AIR No……   Year……

This inspection report has been prepared on the basis of information provided by Uttarakhand Transport Corporation Dehradun. The office of the Accountant General (Audit) Uttarakhand, Dehradun disclaims any responsibility for any misinformation, non submission or submission of incomplete records.

Audit inspection of accounting records of Uttarakhand Transport Corporation Dehradun for the period October 2013 to March 2016 was carried out in exercise of the power conferred by section 19 of the C&AG, DPC Act 1971 read with section 619(3)(b) of the Companies Act 1956 & section 143 of Companies Act 2013. Audit Inspection was conducted by Shri Roshan lal Sharma, AAO, Shri Amit Kumar AAO and Shri Khub Chand, AAO under the supervision of Shri B.C. Suyal, Sr. AO during the period from 09.09.2016 to 05.10.2016.

Part-I

1. **Introduction**:- The last audit of this unit was carried out by Shri Amit Kumar AAO and Shri Khub Chand, AAO for the period October 2011 to September 2013 under the supervision of Shri Sohrab Husain, Sr. AO in which accounting records of the period from October 2011 to September 2013 were generally examined. In current audit, accounting records of the period from October 2013 to March 2016 were examined.
2. (i). **Functions and geographical jurisdiction of the unit:**

   The function of the Uttarakhand Transport Corporation is to provide the interstate as well as intrastate transportation to public through its Buses.

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

   Uttarakhand Transport Corporation Dehradun 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 October 2013 May 2014 and May 2015 months were selected for detailed examination. Volvo buses running on contract was analysed in depth and the month having highest expenditure was selected as sample for detailed examination.

(iii)

Year	Revenue	Expenditure	Profit
-	-	-	-

(To the extent this information is available & applicable)

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

The Uttarakhand Transport Corporation, Dehradun has eighteen depots and three regions Dehradun, Nainital and Tanakpur which report to the HQs of the Uttarakhand Transport Corporation Dehradun. Uttarakhand Transport Corporation Dehradun is headed by the Managing Director.

Part II (A)

Para 1: - Operation of Volvo bus.

The Uttarakhand Transport Corporation (Corporation) entered in to an agreement in January 2005 with M/s Mahendra & Mahendra to operate two Volvo buses. Subsequently three Volvo buses were also hired in September 2005 However, the contract was terminated in July 2007 as the maintenance of the buses was not good.

1. Hiring of buses from Kaushik Global Logistic Ltd.

In October 2008, the Corporation invited open tenders to provide five Volvo buses on lease basis. The Corporation approached 16 authorized operators of Volvo Buses India (P) Ltd. (VBIL). But neither the VBIL operators nor any of other operator responded to the same. Further, as per telephonic discussion held (December 2009) by the Corporation, the VBIL operators did not agree to transfer the ownership of the bus to the Corporation which was necessary for inter-state operation. Hence, Volvo bus could not be hired.

Subsequently, the Corporation received (January 2010) a proposal from M/s Kaushik Global Logistic Ltd. (who had also agreement with UPSRTC) to provide Volvo buses on inter-state route i.e. on Dehradun-Delhi and Haldwani-Delhi rout etc on the basis of same terms and conditions which they had with UPSRTC which contained payment of Rate per Km at rates of the Association of State Road Transport Undertaking (ASRTU). In addition to that an incentive @40% (clause- 16.1) on Monthly Income achieved more than the cost incurred was also fixed.

The Corporation accepted the proposal and issued (March 2010) Letter of Intent (LoI) for six Volvo buses.

Later on M/s Kaushik Global further offered (February 2011) additional ten Volvo buses under the term & conditions and rate contract of ASRTU with VBIL. However, the Corporation hired (May 2011), additional ten buses at the terms and condition of the existing agreement (which contained payment of incentive also).

I. In this regard audit observed that though the Kaushik Globals had offered additional 10 buses at ASRTU Rate Contract basis (which did not contain payment of incentive), yet the buses were hired on the basis of existing contract basis. This resulted in avoidable payment of incentive on subsequent 10 buses.

Bus –wise payment of incentive made so far is awaited in Audit.

