Jaipur Vidyut Vitran Nigam Limited- Structural And Functional Analysis

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ABSTRACT

Electricity is an essential requirement for all facets of our life. It has been recognized as a basic human need. It is a critical infrastructure on which the socio-economic development of the country depends. Supply of electricity at reasonable rate to rural India is essential for its overall development. Equally important is availability of reliable and quality power at competitive rates to Indian industry to make it globally competitive and to enable it to exploit the tremendous potential of employment generation. Service sector has made significant contribution to the growth of our economy. Availability of quality supply of electricity is very crucial to sustained growth of this segment. JAIPUR VIDYUT VITRAN NIGAM LIMITED (Jaipur Discom) is an undertaking of GoR engaged in distribution and supply of electricity in 12 districts of Rajasthan, namely Jaipur, Dausa, Alwar, Bharatpur, Dholpur, Kota, Bundi, Baran, Jhalawar, Sawaimadhopur, Tonk and Karauli. (Except Kota City & Bharatpur City)

INTRODUCTION

Government of Rajasthan issued (July 2000) a gazette notification unbundling Rajasthan State Electricity Board into five Companies i.e. Rajasthan Rajya Vidyut Utpadan Nigam Limited (generation Company); Rajasthan Rajya Vidyut Prasaran Nigam Limited (transmission Company) and three regional distribution Companies namely Jaipur Vidyut Vitran Nigam Limited, Ajmer Vidyut Vitran Nigam Limited and Jodhpur Vidyut Vitran Nigam Limited. Jaipur Vidyut Vitran Nigam Limited (Company) was incorporated under the Companies Act, 1956 by Government of Rajasthan, and was created with the principal object of engaging in the business of distribution and supply of electricity in 12 districts* of Rajasthan. The operation of Company is managed by eight distribution circles*The Company is managed by BOD. Chairman and Managing Director is the Chief Executive of the Company and is assisted by various departmental heads at the corporate level. At present, the IT needs of the Company are seen by Executive Engineer (IT) and Executive Engineer (CRP), who function under the Chief Engineer (RP). However, prior to this (i.e. audit period), Superintendent Engineer (Commercial) and Chief Accounts Officer were looking after the implementation and maintenance of HT billing system (1).

DISCUSSION

'Rent, Rates and Taxes' was understated by ` 14.47 crore due to nonprovision of liability towards statutory dues. Consequently, 'Current Liability and Provisions' as well as 'Loss for the year' were understated to the same extent.  'Depreciation' was understated by ` 14.50 crore due to non-charging of depreciation for the entire year in respect of feeders completed under Feeder Renovation Program in 2008-09. Consequently, 'Fixed Assets' were overstated and 'Loss for the year' was understated to the same extent. 'Sundry Debtors' were overstated by ` 19.91 crore due to non writing off of the dues in excess of the amount of one time settlement with Urban Local Bodies on account of public street lighting. Consequently, 'Other Debits' as well as 'Loss for the year' were understated to this extent(2)

RESULTS AND CONCLUSION

The increase in distribution capacity could not match the pace of growth in consumer demand, as against the planned additions of 1200 sub-stations during 2006-11, the actual addition was only 1142 sub-stations and further, as compared to the growth of connected load from 11792 MW as on April 2006 to 20857 MW as on March 2011, the increase in transformers capacity was from 11310 MVA to 15469 MVA. In JdVVNL, delay ranging between five and 27 months in completion of 28 sub-stations against scheduled dates of completion as on 31 March 2011 deprived envisaged energy savings of 17.44 MUs valuing ` 11.37 crore(3)

The Company did not ensure the implementation of service level agreement with the vendor. Incorrect mapping of business rules resulted in deficient billing application software. This led to incorrect billing of the consumers, especially in cases of changes in the consumer parameters leading to financial loss to the Company. The Company did not have adequate back up policy nor a disaster recovery plan. Thus continuation of the billing function in case of any eventuality was not ensured. Thus, the Company was vulnerable to the risk of loss of revenue apart from disruption of important function of the revenue realization(4).

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