.14 and 40.95 per cent during 2002-03.**

Year	Jaipur Discom	Ajmer Discom	Jodhpur Discom
	(Percentage of T&D losses)		
2000-01	38.64	36.48	40.26
2001-02	38.00	35.76	39.60
2002-03	39.14	39.70	40.95

It would be seen from the above that T&D losses actually increased and ranged between 39.14 and 40.95 *per cent* during 2002-03.

### 2.3.8 Financial assistance from Power Finance Corporation

The Power Finance Corporation Limited (PFC) sanctioned (between November 2000 and October 2001) loans aggregating Rs.152.75 crore to the three Discoms for 100 *per cent* metering upto 11 KV feeders and consumers. PFC informed (November 2000/August and October 2001) the Discoms that under the Accelerated Generation and Supply Programme of Government of India, an interest subsidy of 4 *per cent* on loan disbursed by it during 2000-01 and 2001-02 was available. The loan availed after March 2002 was to attract normal lending rate of 13 *per cent* prevailing at that time.

Due to delay in processing and preferring claims for disbursement of loan, the three Discoms could not avail subsidy of Rs.3.62 crore.

It was observed that three Discoms could not avail interest subsidy of Rs.3.62 crore (Jaipur Discom : Rs.1.65 crore ; Ajmer Discom: Rs.80 lakh; Jodhpur Discom : Rs. 1.17 crore) due to delays ranging from 7 days to 11 months 25 days in processing and preferring suppliers' claims for availing loan before March 2002, as payments to suppliers were not made by March 2002.

### 2.3.9 Procurement of meters

Requirement of meters for each year was assessed by the Discoms on the basis of estimated number of new connections to be released, meters to be provided to flat rate agriculture consumers and number of defective/damaged meters to be replaced. The procurement of meters was decided by corporate level purchase committee if order was more than Rs.1.50 crore and by chief engineer level purchase committee if order was less than Rs.1.50 crore.

Table below indicates the number and value of meters procured during last five years upto 2002-03:

S. No.	Type of meters	1998-99	1999-2000	2000-01	2001-02	2002-03
		Number of meters				
a.	Single phase meters	2,58,983 (16.77)*	1,71,201 (14.06)	2,17,816 (20.27)	12,15,410 (103.77)	86,976 (7.18)
b.	Poly phase meters	5,759 (0.52)	18,746 (2.98)	18,500 (3.66)	3,81,575 (90.83)	19,992 (3.61)
c.	L.T. trivector meters	Nil	Nil	1,200 (1.28)	13,520 (10.05)	200 (0.14)
d.	H.T. trivector meters	850 (0.90)	Nil	200 (0.21)	7,402 (5.37)	4,100 (2.88)
	<b>Total</b>	<b>2,65,592 (18.19)</b>	<b>1,89,947 (17.04)</b>	<b>2,37,716 (25.42)</b>	<b>16,17,907 (210.02)</b>	<b>1,11,268 (13.81)</b>

\* Figures in parenthesis denote value in crore of rupees.

A scrutiny of assessment of requirement and procurement of single phase meters revealed that none of the discoms assessed any requirement during 1998-99. During 1999-2000 and 2000-01, requirement was assessed at 4 lakh meters each year for release of new connections and replacement of defective meters. Audit observed that against the assessed quantity of four lakh meters, the defective meters alone were 3.69 lakh and 4.31 lakh as on 1 April 1999 and 2000 respectively. However, only 1.71 lakh meters in 1999-2000 and 2.18 lakh meters in 2000-01 were procured. As such these were not adequate to replace even defective meters leave apart release of new connections.

### **2.3.10 Excess purchase of meters**

- Ajmer and Jaipur Discoms placed orders in August and September 2001 respectively for 11,500 and 50,000 static poly phase 10-60 Amp meters at the rates of Rs.5,985.50 to Rs.6,016.17 (all adjusted price). The meters ordered by Jaipur Discom were to be used by all the three Discoms. A total of 49,575 meters (Jaipur Discom : 39,575 meters; Ajmer Discom : 10,000 meters) were received up to March 2002. Jaipur Discom delivered 16,003 meters to Ajmer Discom and 1,995 meters to Jodhpur Discom. Out of the balance quantity of 21,577 meters, Jaipur Discom issued to sub divisions only 9,544 meters up to March 2003 leaving 12,033 meters in stock with ACOS. Similarly, out of total 26,003 meters, Ajmer Discom issued 13,232 meters to sub divisions up to March 2003 and balance 12,771 meters were lying in stock. Purchase of meters in excess of requirement resulted in blocking of funds amounting to Rs.14.84 crore (Jaipur Discom: Rs.7.20 crore and Ajmer Discom: Rs.7.64 crore).