II. The contract was for a period of 5 years which was extendable for further one year. First two buses[1] were hired in June 2010. Before expiry of the agreement, M/s Kaushik Global requested (May 2015) the Corporation to extend the contract of first two buses on same terms and conditions for one year. However, the Corporation vide its letter dated 07July 2015 refused to extend the Contract. M/s Kaushik Global *vide* its letter dated 13 July 2015 further requested for extension of contract. The Corporation accepted (27 July 2015) the proposal with revised main terms and conditions i.e. (i) Daily operation of the bus would be 300 Km instead of 500 Km. per day and (ii) No incentive would be paid. However, Kaushik Global refused the counter offer and reiterated for earlier terms and conditions. As per records, the Chief Minister (in a meeting held on 30 September 2015) recommended to extend the contract. However, note does not disclose whether the recommendation was on pre-revised or revised terms. The Corporation finally extended the contract for one year (19 October 2015 to 18 October 2016) on pre-revised terms and conditions.

As per records, incentive of ` 0.83 lakh was paid during October 2015 to December 2015. The incentive of the remaining period is yet to be paid.

2. The Corporation also hired five Volvo buses from M/s Chaand Global, Bulandshahar on the same terms and conditions of the contract as with M/s Kaushik Global in March 2011.

3. Floating of open enquiry for hiring of Volvo Buses

The Corporation invited open enquiry (January 2013) for supply of 10 Volvo buses with condition that the bidder must offer minimum 5 buses. Two offers were received. As one offer was for 2 buses only, the same was technically rejected. Considering the fact that only one bidder was left, the Corporation scrapped the tender and decided to float a fresh short term enquiry.

Accordingly, fresh tender was floated in March 2013. Only one bid of M/s Uppal was received for supply of 15 buses. Offer of M/s Uppal was accepted and LoI (April 2013) for supply of 11 buses was issued with instruction to supply the buses within one month of LoI. As M/s Uppal failed to supply the buses, security deposited of ` 11 lakh by M/s Uppal was forfeited (April 2014).

[1] Bus no. UK07PA-719 and UK07PA-720

4. Hiring of buses from Great Value Fuels Pvt. Ltd.

In September 2014, M/s VBIL introduced the M/s Abie Broswon Corporation (AB Corporation), a Bus Cluster Operator in Delhi, to the Corporation for the deployment of Volvo coaches under the new ASRTU Rate Contract (12.09.2014)[2]and also stated that M/s AB Corporation would be sending a formal proposal for engaging Volvo Buses under hiring. VBIL also requested the Corporation to process the proposal for the favourable disposal.

The AB Grain Spirits Pvt. Ltd (October 2014) sent a proposal to attach ten Super Luxury Volvo Coaches under the terms and conditions of latest ASRTU Rate Contract (12.09.2014) stating that they were the group of two companies including itself & Great Value Fuels Private Limited which were operating in the brand name of Abie Broswon Corporation. Later on, M/s Great Value Fuels Pvt. Ltd. also made a proposal (December 2014) to attach the same ten Super Luxury Volvo coaches under the terms and conditions of latest ASRTU Rate Contract (12.09.2014) in the name of 'Great Value Fuels Private Limited' (GVFPL). Corporation accepted (December 2014) the proposal of GVFPL and asked to deploy 16 buses in the Corporation as well as to deposit security of ` 16 lakh so that the LoI could be issued. Accordingly, the GVFPL deposited ` 16 lakh (23 December 2014) and the Corporation issued LoI (24 December 2014) for 16 Super Luxury Volvo coaches.

Though, the M/s GVFPL had agreed to deploy 16 buses under the terms and conditions of new ASRTU Rate Contract (12.09.2014), however, the LoI issued, included payment of incentive @25 *per cent* on additional income over the cost incurred by the Corporation. Thus the term of payment of incentive was over and above the offer of M/s GVFPL. Inclusion of payment of incentive has resulted in undue payment of ` 22.00 (Approx.) lakh during January 2015 to August 2016. Further, the expenditure of incentive will be incurred in remaining contract period.

Reply to the para is awaited.

[2] ASRTU Rate Contract no. ASRTU/SC(S&C)/Volvo/I/ 2014-16/0264, Dated 12.09.2014.

