

This Inspection Report has been prepared on the basis of information provided by Executive Engineer, Electricity Workshop Division, 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 Executive Engineer, Electricity Workshop Division, Dehradun for the period from April 2014 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, 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 during the period from 14.12.2016 to 20.12.2016

### **Part-I**

**Introduction:-** The last audit of this unit was conducted by Shri Ghanshyam Das Pal, Asst. Audit Officer, and Shri Sharad Chaudhary, Auditor under the supervision of Shri Sohrab Husain, Sr. Audit Officer, in which accounting records for the period October 2010 to March 2015 were examined.

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

The Electricity Workshop Division (EWD) is 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. May 2014 & February 2016 months having highest expenditure were selected for detailed examination.

(iii)

<b>Year</b>	<b>Revenue</b>	<b>Expenditure</b>	<b>Profit</b>
2014-15	NA	21959879	NA
2015-16	NA	29641154	NA

(To the extent this information is available & applicable)

(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 burnt transformer oil of ` 35.68 lakh.

As per norms<sup>1</sup>, recovery of burnt and dirty 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<sup>2</sup> revealed that the recovery of burnt and dirty transformer oil was less than the norms which resulted in shortfall of 2.38 lakh liters against norms by having value of ` 35.68 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 (Ltrs.)	Actual recovery (Ltrs.)	Difference (Ltrs.)	Rate Per litre (₹)	Value (in lakh)
2010-11	25-1000	406705	284693.5	167582	117111.5	15	1756673
2011-12	25-1000	348130	243691	122941	120750	15	1811250
<b>Total</b>	-	<b>754835</b>	<b>528384.5</b>	<b>290523</b>	<b>237861.5</b>		<b>3567923</b>

(Source: Information/data compiled from the data/information provided by the UPCL.)

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 stated in its reply that most of the distribution divisions under the jurisdiction of this workshop division are in hilly area and the oil from the damaged transformers get spilled on the way. Hence, it is not possible to retrieve the oil as per norms. Further stated that oil is being retrieved as per norms from the damaged transformer pertaining to the plain area.

The reply of the division is not convincing as burnt oil received is below the norms. There were no separate norms for hilly region. Hence, burnt oil from transformers should have been retrieved as per norms.

<sup>1</sup> September 1995 of UPPCL, the same is being followed by UPCL.

<sup>2</sup> Electricity Workshop Division, Dehradun

**Para 2: Avoidable expenditure of ` 60.25 lakh due to non utilisation of capacity in departmental workshops**

The Electricity workshop Divisions (EWDs) are part of the UPCL, but UPCL had not assessed and fixed the annual capacity of its two<sup>3</sup> EWDs. The main function of the Workshop Division of UPCL is to repair damaged transformers. The Uttar Pradesh Rajya Vidyut Parishad<sup>4</sup> 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 check of the relevant records<sup>5</sup> for the last two years revealed the position of the transformers damaged *viz a viz* transformers repaired, as below:

**Table**

<b>Year</b>	<b>No. of damaged T/F during the period</b>	<b>Repair of T/F required as per norms (i.e. 50%)</b>	<b>No. of T/F repaired during the period by the Contractor</b>	<b>Expenditure incurred (₹)</b>
<b>2014-15</b>	3223	1612	977	6168194
<b>2015-16</b>	2922	1461	1146	5892907
<b>Total</b>	<b>6145</b>	<b>3073</b>	<b>2123</b>	<b>12061101</b>

It can be seen that 6146 transformers were damaged during 2014-15 to 2015-16, out of which 3073 transformers were required to be repaired by the workshop division itself, against which no damaged transformer was repaired by the division. The 34.54 *per cent* transformers were repaired by the contractor only. Had the division repaired 50 *per cent* of the transformers actually repaired (2123) as per above said norms, the additional burden of ` 60.25 lakh could have been avoided.

Management in reply stated that due to non posting of Grade-2 technical staff, the work shop is not functioning at its established capacity.