**Blocking of funds of Rs.15.51 crore due to procurement of 3 phase meters without requirement.**

The Government stated (July 2003) that in case of Jaipur Discom it had been decided (November 2002) to use these meters expeditiously. While Ajmer Discom stated (June 2003) that the use of these meters was a little slow because of resistance from agriculture consumers.

- Similarly, Jodhpur Discom purchased 8,000 CT operated LT meters at the rate of Rs.1,805 per meter. The meters were received in February 2002. It was observed that out of 8,000 CT operated meters, only 4,270 meters were issued to sub divisions up to March 2003. The balance quantity of 3,730 meters valuing Rs.67 lakh were lying still in stock.

Jodhpur Discom replied (March 2003) that meter installation work slowed down due to resistance from agriculture consumers. The reply was not tenable as during 2001-02 against the target of conversion of 16,367 consumers into metered category, only 9,027 consumers were converted reportedly due to resistance from consumers and despite being aware of the position, purchase of 8,000 CT operated LT meters in January 2002 was not in the interest of the Company.

Thus, the procurement of three phase meters without assessment of proper requirement by three Discoms resulted in blocking of funds to the tune of Rs.15.51 crore.

### 2.3.11 Undue benefit to suppliers due to non-application of price fall clause

Against tenders opened in June 1999 purchase orders for 1,60,000 single phase static meters were placed (December 1999 to May 2001) on five firms at prices ranging from Rs.908.80 to Rs.970.48 per meter. It was provided in the price fall clause of the purchase order that if lower rates were received in subsequent tender, the pending supplies would be made at such lower rate and in case the supplier was not agreeable to supply at such lower rate the order for the balance quantity would be cancelled without any financial liability on either side.

In the subsequent tender opened in March 2000 the rate received and finalised was Rs.925.60 per meter which was lower as compared to three purchase orders placed at rates ranging between Rs.935.32 and Rs.970.48 per meter. The price fall clause was not exercised in respect of supplies of 68,509 meters received from three suppliers, out of five, after March 2000 as the whole time Members decided (30 March 2000) not to apply price fall clause due to change in specifications of both the tenders. However, price fall clause was made applicable in respect of two purchase orders even though the specifications were different. Thus, undue benefit of Rs.13.57 lakh was extended to these three suppliers.

**Undue benefit of Rs.13.57 lakh extended to suppliers by non-application of price fall clause.**

The Government stated (July 2003) that it was not considered reasonable to apply price fall clause after a small interval of 3 to 4 months and there was change in specifications of two tenders. The reply was not tenable because in similar two cases – (TN 1711 opened on 21 May 2001 and TN 1740 opened on 4 July 2001), price fall clause was applied after interval of just one and a half months.

### 2.3.12 Undue benefit to a supplier by offering balance quantity

Jaipur Discom, *inter alia*, placed (August 2000) three orders on a Jaipur firm<sup>@</sup> for supply of 35,000 three phase four wire static energy meters of rating 10-40 Amp at Rs.1,999.14 FOR destination per meter for all the three Discoms. Clause 4 of the purchase orders provided that the supplies shall be commenced after two months from the date of receipt of purchase orders and shall be completed at the rate of 12,000 meters per quarter. It was also mentioned that 70 *per cent* of the ordered quantity i.e. 24,500 shall be supplied in the first instance as per delivery schedule (i.e. upto 2 May 2001) and for balance 30 *per cent* prior approval shall be obtained from respective Discoms. The supplier supplied 10,991 meters upto 2 May 2001 leaving 13,509 meters to be supplied against 70 *per cent* quantity.

In the mean time Discom invited tenders which were due for open on 23 May 2001. But the SE (MM) allowed (8 May 2001) Jaipur firm to supply the balance quantity alongwith 30 *per cent* quantity at the rate of Rs.1,999.14 per meter. The firm supplied 24,009 meters including 10,500 meters (30 *per cent*) between 2 and 20 May 2001 i.e. before opening of new tender on 23 May 2001, though the firm had supplied only 10,991 meters upto 2 May 2001.

<sup>@</sup> M/s Genus Overseas Limited, Jaipur

On opening of tenders on 23 May 2001 the lowest rate of Rs.1,843.44 FOR per meter was received and all the eight firms including Jaipur firm accepted counter offer price of Rs.1,843.44 per meter.