Para 2 : Avoidable expenditure of ` 1.39 crore approx. due to non procurement of diesel at lesser rate.

Till January 2013, the Corporation purchased the diesel from IOCL. As per new oil policy, Central Government decided to sell diesel to all consumers taking bulk supplies directly from the installation of the Oil Marketing Companies at the non subsidized market determined price with effect from the midnight January 17th/January 18th 2013. As the Uttarakhand Transport Corporation (Corporation) was a bulk purchaser and purchased diesel from IOCL directly, this resulted in an increase of ` 11/- per litre (worked out by the Corporation) which could have resulted in extra expenditure of ` 2.80 crore per month approx. Considering this fact, the Corporation decided (January 2013) to purchase diesel from the open/local market.

Considering the fact that the per litre cost of diesel in Delhi was lesser by ` 3.56/-, the Corporation decided (June 2014) to purchase diesel from GEE KAY Services New Delhi for three months for the buses operating to Delhi from Uttarakhand and extended the agreement up to March 2015 . Corporation saved ` 3.05 crore on purchase of 76.14 lakh litre diesel during June 2014 to March 2015.

The Corporation extended the said agreement for further period up to March 2016. However, despite knowing the fact that the Corporation had saved ` 3.05 crore during last 10 months, Corporation decided (May 2015) not to purchase diesel from Delhi *w.e.f.* June 2015.

As per records various buses of 17 depots[3] plied to Delhi which ran 574.29 lakh Km during July 2015 to July 2016. Considering the average consumption of diesel per month and per depot, the Corporation purchased 127.25 lakh litre diesel from IOCL during the same period at an average rate of ` 45.43 to ` 54.62 per litre, whereas the diesel rates in Delhi were ` 44.45 to ` 54.56 per litre during said period. This resulted in extra expenditure of ` 1.39 crore on procurement of diesel.

Management's reply along-with supply of following information is still awaited.

[3] Dehradun Hill, Dehradun Rural, Haridwar, Kotdwar, Rishikesh, Roorkee deport, Almora, Bhawali, Haldwani, Kashipur, Kathgodam, Ramnagar, Ranikhet, Rudrapur, Lohaghat, Pithoragarh and Tanakpur depot.

Depot-wise details of Km covered by the buses plied to Delhi and month-wise average rate of diesel procured during February 2013 to June 2014.

Para 3: - Hiring of Ordinary Buses.

Considering the fact that a large number of buses hired on contract basis earlier had reduced to a great extent and the State Government had also not released sufficient fund for procurement of new buses, the Management decided (December 2011) to ply further buses on operating agreement basis. Main terms of the scheme were as below:

1. At the time of entering into contract, the bus should not be more than one year old.
2. Contract period will be of 5 years.
3. Contractor would be paid @ per Km (` 6.78/Km to ` 7.18/Km according to size of the bus) as fixed by Corporation.
4. In addition to above, diesel at prescribed rate according to the size of the bus and route (8 Km/litre to 4.25 litre) was payable to the contractor.
5. An incentive @ 40 *per cent* of net profit (after reducing all expenses) earned by the bus would be paid to the contractor. Similarly, in case of loss, recovery @ 40 *per cent* would be recoverable from the contractor.
6. The contractor will transfer the ownership of the bus to the Corporation and on expiry/termination of the agreement the ownership will be transferred back to the contractor.
7. The bus will be operated for a distance between 300 Km to 500 Km according to the identified route.

Corporation floated open enquiry in March 2012 for supply of buses on above mentioned main terms. On acceptance of above said terms 100 buses were hired by the corporation.

In this regard following observations are offered:-

I. Non- compliance of Procurement Rules.

As per clause 59 (2)- 'Selection Process' of Chapter IV of Procurement Rules 2008, prescribed procedure for procurement of services is that after finalization of terms of reference, estimated cost would be determined and enquiry will be floated. After getting the offers financial bids would be evaluated.

In the instant case, the Corporation, instead of asking the bidders to quote their percentage of profit offered its own Rates (per Km) of profit. Therefore, the Corporation failed to have the benefit of competitive rates for plying of buses. Had the bidders been asked to offer their commercial rate for operation of buses, the Corporation could have obtained better rates of per km as well as incentive.

