

This Audit Inspection Report has been prepared on the basis of information provided by Executive Engineer, 220 KV (O&M) Division (PTCUL), Haridwar. The office of the Principal Accountant General (Audit) Uttarakhand, Dehradun disclaims any responsibility for any misinformation, non-submission or submission of incomplete records.

The audit inspection of accounting records of Executive Engineer, 220 KV (O&M) Division (PTCUL), Haridwar, for the period April 2018 to March 2020 was carried out in exercise of the power conferred by Section 19 of the C&AG, DPC Act, 1971 read with Section 143 of Companies Act, 2013. Audit Inspection was conducted by Shri Ghanshyam Das Pal, AAO and Shri Saurabh, Sr. Auditor under the supervision of Shri Roshan Lal Sharma, Sr.A.O. during the period from 26 October 2020 to 28 October 2020 and 09 November 2020 to 11 November 2020. The records of four SDOs of Jawalpur, Bhupatwala, SIIDCUL, Kotdwar under jurisdiction of 220 KV (O&M) Division (PTCUL), Haridwar were also examined during compliance audit.

Part-I

1. Introduction:- The last audit of this unit was conducted by Shri A. P. Singh, Asstt. Audit Officer and Shri Vikas Dhyani Asstt. Audit Officer under the partial supervision of Shri Mukesh Kumar, Sr. Audit Officer in which accounting records of the period from April 2014 to March 2018 were generally examined. In current audit, accounting records of the period from April 2018 to March 2020 were generally examined.

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

The function of the Executive Engineer, 220 KV (O&M) Division (PTCUL), Haridwar is to transmit electricity to the sub stations of the distribution utility as well as expand the electricity distribution system to this area. The geographical jurisdiction of the division is Haridwar and its surrounding areas.

(ii) Auditing methodology and scope of audit:

Executive Engineer, 220 KV (O&M) Division (PTCUL), Haridwar 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. April 2018, and October 2019 were selected for detailed examination of vouchers and August 2018, and August 2019 were selected for arithmetical accuracy.

(iii)

(` in crore)

Year	Revenue	Expenditure	Profit
4/2018 to 03/2019	-	8.89	-
4/ 2019 to 3/ 2020	-	17.33	-

(To the extent this information is available & applicable)

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

The Executive Engineer, 220 KV (O&M) Division PTCUL, Haridwar is an Operation & Maintenance division of PTCUL which is officiated by the Executive Engineer.

PART-II A

Para- 1 Loss of Government exchequer amounting to ` 34.46 lakh due to non depositing of GST.

220 KV (O&M) Division (PTCUL), Haridwar, constructed a line of 5 MVA 2-phase on 132 KV to 132 KV Substation Jwalapur for providing connection to Railway Jwalapur on the request of Northern Railways and one 33 KV Bay at 132KV Substation Jwalapur on the request of UPCL on deposit work basis. PTCUL prepared estimates of ` 14.26 crore alongwith supervision charge of ` 1.86 crore for M/s Northern Railways and ` 41.76 lakh alongwith supervision charge of ` 5.45 lakh for M/s UPCL for the said works. UPCL and Northern Railway deposited the required amount to PTCUL.

During the audit, it was noticed that PTCUL, being a service provider/construction agency of the above said works, should have recovered GST/service tax amounting to ` 34.46 lakh (` 191.45 lakh X 18 *per cent*) on supervision charges of ` 191.45 lakh from the Northern Railway and UPCL and deposit the same to service Tax/GST department which was not done. Non recovery and non-deposition of GST amount by PTCUL resulted in loss of ` 34.46 lakh to Government.

Initial reply not submitted by the division.

PART-II B

Para 1. Non disposal of scrap of ` 16.30 lakh .

220 KV (O&M) Division (PTCUL), Haridwar, has four sub-stations namely 220 KV sub-station SIIDCUL Haridwar, 132 KV sub-station Jwalapur, 132 Bhopatwala and 132 KV sub-station Kotdwar. In these substations various type of inventories (obsolete/ unserviceable/scrap) are lying idle as detailed below:

(in `)

Sl No.	Name of Sub- Station	Value of obsolete / Scrap
1.	220 KV Sub-Station SIIDCUL Haridwar	5,09,641.00
2.	132 KV Substation, Kotdwar	2,20,399.00
3.	132 KV Substation, Jwalapur	7,93,823.00
4.	132 KV Substation, Bhopatwala	1,06,202.00
Total		16,30,065.00

Most of the inventory, in the above mentioned substations, is lying for a long time. As a huge amount is involved in these inventories, division should have made efforts for disposal off the same. However, division has not taken action to to dispose off the obsolete /unserviceable/ scrap inventory.

