

The Inspection Report has been prepared on the basis of information provided by Executive Engineer, Electricity Workshop Division, Dehradun. 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, Electricity Workshop Division, Dehradun for the period from April 2016 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, Asst. Audit Officer and Shri Saurabh Sr. Auditor under the supervision of Shri Roshan Lal Sharma, Sr. Audit Officer during the period from 01 January 2021 to 07 January 2021. The records of four workshop (Roorkee, Rishikesh, Kaulagarh-I&II) were also examined during compliance audit of Electricity Workshop Division Dehradun.

Part-I

Introduction: - The last audit of this unit was conducted by Shri Roshan Lal Sharma, Asst. Audit Officer, Shri Amit Kumar, Asst. Audit Officer and Shri Khub Chand, Asst. Audit Officer, under the supervision of Shri B. C. Suyal, Sr. Audit Officer in which accounting records for the period April 2014 to March 2016 were examined.

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

The Electricity Workshop Division (EWD) is a unit of the UPCL. Four workshops (Roorkee, Rishikesh, Kaulagarh-I and Kaulagarh-II) are running under this division. The main function of the Workshop Division of UPCL is to repair damaged transformers. After repairing, these damaged transformers are issued to the electricity distribution divisions for installation by EWD, Dehradun.

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

Electricity Workshop Division, 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. March 2017, June 2018 & April 2019 months having highest expenditure were selected for detailed examination and Month January 2018, March 2019 & June 2019 were selected for Arithmetical Accuracy.

(iii)

(` in Crore)

Year	Revenue	Expenditure	Profit
2016-17	NA	21.75	NA
2017-18	NA	50.37	NA
2018-19	NA	26.63	NA
2019-20	NA	48.27	NA

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

The Electricity Workshop Division, Dehradun is a Workshop unit of UPCL which is officiated by the Executive Engineer.

Part - II A

.....Nil.....

Part - II B

Para - 1 Short retrieval of damaged transformer oil of ` 174.53 lakh.

As per norms fixed by erstwhile UPSEB, and the same is being followed by UPCL, the recovery of old & used transformer oil from the damaged transformers brought to the workshop should not be less than 70 *per cent* of the capacity of oil tank of the transformer. In case, the recovery of oil falls below the prescribed limit, the reasons for shortage are to be recorded and investigated. The Divisional Officer of the Distribution wing has to record detailed justification on the prescribed document.

Scrutiny of the records of Electricity Workshop Division, Dehradun revealed that the recovery of old & used transformer oil was less than the norms which resulted in shortfall of 6.46 lakh litres against norms by having value of ` 174.53 lakh. Table below shows the position of retrieval of burnt transformer oil:

Table

Year	Capacity of transformer (KVA)	Total Oil (in ltrs.)	Retrievable oil as per norms of 70 percent (in Ltrs.)	Actual recovery (in Ltrs.)	Shortfalls (in Ltrs.)	Rate Per litre (in `)	Value (in `)
2016-17	16-1000	362108	253476	133291	120185	25	3004625
2017-18	16-1000	453747	317623	111356	206267	25	5156675
2018-19	16-1000	454716	318301	173281	145020	28	4060560
2019-20	16-1000	411005	287704	133314	174390	30	5231700
Total					645862		17453560

No record showing reasons for short recovery and relating to the remedial action taken was found in the records produced to the audit.

The division in its reply stated that the old & used/ burnt oil is received from distributions/store centres by JE (workshop) as per the quantity provided. However, quantity of oil actually received can be reconciled at the distribution circle/division/store centres. Beside this, a letter has already been issued to the concerned EDDs for compliance in the month of April 2017. Further, a reminder shall be issued to the concerned EDDs at the earliest.

The reply of the division is not convincing as burnt oil received was below the norms which resulted in short retrieval of damaged transformer oil of ` 174.53 lakh. Hence, burnt oil from transformers should have been retrieved as per norms.

Para:2 Avoidable expenditures of ` 1.08 crore due to non-utilisation of capacity in departmental workshops.

The main function of the Workshop Division of UPCL is to repair damaged transformers. The Uttar Pradesh Rajya Vidyut Parishad had prescribed the norm that 50 *per cent* of total defective transformers received in the workshop should be repaired in the workshop itself.

A test checks of the relevant records for the last four years revealed the position of the transformers damaged *viz a viz* transformers repaired, as below:

Year	No. of T/F damaged during the period	Repair of T/F required as per norms (i.e. 50%)	Repaired by workshop	No. of T/F repaired during the period by the Contractor	Expenditure incurred (in `)
2016-17	2149	1074	750	453	4195612
2017-18	3561	1780	491	1087	5154610
2018-19	811	406	262	202	5983645
2019-20	3487	1744	458	458	6240189
Total	10008	5004	1961	2550	21574056

It can be seen that 10008 transformers were damaged during 2016-17 to 2019-20, out of which 5004 transformers were required to be repaired by the workshop division itself, against which 1961 damaged transformers were repaired by the division in its workshop and 2550 damage T/Fs repaired by the contractor. 25.48 *per cent* transformers were repaired by the contractor. Had the division repaired 50 *per cent* of the transformers than actually repaired (1961) as per above said norms, the additional burden of ` 1.08 crore (50 percent of total expenditure) could have been avoided.