II. Avoidable terms for payment of incentive

Rate per/ km worked out by the Corporation considered reimbursement of all expenses to be incurred by the Contractor (including 10 *per cent* profit of the Contractor). Basis for payment of incentive @ 40 *per cent* of net profit i.e. too over and above the rate per km was not available in the records.

Total amount of incentive paid to the contractor under the referred scheme so far i.e. till August 2016 is awaited in Audit.

III. Fixation of Rate/Km on higher side

Review of records revealed that all the relevant components of the total cost to be incurred by the Contractor for supply of the bus under the scheme were considered by the Corporation for fixation of the Rate/Km payable to the contractor. Audit noticed that detailed working on the basis of which the different expenses were considered for was not available in the records. However, on discussion, the Management apprised that the variable expenses on some components viz. lubricants, spare parts, tyres and tubes and maintenance etc. were considered on actual expenses being incurred by the Corporation on its own fleet. Regarding major component of the total cost viz. Equated Monthly Installments (E.M.I) of bank loan, it was worked out on the cost of a new bus @ 12 *per cent* for a period of 5 years.

Audit noticed that while working out EMI of bank loan, the Corporation presumed that the contractor would retain entire loan for complete period of 5 years and would pay back principal and interest after completing 5 years. Whereas the EMI of the loan considers repayment of principal as well as interest from the next month of the loan obtained. For example, for 54 seat bus, the Corporation had worked out ` 8.72 /km as detailed below:

Particulars	Total estimated expenses during the month	Expenses per Kilometers
Bank installment	40000	3.81
Insurance	5000	0.48
Road tax	900	0.09
Driver Exp	12000	1.14
Lubricant Exp.	4000	0.38
Spare parts	5250	0.50
Tyre and tubes	6300	0.60
Maintenance	3150	0.30
Profit of the owner	9000	1.43
Total		8.72

Sl. No.	Particulars	
1	Purchase cost of new bus	` 1500000
2	Rate of interest	12 %
3	Period of loan 5 year	60 months
4	Monthly operation of bus in Km	10500
5	Amount of interest (1500000*12*5/100)	900000
6	Total Amount repayable 1500000+900000	2400000
7	EMI (Loan repay in 60 months) 2400000/60	40000 PM
8	EMI Per KM (40000/10500)	` 3.81

Whereas EMI for a loan of ` 15 lakh @ 12 *per cent* for a period of 5 years works out to ` 33367/- per month and ` 3.18 per km. Thus, the rate per Km payable worked out by the Corporation was higher by ` 0.63 per km.

As per records, contract buses earned 2.29 crore Km during October 2013 to March 2016 by Dehradun Region by 61 Buses. Due to fixation of higher rate per km, the Corporation incurred extra expenditure of ` 1.03 crore.

IV. Non consideration of residual/depreciated value of the bus on expiry of contract period

Contract period is 5 years and complete loan and interest thereupon is being repaid in 5 years. Thus the Corporation has considered life of the bus as 5 years whereas, as per corporation orders average life of a bus is 6 years or 8 lakh km, whichever is earlier. As per terms of scheme, maximum operation of the bus was 6,30,000 km (10500 km per month X 12 X 5 years) Thus even after expiry of contract period the remaining useful life of the bus remains 170,000 Km. Thus there would be substantial value of the bus on expiry of the contract in 2017. However, the same was not been considered for fixation of rate per km payable to the contractor. Audit further observed that the Corporation obtained average price of ` 1.96 lakh per bus on disposal of 11 scrapped buses in March 2011.

V. Insurance charges

While working out insurance charges, it was considered on original cost of the bus for all 5 years, whereas insurance is payable on depreciated value of the bus for 2nd year and thereafter. Hence calculation of insurance charges was not correct up to that extent.

Vi. Different rate/km for different routes

The corporation has categorized its bus routes in 4 categories *i.e.* A, B, C and D. As per terms of the scheme, different rates of ` 8.72, ` 8.82, ` 8.92 and ` 9.12 per Km (for 54 seat bus) is payable for A, B, C and D categories respectively. Supporting papers on the basis of which, the route were categorized and different rates per Km were decided were not available in the records provided.

