

This Inspection Report has been prepared on the basis of information provided by Executive Engineer, 400 KV (O&M) Division PTCUL, Rishikesh. The office of the Principal 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, 400 KV (O&M) Division PTCUL Rishikesh for the period April 2018 to March 2020 was carried out in exercise of the power conferred by Section 19 of the C&AG's, (DPC) Act, 1971 read with Section 143 of the Companies Act, 2013. Audit inspection was conducted by Shri Ghanshyam Das Pal, Assistant Audit Officer and Shri Saurabh, Sr. Auditor under the supervision of Shri Roshan Lal Sharma, Sr. Audit Officer during the period from 23 November 2020 to 01 December 2020. There is no subdivision under the jurisdiction of Executive Engineer, 400 KV (O&M) Division PTCUL. The records of two SDOs (line and maintenance) of the division were also examined during compliance audit.

Part-I-A

1. **Introduction:** - The last audit of this unit was conducted by Shri Amit Kumar, Assistant Audit Officer and Shri Khub Chand, Assistant Audit Officer under the supervision of Ms. Usha Singh, Audit Officer in which accounting records for the period from April 2016 to March 2018 were generally examined. In current audit, accounting records of the period from April 2018 to March 2020 were examined.

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

The function of the Executive Engineer, 400 KV (O&M) Division PTCUL Rishikesh is to transmit the electricity to 33/11 KV substations of UPCL in Rishikesh and keep as well as expand the electricity transmission system to this area. Geographical jurisdiction of the division is Rishikesh and its surrounding area.

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

Executive Engineer, 400 KV (O&M) Division PTCUL, Rishikesh 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 March 2019 & December 2019 month were selected for detailed examination and October 2018 & January 2020 were selected for arithmetical accuracy.

(iii)

(₹ in crore)

Year	Revenue	Expenditure	Profit
2018-19	--	5.22	--
2019-20	--	4.41	--

(To the extent this information is available & applicable)

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

The 400 KV (O&M) Division PTCUL Rishikesh is an electricity transmission division of PTCUL which is officiated by the Executive Engineer.

Part II (A)

Para 1: Loss of Government exchequer amounting to ₹ 18.79 lakh due to non depositing of GST.

A) For shifting/diversion of 400 KV Roorkee-Muzaffarnagar transmission line for new Railway track from Roorkee to Deoband, Executive Engineer, 400 KV (O&M) Division (PTCUL), Rishikesh prepared an estimate of ₹ 715.97 lakh along with 15 *per cent* supervision charge of ₹ 82.19 lakh for the said work on deposit work basis. Northern Railway had deposited the full amount on 23 August 2018 along with supervision charge.

During the audit, it was noticed that division had not incorporated 18 *per cent* GST amount in supervision charges while preparing the estimate of the said work. Being a service provider/construction agency, division should have recovered GST amounting to ₹ 14.79 lakh (₹ 82.19 lakh X 18 *per cent*) on supervision charges amounting to ₹ 82.19 lakh from the Northern Railway and deposited the same to GST department which was not done, while in other deposit work cases, such as NHAI, PTCUL incorporated 18 *per cent* GST amount on supervision charge and recovered/deposited the same to GST department.

Division in its reply stated that a letter regarding depositing of GST amount will be forwarded to Northern Railways and after the receipt of GST amount; it would be intimated to the audit. Reply of the division is not convincing as till date the division had not recovered GST amounting to ₹ 14.79 lakh from Northern Railways and deposited the same in government exchequer. Thus, non-deposition of GST amount at the time of receipt of supervision charges amounting to ₹ 14.79 lakh, imposition of penalty by GST department could not be ruled out.

Thus Due to non-incorporating and recovering/non-deposition of GST amount by division resulted in loss of ₹ 14.79 lakh to Government.

B) Further, NHAI had also requested to Executive Engineer, 400 KV (O&M) Division (PTCUL), Rishikesh for Height Extension/diversion of 400 KV Roorkee-Muzaffarnagar line on Monopole in village Madhavpur, Roorkee. The division had prepared an estimate of ₹ 15.40 crore along with 15 *per cent* supervision charge of ₹ 1.65 crore for the said work on deposit work basis. After submission of estimate by the division, NHAI has requested division only for supervision as the work would be carried out by the NHAI itself.

During the audit, it was noticed that NHAI had sanctioned ₹ 22.25 lakh as supervision charge @ 2.5 *per cent* to division as per GoU order (14 February 2019) and released (August 2019) ₹ 19.58 lakh after deducting 10 *per cent* TDS and two *per cent* GST TDS. But the division has not requested/deposited 18 *per cent* GST amounting to ₹ 4.00 lakh. Due to non-deposition of GST amount, Government suffered a loss of ₹ 4.00 lakh and PTCUL also suffered a loss of ₹ 0.44 lakh as reverse charge of TDS on GST.

Division in its reply stated that a letter regarding depositing of GST amount will be forwarded to NHAI and after the receipt of GST amount; it would be intimated to the audit.

Reply of the division is not convincing as till date the division had not recovered GST amounting to ₹ 4.00 lakh from NHAI and deposited the same in Government exchequer. Thus, non-deposition of GST amount at the time of receipt of supervision charges amounting to ₹ 22.25 lakh, imposition of penalty by GST department could not be ruled out.

Thus, in both said cases Government suffered a loss of ₹ 18.79 lakh.

Part II (B)

Para 1: Non-disposal of scrap/obsolete material worth ₹ 4.05 crore.