Initial reply not submitted by the division.

Para 2 : Non recovery/ adjustment of the old amount ` 88.15 lakh pending against different contractor.

During scrutiny of relevant records, it was noticed that the division has given mobilization advances/material advances to the various contractors as detailed below for execution of the works. These works had been completed long back and the works had also been capitalized but the division has not adjusted/recovered the amounts of advance from the contractor's bills. Now most of the contractors have left the division and no correspondence was made with the contractors for recovering the advances against them by the divisions. The amount is pending for more than 6 years and all the contractors had left their work, so the chances for recovery are very bleak.

The advances /material pending against the different accounts heads are as under: -

(in `)

Sl. No.	Account Head	Amount
1.	Advance to supplier/contractor	` 12,35,125.00
2.	Material advance to supplier/Contractor	` 75,79,545.00
Total		` 88,14,670.00

Initial reply not submitted by the division.

Para 3- Loss of ` 4.42 lakh to the Division due to not availing the auto sweep facility in bank account.

The office of the Executive Engineer, 220 KV O&M Division, Haridwar have its bank account No. 1333002100002180 (Current Account) as Expenditure A/c in Punjab National Bank, Indra Nagar, SIIDCUL, Haridwar for keeping the funds received from the headquarters (PTCUL). The fund received in this account is utilized for repair & maintenance work, payment to suppliers/contractors and salary to the employees etc. There was a substantial idle balance in the account but no interest was provided by the bank on this account (Current Account). Nowadays all banks provide the facility of Flexi Account on which interest is provided up to 6.5 *per cent* per annum (approximately) keeping minimum balances of ` 50000.00 in the account and there is no limit for transactions during a particular period.

During scrutiny of records for the period April 2016 to March 2020, it was noticed that the huge average daily balances were lying in current account but the division did not avail the facility of Flexi Account. As such entire amount remained idle in current account leading to loss of interest. Had the division taken the Flexi facility in Account, it would have resulted in extra income by way of interest amounting to ` 4.42 lakh worked out (*Annexure A*) at the rate of 6.5% per cent per annum during 04/2016 to 03/2020 itself. It was also observed that bank had debited ` 1339.00 (as per 03/2020 BRS) as SMS fee/NEFT charges, charges in above current account. As per Memorandum of Understanding (MOU) made (05.10.2012) between Corporation and Bank, bank should not debit any bank charges from above mentioned accounts.

Initial reply not submitted by the division.

Para 4:- Loss of ` 1.73 lakh.

PTCUL entered into an agreement (10 July 2014) with M/s Shiam and Sons for providing and erection of 220 KV DD+18 DC tower for increasing ground clearance of 132 KV Chilla-Bhupatwala-Rishikesh line. The above work was done on Deposit work basis on request of PWD Haridwar. An amount of ` 48.14 lakh was deposited by PWD Haridwar.

During scrutiny of records, it was noticed that the total executed cost of above work was ` 49.87 lakh and the work was completed on 12 October 2015. The remaining amount of ` 1.73 lakh ($\text{` 49.87 lakh} - \text{` 48.14 lakh}$) has not been realized by the division from PWD Haridwar and borne by the division which resulted in loss of ` 1.73 lakh suffered by the division.

Initial reply not submitted by the division.

Part III

Detail of unsettled paras of previous inspection reports:-

Sl. No.	Period of AIR	Part II A Para No.	Part II B Para No.
1.	Since inception to 03/2012	02	01 to 04
2.	04/2012 to 03/2014	01	1 to 3
3.	04/2014 to 03/2018	01	1 to 3

Audit Memo No. 45 issued to the division for submission of old outstanding AIR/paras reply, but the division has not furnished the reply.

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
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Part IV

Best practices of the unit

NIL

Part V

Acknowledgement

1. Office of The Principal Accountant General (Audit) Uttarakhand, Dehradun expresses gratitude towards Executive Engineer, 220 KV (O&M) Division (PTCUL), Haridwar 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:**

SI. No.	Name	Post	Period
1	Shri Manoj Kumar Bahuguna	Executive Engineer	Last audit to till date
2	Shri D.P. Dabral	Accountant	Last audit to 07/08/2019
3	Shri Manmohn Dhek	Accountant	08/08/19 to till date

The compliance report on the AIR may be sent to Deputy Accountant General/AMG-II (PSUs), Office of the Principal Accountant General (Audit), Uttarakhand, Mahalekhakar, Bhawan, Kaulagarh, Dehradun within one month of receipt of the report.

Sr. Audit Officer/AMG-II