Audit noticed that Dehradun-Haridwar route is categorized under "A" (rate payable ` 8.72 per Km for 54 seat bus) category and Dehradun-Rishikesh under "B" (rate payable ` 8.82 per Km for 54 seat bus) category. In test check of records relating to load factor for the period from April 2015 to November 2015 in respect of above two routes, audit noticed that average load factor in Dehradun-Haridwar route was 75 *per cent* whereas average load factor in Dehradun-Rishikesh route was 128 *per cent*. Thus, the categorization of the Dehradun-Rishikesh route is not justified. Whether the load factor was re-assessed /compared before deciding the different rates is awaited in audit.

However, actual load-factor and actual Km earned by the buses under Dehradun-Rishikesh route may please be furnished since 2012 to September 2016.

Reply to the para is awaited.

Para 4: Avoidable payment of rent of ` 77.34 lakh.

After formation of State of Uttarakhand in November 2000, Uttarakhand Parivahan Nigam came into existence on 31 October 2003. Since coming into existence, Headquarters' Office of the Corporation is running in a hired accommodation. Initially the HQs Office was located at Indira Nagar, Dehradun. The total carpet area of this accommodation was 2789.20 sq. feet. Later on the HQs Office was shifted (November 2011) in another accommodation at Raj Vihar Chakrata Road, Dehradun having total carpet area of 5539.73 sq. feet. As per records, 55 officers and officials are posted in HQs office. The Corporation has paid total rent of ` 77.34 lakh towards hired accommodation of HQs Office so far (September 2016).

Audit noticed that the Corporation has its own building at Gandhi Road (near Railway Station), Dehradun which contains 14271.55sq feet carpet area and this building is being used as office of Divisional Manager, Dehradun where 46 personnel are posted. The RM office is utilizing the space (14271.55sq feet) which is more than the space (5539.73 sq.feet) being utilized by the corporate office since the space required for 46 personnel at hqrs is 5539.73 sq feet total space required for 101 personnel (46+55) works out to be 10173 sq feet proportionately. Thus DM office building has sufficient space to accommodate all 101 personnel (55 + 46) posted in HQs office as well as in DM office. Thus instead of hiring of private accommodation for HQs office the same should have been shifted to Gandhi Road. Had the HQs office been shifted to DM office building, expenditure incurred of ` 77.34 lakh on hiring of private accommodation could have been saved.

Reply to the para is awaited.

Part II (B)

Para 1: Slow progress of work.

The Uttarakhand Transport Corporation (UTC) operated its buses from the Gandhi Road bus stand upto May 2004. However, UTC decided to operate its buses from the newly constructed ISBT as per orders of Hon’ble High Court dated 21 May 2004. In October 2004 a meeting was held under the chairmanship of the Principal Secretary, Finance and a decision was taken that the land at Gandhi road bus stand could be used for commercial purpose by the UTC.

The Corporation invited (August 2006) open tender for development of bus stand property & provision of facilities on Gandhi road land on the basis of Public Private Partnership (PPP) mode. The Corporation received seven quotations and the work was awarded (04 July 2008) to M/s Nagarjun Construction Company Ltd (Contractor) at a price bid of ` 108.20[4] lakh per year concession payment for 30 years. The Corporation approached (January 2007) the MDDA for approval of the project drawings which was rejected on the ground that the land was marked for local bus stand and Thela Parking. The Government approved conversion of land from Bus stand to commercial purpose in December 2010. For want of conversion of purpose land use, the contractor could not start construction. Subsequently, a supplementary agreement was executed on November 2011(effective from January 2012) in place of previous agreement. As the work was not started by the contractor despite lapse of one and half year, the Corporation terminated the said agreement in May 2013 and forfeited the security and performance bank guarantee of ` 2.16 crore deposited by the contractor.

After termination of agreement, the Corporation requested (September 2013) the PPP cell (Planning Department), Uttarakhand to prepare and issue fresh documents for Request for Proposal (RFP). New RFP was issued by the Government on 31January 2014. On the basis of new RFP document, fresh tender enquiry was invited on 7 May2014 for development of bus stand property & provision of facilities in PPP Mode under a DOMT (Develop, Operate, Maintain, and Transfer) structure. However, no bid was received. Corporation invited another enquiry on 8 July 2014 but again no response was received from any bidder.

