

CAG faults MSEB meter purchases

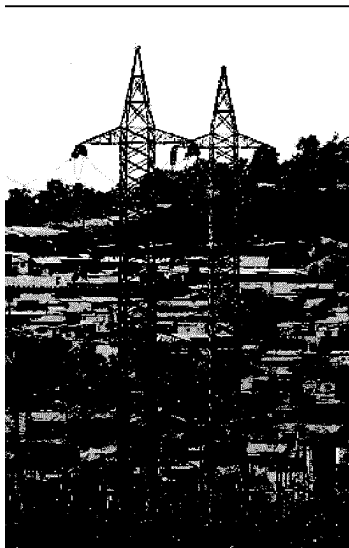
Government Lost More Than Rs 50 Crore

TIMES NEWS NETWORK

Mumbai: The cash-strapped Maharashtra State Electricity Board (MSEB) has virtually gifted away over Rs 50 crore to private suppliers in a multi-crore deal for purchase of electric meters, according to an audit report by the Comptroller and Auditor General of India.

In the most glaring laspe, the report points out, the MSEB not only paid Rs 37.64 crore in excess for the purchase of eight lakh single-phase electro-mechanical meters for 'low tension' consumers in October 2000, but also failed to adhere to the March 2002 deadline for installing meters for 18.79 lakh consumers.

The audit report castigates the electricity board decision-makers who purchased eight lakh meters from private suppliers VXL Landys and Gyr Ltd, C G Schlumberger Electricity Management Ltd, TTL Ltd and Sea Horse Industries Ltd, while rejecting bids of



11 other technically-acceptable suppliers who had quoted lower rates.

The first tender for purchase of the eight lakh meters was floated in June 1999 with 11 bidders in the fray. The report states: "Three suppliers, VXL, CGS and TTL, offered 3.40 lakh meters each at the rates of Rs 1,036.47, Rs 1,018.60 and Rs 1,019.38 respectively. The meters had specifications different from those mentioned in the tender. The board later cancelled the earlier tender and called for fresh tenders matching the specifications of those three suppliers".

In another instance, the MSEB purchased 10,000 meters at a higher rate from India Meters Limited and Larsen and Toubro Ltd, despite the fact that Bharat Heavy Electicals Limited (BHEL) had quoted lower rates. "This resulted in extra expenditure of Rs 21.32 lakh during July-October 2001," the report said.