

The inspection report has been prepared on the basis of information provided by Executive Engineer, O&M Civil Division PTCUL Roorkee. 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, O&M Civil Division PTCUL Roorkee for the period April 2009 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 619 (3)(b) of Companies Act, 1956 and section 143 of Companies Act, 2013. Audit Inspection was conducted by Shri Ghanshyam Das Pal, AAO and Sh. Seeti Ram Meena, Auditor under the supervision of Shri R.L. Sharma, .A.O. during the period from 12.11.2018 to 17.11.2018.

Part-I

1. **Introduction:-** The last audit of this unit was conducted by Shri R.L. Sharma, Asstt. Audit Officer and Shri Nimisha Bhatt., Asstt. Audit Officer under the supervision of Shri O.P.S. Yadav, Sr. Audit Officer in which accounting records of the period from April 2007 to March 2009 were generally examined. In current audit, accounting records of the period from April 2009 to March 2018 were generally examined.

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

The function of the Executive Engineer, O&M Civil Division PTCUL Roorkee is executing the work of construction of building and repair& maintenance work. The geographical jurisdiction of the division is Roorkee.

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

Executive Engineer, O&M Civil Division PTCUL Roorkee 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 February 2010, September 2011, November 2012, May 2014 and December 2015 December 2016 and September 2017 month were selected for detailed examination

of vouchers and December 2012, April 2014 June 2015 and April 2017 were selected for arithmetical accuracy.

(iii)

(In `)

Year	Revenue	Expenditure	Profit
2009-10	-	21389893	-
2010-11	-	22208294	-
2011-12	-	37236889	-
2012-13	-	86234361	-
2013-4	-	18224786	-
2014-15	-	3422386	-
2015-16	-	28566242	-
2016-17	-	168668395	-
2017-18	-	22116772	-

(To the extent this information is available & applicable)

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

The Executive Engineer, O&M Civil Division PTCUL Roorkee is an Operation & Maintenance division of PTCUL which is officiated by the Executive Engineer.

PART II A

-----NIL-----

Part-II B

Para-1: Non-recovery of advance of ` 89.71 lakh from the contractor/supplier

- i) During the scrutiny of records relating to advances given to the contractors/suppliers, it was noticed that a sum of ` 42,10,928 lakh (` 13,15,034/- for capital work + ` 28,95,896/- for O & M work) was given to the various supplier/contractor.

The above advances were given interest free and not recovered/ adjusted from the contractors/suppliers bills. Some of the advances were pending from 15 years and are still outstanding as on date. No serious/sincere efforts have been made to recover/adjust the advances and the possibility of recovery to these advances appears to be very remote.

- ii) Further, in addition to above, division has also given interest free advance amounting to ` 47.60 lakh to M/s Uttarakhand Akshay Urja Vikas Abhikaran (UREDA), Dehradun for installation of 100 KW capacity Off Grid Solar Power Plant under MNRE Off Grid & Decentralized Scheme in November, 2016. The work was transferred to other division and the division had not raised any advice of Transfer Debit (ATD) against the advance given to the UREDA on behalf of other units.

The division in its reply stated that the advances/material advances pending with contractors belongs to very old period and is outstanding from the time of UPCL. These balances will be rectified /adjusted after reconciling the balances with UPCL & H.Q level of PTCUL and after making the stock adjustment entries wherever necessary. Further division also stated that the interest free advance given to the UREDA will be adjusted by the concerned unit as soon as the work is completed.

Reply of the division is not convincing because in order to find out the correct status of these advances, balances should have been reconciled with the UPCL and stock adjustment should also have been updated.

Para -2 : Non deduction of Labour cess amounting to ` 3.43 lakh.

As per Building & Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996, *one percent* labour cess shall be deducted from the payment made to the contractor's bills and shall be deposited to the authority concerned. The division is executing the construction work of building and repair & maintenance etc. The works attract *one percent* Labour Welfare Cess of contract value as per the Building & Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996, and Government order No. 1412/36-2-2009-251(S.M.)/95 dated 20.11.2009 (Effective date 04.02.2009) of the Uttarakhand Government. In this regard, a letter from labour Commissioner /Secretary date 15.06.2012 was also written to Managing Director, UPCL/PTCUL.

Audit noticed that division has made total payment of ` 3,43,38,484 (detailed enclosed) to the contractors during the period April 2014 to March 2016 for the works from which labour cess should have been deducted @ 1 per cent i.e. ` 3,43,384 (1 *per cent* of ` 3,43,38,484) had not be deducted by the division as per the abovementioned regulation.

The division in its reply stated that the deduction of Labour Cess was not done due to unavailability of Labour Cess Registration.

The reply of the division is not acceptable, as it is the responsibly of the division to deduct the Labour Welfare Cess and deposited the same to the Labour Commissioner

Para -3 : Non levy of penalty.

The division is executing the work of construction of building and repair & maintenance work.

For executing the construction work, division awarded 15 works to the contractor during 2014 to 2015. All the works were completed with the delay of 6 week to 17 week from scheduled period. Audit noticed that division made total payment of ` 26381805.00 against the work. As per agreement clause, if the contractor fail to complete the work in time, penalty @ $\frac{1}{2}$ per cent for every week upto 10 per cent of the work value is to be levied on the contractor, but the same was not levied.

Non deducting the penalty amount from the contractors running bills and allowing the time extension after completion of the work was not justified, as a result division failed to deducted the penalty of ` 17.32 lakh from the contractors.

The division stated that the penalty was not deducted due to completion of running work & submission of bills in time and last & final bill was produced by the contractor after time extension only.

The reply of the division is not acceptable as the time extension was simply given to the request of the contractor without proper justification.

Part III

Detail of unsettled paras of previous inspection reports:-

Sl. No.	Period of AIR	Part II A Para No.	Part II B Para No.	Total
1.	04/2004 to 03/2005	-	1,2	2
2.	04/05 to 03/06	-	1,2,3	3
3.	04/06 to 03/07	-	1,2,3	3
4.	04/2007 to 03/2009		1,2,3	3

For furnishing of reply of the outstanding paras of old Inspection Reports, an audit Memo No. 52 was issued to the Division. In turn division stated that replies of these outstanding paras of old Inspection Reports are being prepared and same would be furnished as early as possible.

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
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Part IV

Best practices of the unit

NIL

Part V

Acknowledgement

1. Office of The Principal Accountant General (Audit) Utrakhand, Dehradun expresses gratitude towards Executive Engineer, O&M Civil Division PTCUL Roorkee 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

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

Sr. no.	Name	Post	Period
1	Sh. R.K. Mittal	Executive Engineer	01.04.2009 to 18.08.2009
2	Sh. R.K. Jain	Executive Engineer	18.08.2009 to 31.07.2013
3	Sh. B.P. Tyagi	Executive Engineer	31.07.2013 to 30.06.2015
4	Shri. Ramveer Singh	Executive Engineer	30.06.2015 to 01.09.2016
5	Sh. Yuddhveer Singg	Executive Engineer	01.09.2016 to till date
6	Sh. Adesh Kumar	Accountant	08.04.2016 to till date

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/ES-1