The Corporation further invited open tender enquiry (24 September 2014) with closing date of bid by 20 October 2014. As per tender condition the proposal for the project would be evaluated on the basis of concession payment quoted by the bidders in the Financial

[4] 54.10 Lakh X 2=108.20 lakh

Proposal over the threshold level of ` 100.00 lakh. Some bidders approached the Corporation for Queries/Request/Suggestion in RFP document. A meeting was held on 10 Oct. 2014 between eight bidders & Corporation, under the Chairmanship of Principal Secretary, Transport Department, Uttarakhand. Two bidders stated that the concession payment fixed (` 1.00 crore) by the Corporation was on higher side and requested it to reduce to ` 50 lakh. Considering the request concession payment was reduced to 75 lakh.

Three bidders submitted their bids in response to the tender notice. On scrutiny of technical bids, the corporation observed that two bidders[5] had collision with each other and were technically disqualified. On opening financial bid of only bidder left *viz.* GTM Builders & Promoters Pvt. Ltd, the Corporation observed that against the concession payment of ` 75 lakh, M/s GTM had offered ` 81 lakh. As the Board of Directors was not in existence, the Corporation prepared the detailed note and submitted (5 November 2014) to the Principal Secretary, Transport for approval to award the work to M/s GTM. Government *vide* its letter dated 18 December 2014 communicated its approval for awarding the work to M/s GTM Builders & Promoters Pvt. Ltd.

Accordingly, the Corporation awarded the work to GTM Builders & Promoters Pvt. Ltd. on 28 January 2015 for the concession period of thirty years of operations & maintenance. As per agreement the financial closure period (*i.e.* the date by which the contractor has to arrange the fund) was six month and construction work was to be completed in three years (Total 42 Month). On request of M/s GTM Builders & Promoters Pvt. Ltd (11 September 2015), financial closure period was extended by four months by the corporation. However, despite lapse of more than 20 months, the financial closure have not been achieved by the contractor. This indicated that the contractor has failed to arrange the fund for its said project. Resultantly, construction activity has not been started by the contractor so far (September 2016).

As there was delay on the part of the contractor, the Corporation asked the contractor to adhere to the schedule of the agreement. As per terms of agreement, liquidated damages @ ` 1.00 lakh per week was leviable subject to total delay of 90 days. This indicates that beyond the delay of 90 days, no penalty can be imposed on the contractor.

[5] Globe Construction Gaziyabad and M/s Rishabhnath Infrastructure Pvt. Ltd. New Delhi.

Reply to the para along with supply of supporting papers/details on the basis of which pre-qualification for ascertaining financial soundness of the bidders were finalized and documents regarding the fixation of concession payments by the Corporation is still awaited.

Para 2:- Avoidable loss of ` 6.07 crore due to abnormal delay in construction of workshop.

For eradication of traffic hazards in city of Dehradun, the Honorable High Court, Nainital *vide* its order dated 21 May 2004 directed the UTC (Corporation) to operate its buses from ISBT only. Accordingly, a meeting was held (June 2004) between the Corporation and Mussoorie Dehradun Development Authority (MDDA) and MDDA allotted 8.00 acres of land to the Corporation for construction of work shop at ISBT at Haridwar - Saharanpur bye pass. The Corporation demanded (November 2004) fund of ` 13.35 crore (` 6.35 crore for construction of workshop and ` 7.12 crore cost of land). Corporation took the possession of the land in October 2004 and made adhoc payment of ` 3.00 crore (as the rates of the land allotted was not finalized) in December 2004. Later on, MDDA cancelled (December 2005) the initial allotment and allotted 8 acres land at Transport Nagar, Phase II stating that the said land was of commercial centre of the proposed Greater Doon. Audit noticed that by that time the Government had released ` 9.25 crore (capital share of ` 5.00 crore (` 3.00 crore and ` 2.00 crore for construction of workshop) +loan of ` 4.25 crore for construction of workshop.) to the Corporation. Corporation got possession of the land in October 2007 and could get it registered (7.985 acres) in December 2010 after making balance cost of land of ` 7.63 crore.