The Power Transmission Corporation of Uttarakhand Limited (PTCUL) is responsible for transmission of electricity within the state. For this purpose, it constructs and maintains various sub stations of different capacities (KVA's) at different places. For operation and maintenance of its various sub stations and transmission lines, it purchases different components/spares from the market and uses it on need basis. The broken items/scrap items as a result of replacement are required to be sold in the market at the earliest so the funds could be realized.

It was observed that a transformer of 240 MVA installed at 400 KV sub-station Virbhadra, Rishikesh was brunt (out of working) on 25 October 2011 and the estimated scrap value of the transformers was ₹ 3.79 crore. However, the transformer is still lying with the division (November 2020). Moreover, Superintending Engineer, Rishikesh also declared the transformer damaged/non-repairable and suggested to dispose off the damaged transformer. However, PTCUL constituted a committee for assessment of condition of transformer and incurred an expenditure of ₹ 2.24 lakh for this purpose. As per the assessment of the transformer done by M/s Laxmi Associates, it was recommended to have complete rewind & replacement of all insulation, bushing, protection relays, Marshalling & OLTC box and oil. It was also seen that the total scrap & obsolete material of ₹ 4.05 crore (₹ 3.85 crore scrap material + ₹ 0.20 crore obsolete & dismantled material) was lying with the division for nine years but no action for disposal of the same was initiated by the division even after a lapse of nine years.

The non disposal of the above scrap/obsolete material in time may lead to deteriorate the quality of material. Which may result in reduction in the value of scrap/obsolete material, when disposed off.

Division in its reply stated that 240 MVA transformer got tested through external agency and the agency in its report recommended that as the manufacturer (M/s Mitsubishi) of the transformer does not have any service outlet in India; it is not possible to repair/replace the transformer and as per decision taken by committee/PTCUL, the said transformer would be transferred as scrap material. Further, division also stated that Material Management Unit in PTCUL has managed to dispose/sell 2932.06 kg of scrap material and is taking necessary action for disposal/sale of remaining scrap material.

Reply of the division is not acceptable as the fact remains that scrap/obsolete material amounting to ₹ 4.05 crore are yet to be disposed off. The current status of disposal of material may be intimated to audit at the earliest.

Para 2: In-ordinate delay in execution of deposit work.

Northern Railway has requested PTCUL for shifting/diversion of 400 KV Roorkee, Muzaffarnagar line for laying of new Railway track from Roorkee to Devband and deposited ₹ 7.16 crore on 23 August 2018. PTCUL Headquarter awarded (07 June 2019) the said work to M/s Trans Global Power Limited, Dehradun at a cost of ₹ 4.07 crore (supply ₹ 2.68 crore + Erection ₹ 1.39 crore). The scheduled date of completion of work was six months from the date of issue of Letter of Award (28 February 2019).

As per clause no-7 of the agreement, if the contractor failed to complete the work in schedule time, i.e., 31 August 2019 then a penalty @ 0.5 *per cent* per week subject to maximum of 10 *per cent* of the total contract value would be imposed on the contractor.

During the audit it was observed that though more than 15 months has been elapsed from the schedule date of completion of the work, but the contractor has not completed the work till date. Further, the division neither deducted penalty amounting to ₹ 40.70 lakh nor issued letter to the contractor for early completion of the work as the work was awarded on the deposit work basis.

Division in its reply stated that the main reason for delay in completion of work was Right of Way (ROW) problem and making necessary effort to resolve it. Further, division also stated that if any delay is found on the part of contractor, the penalty will be deducted from the running bills of the contractor.

Reply of the division is not convincing as more than 15 months has been elapsed from the scheduled date of completion of work but the contractor has not completed the work till date nor the division has deducted penalty amounting to ₹ 40.70 lakh. Due to non-deduction/collection of penalty division has suffered a loss of ₹ 40.70 lakh.

Part III

Detail of unsettled paras of previous inspection reports:-

Sl. No.	AIR for the period	Part-II-A	Part-II-B
1.	04/2009 to 09/2011	--	1 to 3
2.	10/2011 to 03/2016	--	1 to 3
3.	04/2016 to 03/2018	--	1 to 4

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
For furnishing of reply of the outstanding paras of old Inspection Report, Audit Memo number 59 book number 1055 was issued to the Division. The division stated that preparation of replies of these outstanding paras is underway and the same will be forwarded to audit at the earliest.				

Part IV

Best practices of the Division

No good practices or innovation noticed during the course of audit

Part V

Acknowledgement

1. Office of The Principal Accountant General (Audit) Uttarakhand, Dehradun expresses gratitude towards Executive Engineer of the Division and their officers and employees for promptly providing desired documents and information including infrastructure related co-operation during the course of audit.

2. **Documents were not produced during audit:**

-----NIL-----

3. **Persistent irregularities.**

-----NIL-----

4. **The following officers held the charge of head of the division during the audit period:**

Sr. No.	Name	Post	Period
1.	Sh. Intkhab Alam	Executive Engineer	Last audit to 11.03.2019
2.	Sh. Sushil Kumar	Executive Engineer	12.03.2019 to till date
3.	Sh. Aditya Verma	DA	Last audit to 13.08.2019
4.	Sh. Aadesh Kumar	DA	14.08.2019 to till date

The Compliance Report on the AIR may be sent to Deputy Accountant General/AMG-II (PSU), Office of the Principal Accountant General (Audit), Uttarakhand, Mahalekhakaar Bhawan, Kaulagarh, Dehradun within one month of receipt of the letter.

Sr. Audit Officer/AMG-II (PSUs)