

This Audit Inspection Report has been prepared on the basis of information provided by Executive Engineer, 220 KV, O&M, PTCUL, Mahuwakheraganj, Kashipur. 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, 220 KV, O&M, PTCUL, Mahuwakheraganj, Kashipur for the period April 2015 to March 2018 was carried out in exercise of the power conferred by section 19 of the C&AG, DPC Act, 1971 read with section 143 of the Companies Act, 2013. Audit Inspection was conducted by Shri Manoj Kumar Negi, AAO and Shri Seeti Ram Meena, Auditor under the supervision of Shri Amit Kumar Mishra, Audit Officer during the period from 24-09-2018 to 01-10-2018

Part-I

1. **Introduction:-** The last audit of this unit was carried out by Shri A.K.Mishra, Asst. Audit Officer and Shri Akhand Pratap Singh, Asst. Audit Officer under the partial supervision of Shri Mukesh Kumar, Audit Officer in which accounting records of the period from since inception to March 2015 were generally examined. In current audit, accounting records of the period from April 2015 to March 2018 were generally examined.

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

The function of the Executive Engineer, 220 KV, O&M, PTCUL, Mahuwakheraganj, Kashipur is to transmit the electricity to U.S.Nagar district and keep as well as expand the electricity transmission system to this area. The geographical jurisdiction of the division is within U.S. Nagar district.

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

Executive Engineer, 220 KV,O&M, PTCUL, Mahuwakheraganj, Kashipur was covered in the audit. Inspection reports of all independent Drawing and Disbursing officers are being issued separately. This Audit Inspection Report is based on findings of audit and

November 2015, October 2016 and March 2018 for detailed examination and March 2016, June 2016 and August 2017 were selected for Arithmetical Accuracy.

(iii)

(In ₹)

Year	Revenue	Expenditure	Profit
2015-16	-	22140278.88	
2016-17	-	25147368.00	
2017-18	-	31638344.75	

(To the extent this information is available & applicable)

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

The Office of the Executive Engineer, 220 KV,O&M, PTCUL, Mahuwakheraganj, Kashipur is an electricity transmission division of PTCUL which is officiated by the Executive Engineer.

Part-II A

Para 1: Idle expenditure of ` 3.69 crore

The O&M Division, Mahuakheraganj has two sub-stations at Jaspur and Mahuakheraganj. The transmission sub-station comprising of 132 KV bay and 33 KV bay. The bay includes circuit breakers, isolators, CT, lightning arresters to feed power to the individual feeders emanating from the above bays. These bays are also required for share of load of a particular area to protect the overloading from individual feeder (UPCL).

Examination of the records of division (September 2018), revealed that the Mahuakheraganj substation has 10 bays of 132 KV and 13 bays of 33 KV, out of which, three bays of 132 KV and three bays of 33 KV bays were not utilized since November 2011. It was further observed that the average cost of construction of one bay of 132 KV amounts to ` 81.00 lakh (appx.) and for 33 KV bay it is `42 lakh (approx). Thus, an expenditure of ` 3.69 crore (3X`81 lakh + 3X`42 lakh) remained idle due to non-utilization of these bays.

On this being pointed out, division accepted the facts and stated that these bays are lying idle because the user agency (i.e. UPCL) has not raised any demand for the same. Reply of the division is not acceptable because these bays were constructed without any indent/demand by the user agency i.e UPCL and therefore, these are lying idle since November 2011.

It is also to be noted that in Kashipur city two substations (400 KV and 132 KV) were already in operation when this substation was constructed. It indicates that extra bays were constructed by the PTCUL without proper load assessment and requirement from UPCL. Thus, construction of bay without assessment and requirement of user (UPCL) has resulted in blockade of funds of ` 3.69 crore as these bays could not be utilized for last seven years.

Matter is brought to the notice.

Part-II B

Para 1: Non-disposal of scrap ` 11.13 lakh.

Inventory is a tangible property held for sale in the ordinary course of business, or in the process of production for such sale, or for consumption in the production of goods or services for sale, including maintenance supplies and consumable stores and spare parts meant for replacement in the normal course. Inventory normally comprises of raw materials, work-in-process, finished goods including by-products, stores and spare parts and loose tools. Inventory constitutes a major element of working capital which needs efficient management. Inventory management covers fixation of minimum and maximum levels, determining the size of inventory to be carried, deciding about the issues, receipts and inspection procedures, determining the economic order quantity, proper storage facilities, keeping check over obsolescence and ensuring control over movement of inventories. Thus, it is important that inventory is properly controlled.

Audit noticed that the division has two sub-stations namely 132 KV sub-station Jaspur, 220 KV sub-station Mahuakheraganj. In these substations various type of inventory (obsolete/ unserviceable/ usable/scrap) are lying idle as detailed below:

Sl. No.	Name of Sub- Station	Value of obsolete / Scrap (In ₹)
1.	132KV Sub-Station Jaspur	119151
2.	220 KV Sub-Station Mahuakheraganj	994126
Total		1113277

On this being pointed out the division replied that list of obsolete and scrap material to the departmental committee found for disposal of old and obsolete inventories.

Reply of the division is not acceptable because most of the inventories in the above mentioned substations are lying for more than 8 years. As a huge amount is involved in these inventories, division should make efforts for disposal off the same and non-disposal of inventories as a result in blockade of funds amounting to ` 11.13 lakh.

Matter is brought to the notice.

Part III

Details of unsettled paras of previous inspection reports:-

Sl. No.	AIR for the period	Part-II-A	Part-II-B
1.	Since inception to March 2015	1	1,2

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 Principal Accountant General (Audit) Uttarakhand, Dehradun expresses gratitude towards Executive Engineer, 220 KV, O&M, PTCUL, Mahuwakheraganj, Kashipur 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 R.K. Sharma	Executive Engineer.
(ii)	Shri R.K. Bijalwan	Executive Engineer.
(iii)	Shri R.K. Sharma	Executive Engineer.
(iv)	Shri R.K. Chaubey	Executive Engineer.

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 Deputy Accountant General/Economic Sector-I, Office of the Principal Accountant General (Audit), Uttarakhand, Mahalekhakaar Bhawan, Kaulagarh, Dehradun- 248195 within one month of receipt of the letter.

Sr. AO/ES-1