

This audit inspection report has been prepared on the basis of information provided by Executive Engineer, 220 KV O&M Division, (PTCUL) 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 the accounting records of Executive Engineer, 220 KV O&M Division, (PTCUL) Dehradun for the period from April/2017 to March/2020 was carried out in exercise of the power conferred by Section 19 of the CAG's, (DPC) Act, 1971 read with Section 143 of the Companies Act, 2013. Audit inspection was conducted by Shri A. P. Singh, Asstt. Audit Officer under the supervision of Shri Vikas Dhyani, Sr. Audit Officer during the period from 28 January 2021 to 03 February 2021.

## **PART-I-A**

**1.Introduction:** The last audit of the division was conducted by Shri. R.L Sharma, Asstt. Audit Officer, and Shri Robince Kirtaj, Auditor under the supervision of Shri A.K.Mishra, Audit Officer covering period upto March 2017. During the current audit, records for the period from April 2017 to March 2020 were generally examined.

2. (i) **Functions and geographical jurisdiction of the unit:** The function of 220 KV O&M Division, PTCUL, Dehradun 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 Dehradun district.

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

220 KV O&M Division, PTCUL, Dehradun was covered in the audit. This inspection report is based on findings of audit and November 2017, August 2018 and August 2019 were selected for detailed examination and August 2017, May 2018 and December 2019 were selected for Arithmetical Accuracy.

(iii) Details of Revenue & Expenditure

(₹ In Lakh)

<b>Year</b>	<b>Revenue</b>	<b>Expenditure</b>	<b>Profit</b>
2017-18	-	467.37	-
2018-19	-	416.83	-
2019-20	-	527.54	-

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

220 KV O&M Division, PTCUL, Dehradun is an electricity transmission division of PTCUL which is officiated by the Executive Engineer.

## **Part-II-A**

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## **Part-II-B**

### **Para 1: Non-recovery of Miscellaneous Advances to the Firms/ Contractors**

During scrutiny of records for the period ending March 2020, it was noticed that under the head advance to supplier and contractors (Capital) and (O&M), there were miscellaneous advances to the various firms/ contractors amounting to ₹ 53.99 lakh (Capital) and ₹ 8.20 lakh (O&M) which were pending for recovery since March 2016. The details of these advances were not available with the division. As more than 04 years have been elapsed, the chances of recovery of the same are remote. The division should have made sincere efforts for recovery/ adjustment of the same but the same was not done which resulted in blockade of funds amounting to ₹ 62.19 lakh.

Division accepted the audit observation and stated that miscellaneous balances under the head advance to supplier and contractor (Capital) and (O&M) to the various firms/ contractors are under reconciliation. After reconciliation, the same may be recovered/ adjusted. The reply of the division is not convincing as more than four years have elapsed, and the chances of recovery of said amount is remote.

The matter is brought to the notice to higher authorities.

## **Para 2: Non deduction of labour cess**

As per provisions of Building and Other Construction Workers' Welfare Cess Act, 1996, UPCL has to collect one percent cess on cost of construction and deposit the same through bank draft in the name of Labour Commissioner/ Secretary, Uttarakhand Bhawan and other construction labour welfare board, Shram Bhawan, Haldwani.

During scrutiny of records, it was observed that turnkey agreement (dated 15 November 2014) was entered into by Chief Engineer (Purchase and Agreement) of PTCUL with M/s Ashish Transformer Pvt. Ltd. for realignment and height extension for 220 KV Khodri- Rishikesh Transmission Line and 132 KV Majra- Rishikesh Line at various towers location. The total value of agreement was ₹ 3.16 crore (for supply and erection) inclusive of all taxes, duties, freight etc. The work was completed on 22 December 2016. As per executed estimate, the total value of said work came out to be ₹ 3.52 crore. As per payment details, division had not deducted labour cess equal to the one percent of total cost of work amounting to ₹ 3.52 lakh.

Division in its reply stated that there was no clause regarding labour cess in the agreement. As per instruction of GM (F), division was registered under the Uttarakhand Labour Laws on 23 March 2017. Hence the practice of deduction of labour cess started after getting the registration. The reply of the division is not convincing as the agreement was inclusive of all taxes and should have deducted the required amount of labour cess.

The matter is brought to the notice to higher authorities.