**Undue benefit of Rs.16.35 lakh to a supplier.**

It is clear from above that it was not in the interest of the Discoms to allow the supplier to supply balance quantity when fresh tenders were due for opening after a fortnight in which the same Jaipur firm had also participated. The Discom thus extended undue benefit of Rs.16.35 lakh to the supplier by accepting balance 30 *per cent* quantity at the rate of Rs.1,999.14 per meter. The contention of the Government (July 2003) that it was difficult to anticipate that prices of new tender would be lower was, therefore, not tenable.

### ***2.3.13 Inefficient pre-despatch inspection resulting in delay in use of meters after receipt***

The purchase orders provide for pre-despatch inspection of the material. A test check in audit of Ajmer Discom revealed that 2,923 meters (723 H.T. trivector, 200 L.T. trivector and 2,000 single phase) cleared in pre-despatch inspection, carried out by the officers of the level of Executive Engineer were found to be defective on inspection at Discom test laboratory and returned to suppliers for rectification. This is indicative of inefficient pre-despatch inspection for which no punitive measures were taken.

### **2.3.14 Performance of meters**

All the three Discoms prepare each month the computerised output showing code wise report of defective and burnt meters in respect of single phase and three phase meters installed, on last day of each month. The said output was not utilised for determining the make-wise/supplier-wise average life vis-à-vis the use thereof for placing the orders subsequently by material management wing. A scrutiny of these outputs of three, four and five circles of Jaipur, Jodhpur and Ajmer Discoms respectively revealed that the percentage of defective and burnt meters to meters installed was 2.61 (SP<sup>\*</sup>) and 3.10 (PP<sup>#</sup>) in Jodhpur Discom, 3.02 (SP) and 4.91 (PP) in Jaipur Discom and 4.77 (SP) and 6.87 (PP) in Ajmer Discom.

These outputs indicated details of old suppliers only while no details were available with the Discoms in regard to procurement of meters from new (well known) firms which were tabulated under column of unknown manufacturer. This indicates that the procurement wing was not aware of the life of the meters of different make and suppliers.

The Government stated (July 2003) in regard to Jaipur Discom that latest list of meter suppliers had been provided to relevant officer for taking the desired computerised output sheet showing various details of suppliers. The Jodhpur Discom stated (June 2003) that new suppliers were to be codified and

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\* Single Phase  
# Poly Phase

instructions were being issued to field officers to maintain the information in the format. Ajmer Discom did not reply.

### 2.3.15 Periodical checking of meters

To check the working of energy meters and to curb unauthorised extensions and theft of energy, the erstwhile Board had prescribed norms (October 1997) revised in June 1998 for periodical checking of connections with a load above 25 HP by M&P wing. The percentage of connections checked against the norms for the last five years ending 31 March 2003 were as under:

Year	No. of connections		Shortfall in checking	
	Due for checking	Actually checked	Number	Percentage
1998-99	14,154	13,030	1,124	7.94
1999-2000	14,752	13,126	1,626	11.02
<b>2000-2001</b>				
Jaipur Discom	6,152	5,486	666	10.83
Ajmer Discom*	1,880	1,875	5	0.27
Jodhpur Discom	4,750	4,599	151	3.18
<b>Sub-total</b>	<b>12,782</b>	<b>11,960</b>	<b>822</b>	<b>6.43</b>
<b>2001-2002</b>				
Jaipur Discom	6,474	6,233	241	3.72
Ajmer Discom	4,663	4,365	298	6.39
Jodhpur Discom	4,659	4,030	629	13.50
<b>Sub-total</b>	<b>15,796</b>	<b>14,628</b>	<b>1,168</b>	<b>7.39</b>
<b>2002-2003</b>				
Jaipur Discom	6,718	6,620	98	1.46
Ajmer Discom	4,797	4,024	773	16.11
Jodhpur Discom	4,861	4,258	603	12.40
<b>Sub-total</b>	<b>16,376</b>	<b>14,902</b>	<b>1,474</b>	<b>9.00</b>
<b>Total</b>	<b>73,860</b>	<b>67,646</b>	<b>6,214</b>	<b>8.41</b>

\* Does not include figures of Udaipur zone.

Shortfall in checking of meters against norms increased from 6.43 per cent in 2000-01 to 9 per cent in 2002-03.

From the above it would be seen that the shortfall in checking ranged from 10.83 to 1.46 per cent (Jaipur Discom), 13.50 to 3.18 per cent (Jodhpur Discom) and 16.11 to 0.27 per cent (Ajmer Discom). Thus, the checking norms so fixed were not achieved.