The matter is brought to notice of the higher management.

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<sup>3</sup> EWD Dehradun & EWD Haldwani

<sup>4</sup> Vide its letter no.4612-CMU (D)/PSE-3RC dated 30.09.95, the Rules and regulations of which are being followed by UPCL.

<sup>5</sup> EWD Dehradun

### Para 3:- Undue favour to contractor

a) Electricity Workshop Division (EWD) had invited tender for reclamation of old/dirty/burnt Transformer oil on 02 July 2015. The opening date of tender was 30 July 2015 against which three bidders has submitted their bids namely M/s K.P. Enterprises, Lucknow at ` 513000/- (including service tax), M/s Varanasi Reclamation, Varanasi at ` 492000/- (excluding service tax), and M/s Dass Hitech Corporation, Varanasi at ` 540000/-(excluding service tax) respectively. The work was awarded to M/s Varanasi Reclamation, Varanasi.

During the scrutiny of records it was seen that in preparation of comparative Statement the division had not excluded the amount of ` 63000/- of service tax<sup>6</sup> in respect of BOQ Rate submitted by M/s K.P. Enterprises, Lucknow. Had the division excluded the amount of service tax *i.e.* ` 63000 from the rate submitted by M/s K.P., Lucknow, it would have become the lowest bidders for the said work. Due to awarding of the work to M/s Varanasi Reclamation, Varanasi the division suffered a loss of ` 47880 (` 560880-` 513000).

b) The similar case was also seen for dismantling works on 90 nos. damaged Transformers 150 KVA capacity and out of them 40 nos. repairing of repairable Transformers. Against which three bidders submitted their bids namely M/s Sarita Enterprises, Roorkee at ` 498905/- (excluding service tax), M/s Walia Enterprises, Roorkee at ` 521725/- (excluding service tax), and M/s Manoj Enterprises, Roorkee at ` 518464/-(including service tax) respectively. The work was awarded to Sarita Enterprises, Roorkee.

It was observed that the during preparing of Comparative Statement, the division had not excluded the amount of ` 64071/- of service tax in respect of BOQ Rate submitted by Manoj Enterprises,Roorkee. Due to not excluding the amount of service tax, M/s Sarita Enterprises, Roorkee was considered as lowest bidder instead of M/s Manoj Enterprises Roorkee. Due to awarding of the work to M/s Sarita Enterprises, Roorkee, the division suffered a loss of ` 50288 (` 568752<sup>7</sup>-` 518464).

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<sup>6</sup> Service tax (14 %) was applicable for this period.

<sup>7</sup> 498905X114

Management in reply stated that as per convention followed by the division, the service tax was not considered as the contractor did not claim any other charges in the tender.

The reply is not acceptable as during awarding the tender, the service tax factor was not considered.

### **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:-

<b>Sl. No.</b>	<b>AIR for the Period</b>	<b>Part-II A</b>	<b>Part-II B</b>	<b>Total</b>
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

Compliance report of unsettled paras of previous inspection report-

<b>Inspection report period and number</b>	<b>Para No. Audit observation</b>	<b>Compliance report</b>	<b>Comments of Audit Party</b>	<b>Remarks</b>
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### **Part IV**

**Best practices of the unit**

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## Part V

### Acknowledgement

1. Office of The 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:

<b>SI No</b>	<b>Name</b>	<b>Designation</b>	<b>Period</b>
1	Shri. Mohit Joshi	Executive Engineer	21.01.2009 to 07.07.2014
2	Shri Imtiyaz Ahmed	Executive Engineer	07.07.2014 to 20.02.2015
3	Shri. Vivek Rajpoot	Executive Engineer	20.02.2015 to Till date of audit
4	Shri Ramesh Chandra Arya	Assistant Accountant	January 2013 to 07.09.2016
5	Shri Satish Rawat	Assistant Accountant	07.09.2016 to Till date of audit

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 within one month of receipt of the letter.

**Sr. Audit Officer/ES-I**