### **Para 3: Non refunding of balance amount after completion of work on deposit basis**

National Highway (PWD) had to construct four lane road at Haridwar by pass road, near ISBT, Dehradun. For construction of highway, 132 KV Majra- Rishikesh line of PTCUL had to be shifted. An estimate amounting to ₹ 64.65 lakh was framed to cover the cost for realignment work of said line. National Highway (PWD) had deposited the amount on 20 June 2012 for execution of aforesaid re alignment of line. PTCUL entered into an agreement with M/s Caravan Power and Construction Pvt. Ltd. on 12 November 2013 to execute the work.

During scrutiny of records, it was noticed that the said work was completed on 28 March 2018 at a total cost of ₹ 31.62 lakh and remaining amount of ₹ 33.03 lakh (₹ 64.65 lakh – ₹ 31.62 lakh) have not been refunded till date to National Highway (PWD). After completion of work, the left over amount of ₹ 33.03 lakh should have been refunded to the concerned department which was not done.

Division in its reply stated that the amount deposited by National Highway (PWD) is remitted to PTCUL headquarter by O&M division, Dehradun. In general the balance amount which is deposited under the deposit head is diverted by PTUCL Headquarter to its other units where work of said entity is going on. The reply of the division is not convincing as the amount was deposited for particular work by the consumer and should have been returned or refunded to the consumer instead of adjusting the same against other work of same consumer.

The matter is brought to the notice to higher authorities.

**Para 4: Non disposal of scrap of ₹ 77.02 lakh.**

O&M Division Dehradun has four sub-stations namely 132 kV sub-station Majra Dehradun, 132 kV sub-station Lal Tappar and 220 kV sub-station IIP Mohkampur Dehradun. In these substations various type of inventory (obsolete/ unserviceable/scrap) are lying idle as detailed below:

SI No.	Name of Sub- Station	Value of Inventory				
		Unserviceable	Non-moving	Obsolete	Scrap	Total
1.	132 KV Sub-Station Majra Dehradun	27,92,677	3,40,254	17,91,872	27,77,461	77,02,264
2.	132 KV Substation, Lal Tappar	0	0	0	0	0
4.	220 kV Substation, IIP Mohkampur Dehradun	0	0	0	0	0
<b>Total</b>		<b>27,92,677</b>	<b>3,40,254</b>	<b>17,91,872</b>	<b>27,77,461</b>	<b>77,02,264</b>

Most of the inventory, in the above mentioned substations, is lying idle for a long time. As a huge amount is involved in these inventories, division should make efforts for disposal off the same. However, division has neither taken proper action to transfer the inventory to such divisions where it can be used nor disposed off/ repaired the unserviceable/ scrap/ damaged inventory.

Division in its reply stated that a separate wing of PTCUL, namely Material Management (MM) is looking after the matter of all types of inventories. Some of the inventories lying as scrap are sold by MM and other inventory (obsoleted/unserviceable/scrap) which are lying idle are also, in process of disposal. The reply of management is not convincing as the fact remains that obsolete/ unserviceable/ scrap inventory valuing ₹ 77.02 lakh has not been disposed off by the division.

The matter is brought to the notice to higher authorities.

### **Part III**

Details of unsettled paras of previous inspection reports:-

<b>Sl. No.</b>	<b>Period</b>	<b>Part-II A</b>	<b>Part-II B</b>	<b>Total</b>
<b>1.</b>	07/2002 to 12/2004	01	--	01
<b>2.</b>	01/2005 to 09/2006	02 & 03	02	03
<b>3.</b>	10/2006 to 09/2007	01 & 02	01 to 03	05
<b>4.</b>	10/2007 to 03/2012	01 & 02	01 to 06	08
<b>5.</b>	04/2012 to 03/2014	--	01 to 04	04
<b>6.</b>	04/2014 to 03/2017	--	01 to 04	04

#### **Compliance report of unsettled paras of previous inspection report-**

For furnishing reply of outstanding paras of old Inspection Reports audit memo number 74 book number 1051 was issued to the division. The division replied that replies to the old outstanding paras will be furnished as soon as possible.

**Part IV**

**Best practices of the unit**

NIL

**Part V**

**Acknowledgement**

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

<b>Sr. no.</b>	<b>Name</b>	<b>Post</b>
(i)	Shri Ravindra Kumar (since last audit to November 2017)	Executive Engineer
(ii)	Shri Jagbir Singh (November 2017 to January 2019)	Executive Engineer
(iii)	Shri Rajesh Kumar Gupta, (January 2019 to till date)	Executive Engineer

Reply to Audit Inspection Report may be sent to DAG (AMG-II) O/o the Principal Accountant General (Audit) Uttarakhand Dehradun within one month of receipt of the letter.

**Sr. AO/ AMG-II (PSUs)**