

This inspection Report has been prepared on the basis of information provided by Executive Engineer, 220 KV (O&M) Division PTCUL, Srinagar. 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) Division PTCUL, Srinagar for the period April 2013 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 Companies Act, 2013. Audit inspection was conducted by Shri Amit Kumar, Assistant Audit Officer and Shri Khub Chand, Assistant Audit Officer under the supervision of Ms. Usha Singh, Audit Officer during the period from 21 January 2019 to 25 January 2019.

Part-I-A

1. **Introduction:-** The last audit of this unit was conducted by Shri Roshan Lal Sharma, Assistant Audit Officer, Shri Vikas Dhyani, Assistant Audit Officer under the supervision of Shri Mukesh Kumar, Audit Officer in which accounting records for the period from since inception to March 2013 were generally examined. In current audit, accounting records of the period from April 2013 to March 2018 were examined.

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

The function of the Executive Engineer, 220 KV (O&M) Division PTCUL, Srinagar is to transmit the electricity to Srinagar, Satpuli, Simili and Chamba as well as expand the electricity transmission system to these areas. Geographical jurisdiction of the division is Srinagar, Satupli, Simili, Chamba and its surrounding area.

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

Executive Engineer, 220 KV (O&M) Division PTCUL, Srinagar 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 October 2017, October 2016, July 2014 and May 2013 months were selected for detailed examination.

(iii)

(Amount in `)

Year	Revenue	Expenditure	Profit
2013-14	-	13,36,47,609.70	--
2014-15	-	5,30,74,674.00	--
2015-16	-	3,12,40,566.50	--
2016-17	--	3,98,03,667.00	--
2017-18	--	10,67,24,787.50	--

(To the extent this information is available & applicable)

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

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

Part II (A)

Nil

Part II (B)

Para 1: Non adherence to the terms and conditions of tender documents pertaining to Performance Security.

According to 'The Uttarakhand Procurement Rules, 2008' para 21(1), performance security is to be obtained from the successful bidder who has been awarded the contract to ensure the due performance of the contract. Performance security should be for an amount which 5 to 10 *per* cent of the value of contract. The performance security may be furnished in the form of account payee demand draft/FDR and should remain valid for a period of 60 days beyond the date of completion of all contractual obligations.

During the test check, it was observed that no Performance Security is being collected from the successful bidders. It was also seen that the tender conditions did not provide for any clause pertaining to the submission of performance security by the successful bidder. Due to non availability of the security deposit, the division has no means to financially secure/safeguard itself in the event of poor performance/ non completion/non commencement of work due to any reason. Thus the agreements were signed without obtaining any performance security from the successful bidders which is non-adherence to Uttarakhand Procurement Rules, 2008.

Management in reply stated that the collection of the performance security from the successful bidder at the time of the agreement will be ensured.

The matter is brought to the notice of the higher Management.

Para 2: Non-disposal of scrap/obsolete material worth ` 47.34 lakh

The Power Transmission Corporation of Uttarakhand Limited (PTCUL) is responsible for transmission of electricity within the state. For this purpose, it constructs and maintains various sub stations of different capacities (KVA's) at different places. For operation and maintenance of its various sub stations and transmission lines, it purchases different components/spares from the market and uses it on need basis. The broken items/scraps items as a result of replacement are required to be sold in the market on earliest basis so that the precarious funds thus realized could be utilized elsewhere.

During the course of audit, a review of physical verification reports pertaining to the division revealed that scrap/obsolete material worth ` 47.34 lakh was lying (March 2018) in the various substations as detailed below:

(` in lakh)

Sl. No.	Name of Sub-station	Value of material
1.	132 KV SS Satpuli	1.50
2.	220 KV SS Chamba	5.60
3.	132 KV SS Simli	0.55
4.	132 KV SS Srinagar	39.69
Total		47.34

It was verbally appraised by the Management that scarp/ obsolete items were lying in the store/division since long time and are still pending for disposal.

The non disposal of the above scrap/obsolete material shall further deteriorate the material resulting in the under realization of the value of scrap/obsolete material when disposed off.

Management in reply stated that the Material Management Unit is evaluating the rate of scrap and obsolete items and accordingly the process of disposal will start and further stated that the matter pertains to the material management unit of the PTCUL.

The reply of the management is not acceptable as the fact remains that the scrap and obsolete material worth ` 47.34 lakh is not disposed off till date.

The matter is brought to the notice of the higher Management.

Para 3: Idle expenditure of ` 81 lakh

The O&M Division, Srinagar has four sub-stations at Srinagar, Chamba, Simli and Satpuli. The transmission sub-station comprising of 132 KV bay and 33 KV bay. The bay includes circuit breakers, isolators, CT, lightening 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 (January 2019), revealed that the Simli substation has two bays of 132 KV out of which, one bay of 132 KV has not been utilized since April 2016. It was further observed that the average cost of construction of one bay of 132 KV amounts to ` 81.00 lakh. Thus, an expenditure of ` 81 lakh remained idle due to non-utilization of this bay for two years.

Management in reply stated that as per general designing practice for transmission substation, 2 no. of bays were constructed. Also, the 132 KV Srinagar-Simli line is also double circuit line and in view of double circuit line substation is also designed for 2 nos. line bay.

The reply of the management is not acceptable as the fact remains that the ` 81 lakh remained idle due to non-utilization of this bay since past two years.

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:-

Sl. No.	AIR for the period	Part-II-A	Part-II-B
1.	Since inception to March 2013	--	1 to 4

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) Uttarakhand, Dehradun expresses gratitude towards Executive Engineer, 220 KV (O&M) Division PTCUL, Srinagar 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	Period	Post
(i)	Shri. B.S. Pangtey	01.04.2013 to 04.02.2015	Executive Engineer
(ii)	Shri. J.B.S. Rawat	05.02.2015 to 23.07.2015	Executive Engineer
(iii)	Shri Vikalp Gautam	24.07.2015 to 23.02.2016	Executive Engineer
(iv)	Shri. J.B.S. Rawat	24.02.2016 to till date	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 Sr. DAG/DAG within one month of receipt of the letter.

Sr. Audit Officer/ES-1