Corporation awarded (December 2011) the work of construction of boundary wall (` 0.96 crore) of the land to the PWD. Later on, the Corporation nominated the Irrigation Department (ID), Uttarakhand as an agency for construction of depot workshop and asked (March 2012) to submit detailed project report (DPR). I D submitted (April 2012) the DPR containing total estimated cost of ` 14.44 crore (` 5.60 crore+ ` 5.74 crore + ` 3.10 crore) in three phases. Later on I D revised the estimates for Phase I to ` 4.81 crore which were forwarded to the Secretary Transport, Uttarakhand for administrative and financial approval with a justification for immediate construction of workshop stating that as the buses were being plied from ISBT and workshop was located in centre of city (distance 10 Km), at Haridwar Road, dead mileage of 20 Kms per day per bus were being suffered by the

Corporation resulting in financial loss of ` 1.50 crore a year. The proposal was approved by the Government in February 2013. After getting approval from Government, the Corporation awarded (February 2013) the work to the I D. I D while demanding the fund had assured to complete the work in two years subject to receipt of fund in time. As per records against the total estimates of ` 4.81 crore, the Corporation has paid only ` 80 lakh. Thus for want of release of funds, the construction of the workshop is still under progress (September 2016).

In this regard audit observed that :-

1. Though the Corporation got the possession of re-allocated land in October 2007 yet the registry was done in December 2010. Thus there was delay of 3 years in making payment to the MDDA.
2. Though the registry was completed in December 2010 yet the Corporation nominated I D as construction agency in March 2012. Thus there was delay of more than two years in preparing DPR.
3. As per assurance given by the ID, against the estimated cost of ` 4.81 crore, the Corporation has paid only ` 80 lakh to the I D for workshop so far.
4. As per records, cost of land was ` 10.03 crore and construction cost of workshop was ` 6.23 crore (September 2004). Thus, against the total cost of ` 16.26 crore, the Government had released ` 9.25 crore. Thus, the corporation was short of fund by ` 7.01 crore. However, no efforts/correspondence to get additional fund of ` 7.01 crore either from Government or any other source were made.

Due to shortage of fund, the Corporation is yet to construct the workshop. This resulted in recurring losses on account of dead mileage since October 2005. Further as per records, Corporation has incurred extra expenditure of ` 6.07 crore (` 3.57 crore plus ` 2.50 crore) on account of dead mileage during October 2011 to March 2016.

Reply to the para is awaited.

Part III

(In this part, detail of unsettled paras of previous inspection reports to be reported in below given format.)

Detail of unsettled paras of previous inspection reports:-

S. No	Office	Period	Part II A	Part II B	Total
1.	Head Office	Since inspection to March 2007	1,2,3,4	1,2,3,4,5,6,7	11
		April 2007 to March 2008	1,2	1,2	4
		April 2009 to Sept. 2011	1,2,3,4	1,2	6
2.	D.M., Tanakpur	April 2002 to June 2003	1,2	1,2,3	5
		April 2009 to Sept. 2011	Nil	1,2	2
3.	D.M., Nainital	April 2009 to Sept. 2011	Nil	1,2	2
	Head Office	October 2011 to Sept. 2013	1,2,3	Nil	3
	D.M. Nanital		1,2,3	Nil	3
	D.M. Tanakpur		Nil	1,2	2
	D.M. Dehradun		Nil	1,2,	2

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
-	-	-	-	-

Part IV

Best practices of the unit

NIL

Part V

Acknowledgement

1. Office of The Accountant General (Audit) Uttarakhand, Dehradun expresses gratitude towards Uttarakhand Transport Corporation, Dehradun 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**:

Sr. no.	Name	Post
(i)	Shri. Chandra Shekhar Bhatt	Managing Director
(ii)	Shri. Brajesh Kumar Sant	Managing Director
(iii)	Shri Pankaj Tiwari	Finance Controller
(iv)	Shri Bhupesh Tiwari	Finance Controller

Minor and operational irregularities which could not be resolved at the time of audit and have been included in Temporary Audit Note with the request that the compliance report on the same may be sent to Sr. DAG/DAG (concerned sector) within one month of receipt of the letter.

Sr. AO/AO/ES-I