### 2.3.16 Defective energy meters

The year wise position of defective meters added during the period of three years upto 2002-03 is given below:

Year & Discom	Total no. of metered consumers	Opening balance of defective meters	Addition	Percentage of addition to total consumers
<b>2000-01</b>				
Jaipur	18,14,448	1,95,002	1,61,171	8.88
Ajmer	17,95,763	1,73,984	1,43,096	7.96
Jodhpur	15,45,007	94,254	1,07,528	6.96
<b>Total</b>	<b>51,55,218</b>	<b>4,63,240</b>	<b>4,11,795</b>	<b>7.99</b>
<b>2001-02</b>				
Jaipur	18,76,811	1,99,515	3,23,975	17.26
Ajmer	18,55,745	2,02,389	2,18,180	11.75
Jodhpur	16,09,260	1,02,833	1,38,303	8.59
<b>Total</b>	<b>53,41,816</b>	<b>5,04,737</b>	<b>6,80,458</b>	<b>12.74</b>
<b>2002-03</b>				
Jaipur	19,71,177	96,856	2,74,683	13.93
Ajmer	19,45,548	31,885	2,24,577	11.54
Jodhpur	16,75,456	32,333	1,39,453	8.32
<b>Total</b>	<b>55,92,181</b>	<b>1,61,074</b>	<b>6,38,713</b>	<b>11.42</b>

The percentage of the meters becoming defective during the years to total metered consumers ranged between 6.96 and 17.26 whereas in the neighbouring state of Haryana this had ranged between 4.01 and 5.09 per cent during the same period which shows that the rate of meters becoming defective was on higher side in Rajasthan. The Discoms did not analyse reasons for higher rate of meter failure.

### 2.3.17 Accounting of meters

The new meters purchased and stopped/defective/guarantee period failed meters received from sub divisions (O&M) are accounted for by Assistant Controller of Stores (ACOS). The meters so received are sent to laboratories for testing/repair/condemnation, as the case may be. The new/repaired meters are issued to sub divisions (O&M) for issue to consumers for new connections/replacement of stopped/defective meters while new rejected or guarantee period failed meters are returned to suppliers for replacement. The condemned meters are disposed of as scrap through auction.

A test check of four ACOS (Jaipur city circle, Jaipur district circle (JPDC), Dausa, Sawaimadhopur) in Jaipur Discom and review of information received in case of Ajmer and Jodhpur Discoms revealed as under:

- The ACOS, JPDC did not reconcile account of meters sent and those received back from laboratories. Besides, there was no record to show the number of meters failed during guarantee period and after guarantee period. In the absence of such information, recovery of cost of meters failed within guarantee period could not be verified in audit.
- Single phase meters numbering 9,615 costing Rs.44.71 lakh failed within guarantee period and sent to supplier during 1998-99 and 989 poly phase meters costing Rs.8.26 lakh failed within guarantee period and sent to supplier (1998-99: 44, 2000-01: 945) were not returned after repair by the suppliers to Jaipur Discom.
- Single phase meters numbering 10,208 costing Rs.47.47 lakh failed within guarantee period (7,565 since 1998-99 and 2,643 since 2001-02) and 2,276 poly phase meters costing Rs.18.98 lakh failed within guarantee period (322 numbers since 2000-01, 1954 numbers since 2001-02) were lying in defective condition in four ACOS of Jaipur Discom. Besides, 2015 single phase meters costing Rs.9.37 lakh failed within guarantee period were lying in ACOS of Ajmer Discom since 1996.
- No record indicating causes of failure of meters *i.e.* manufacturing defects or consumers' negligence could be furnished to audit.
- Meters numbering 33,523 (SP) and 916 (PP) were lying in condemned conditions with three ACOS (JPDC, Dausa, Sawaimadhopur) of Jaipur Discom for want of disposal as scrap.

### Conclusion

**The system of procurement of meters was marred by improper assessment of the requirement, undue benefit to suppliers, poor co-ordination between the three Discoms and inefficient pre-despatch inspection. The Discoms could not adhere to the directions of Rajasthan**

**Electricity Regulatory Commission of conversion of flat rate consumers to metered category and reduction in transmission and distribution losses.**

**The Discoms need to procure meters at economic rates, strictly implement the policies of monitoring of independent feeders and also carry out required checking of installation to avoid revenue losses. There is urgent need to speedily implement the reforms programme committed in the Memorandum of Understanding and take steps for adequate energy audit and metering the agriculture consumers.**