The division stated in its reply that there is mix of damaged transformer received from hill & plain EDDs. Most of damaged transformers are non-repairable. As a result, the repair of 50% transformers received is difficult to achieve. Besides this, the 30% staff is available against sanction posts which also refrain us to enhance repairing capacity of workshop.

The reply of the management is not acceptable as the fact remains that as per norms, division should have repaired 50 *per cent* of the damaged transformers and avoided additional burden of ` 1.08 crore.

Para- 3: Non deduction of penalty.

Electricity workshop division Dehradun awarded (September 2017) an agreement (Agreement No. 14 EDD(D)/2017-18 dated 18.09.2017) to M/s Rectifiers & Electronic Pvt. Ltd. New Delhi amounting to ` 4.96 lakh for supply of Test Bench & repairing of DVDF equipment. The schedule date of completion of the work was 45 days from the date of agreement/ date of start of work whichever is later.

As per clause No. 3, the contractor should deposit security 10 *per cent* of the contract value in shape of FDR/CDR at the time of agreement or before Ist running bill and their earnest money shall be converted into security deposit. The security deposit will be returned after one year after the satisfactory performance of the supplied and repaired work.

As per clause 11, the penalty at the rate $\frac{1}{2}$ *per cent* per week or maximum 10 *per cent* shall be levied if the work of supply of Test Bench & repairing of DVDF Equipment is not completed within the scheduled time.

During the audit, it was observed that the contractor had supplied the material after a delay of four weeks on 30.11.2017 and the division had not deducted penalty amount to ` 11706/- including GST. Further the security deposit submitted by contractor in shape of FDR/CDR has also been expired on 18.02.2018.

Thus non-deduction of penalty division has resulted undue favour to the contractor.

The division stated in its reply that the matter will be reviewed and if any penalty is required will be recovered from security amount of the contractor or through miscellaneous recovery from firm. The reply of the division is not acceptable as the contractor had supplied test bench after a delay of four weeks from the scheduled date of completion of work. Hence, a penalty amounting to ` 11706/- (including GST) should have been imposed against the contractor. Due to non-imposition of penalty, division has given undue favour to the contractor.

Para 4: Non-deposition of the performance security by the contractor.

Electricity workshop division Dehradun awarded (September 2009) an agreement to M/s Manoj Enterprises, Roorkee amounting to ` 5.11 lakh for repair of 33 Nos damaged Transformers 250 to 400 KVA capacity at Roorkee. The schedule date of completion of the work was 45 days from the date of handing over the transformer with all required material for repair to him.

As per clause 3, the contractor should deposit security 10 *per cent* of the contract value in shape of FDR/CDR at the time of agreement or before Ist running bills and their earnest money shall be converted in security deposit. The security deposit will be returned after one year after satisfactory performance of the repaired work.

During the audit it was noticed that the contractor has not completed the work till date. Neither the division collected 10 *per cent* security deposit nor extended the validity date of earnest money which maturity date has been expired on 4th October 2020 submitted by the contractor at the time of tender document.

The division stated in its reply that the work physically completed in August 2020 and the earnest money amounting to ` 20,000/- is available with the division and the balance security amount of ` 32,000/- would be deducted from the bills of the contractor.

The reply of the division is not acceptable as the security deposit should have been deposited at the time of agreement. The earnest money of ` 20,000/- deposited by the contractor through FDR expired on 04th October 2020 and the balance security amount of ` 32,000/- is not deducted till date (January 2021). Due to non- submission of 10 *per cent* security deposit, the division has given undue favour to the contractor.

Part III

Detail of unsettled paras of previous inspection reports: -

Sl. No.	AIR for the Period	Part-II A	Part-II B	Total
1.	04/1997 to 10/2000	--	01	01
2.	10/2006 to 09/2007	--	02	01
3.	04/2009 to 09/2011	--	1 to 3	03
4.	10/2011 to 03/2014	1 to 2	--	02
5.	04/2014 to 03/2016	-	03	03

For furnishing reply of outstanding paras of old Inspection Reports audit memo number 94 book number 1055 was issued to the division. The division stated that replies to the old outstanding paras is being prepared and the same will be submitted soon.

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, Electricity Workshop Division, Dehradun and their officers and employees for promptly providing desired documents and information including infrastructure related co-operation during the course of audit.
2. Though following documents were not produced during audit:
NIL
3. Persistent irregularities.
NIL

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

Sl No	Name	Designation	Period
1	Shri. Vivek Rajpoot	Executive Engineer	Since last audit to Till date
2	Shri Satish Rawat	Divisional Accountant	Last audit to 31.03.2018
3	Smt.Kirti Bhandari	Divisional Accountant	1.04.2018 to 19.10.2019
4	Sh. Naresh Chand	Divisional Accountant	20.10.2019 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 (PSUs)