



**Report of the  
Comptroller and Auditor General of India  
for the year ended 31 March 2019**



लोकहितार्थ सत्यनिष्ठा  
Dedicated to Truth in Public Interest



उत्तराखण्ड शासन

**Government of Uttarakhand**  
*Report No. 2 of the year 2020*



**Report of the  
Comptroller and Auditor General of India**

**for the year ended 31 March 2019**

**Government of Uttarakhand**  
*Report No. 2 of the year 2020*



## Table of Contents

Description	Reference to	
	Paragraph	Page No.
Preface		vii
Overview		ix
<b>Chapter-I</b>		
<b>Social, General and Economic Sectors (Non-PSUs)</b>		
Budget Profile	1.1.1	1
Application of resources of the State Government	1.1.2	1
Funds transferred directly to the State implementing agencies	1.1.3	2
Grants-in-Aid from Government of India	1.1.4	2
Planning and conduct of Audit	1.1.5	2
Significant audit observations and response of Government to Audit	1.1.6	3
Recoveries at the instance of Audit	1.1.7	3
Responsiveness of Government to Audit	1.1.8	3
Follow-up on Audit Reports	1.1.9	4
Status of placement of Separate Audit Reports of autonomous bodies in the State Assembly	1.1.10	5
Year-wise details of performance audits and paragraphs that appeared in Audit Reports	1.1.11	5
<b>COMPLIANCE AUDIT</b>		
<b>PUBLIC WORKS DEPARTMENT</b>		
Indo Nepal Border Road Project, Uttarakhand	1.2	6
Avoidable Expenditure	1.3	15
Non-imposition of damages	1.4	17
Unauthorised payment of ₹ 41.16 lakh	1.5	18
<b>SOCIAL WELFARE DEPARTMENT</b>		
Irregular expenditure	1.6	19
<b>Chapter-II</b>		
<b>Revenue Sector</b>		
Trend of revenue receipts	2.1.1	21
Analysis of arrears of revenue	2.1.4	25
Arrears in assessments	2.1.5	26
Evasion of tax detected by the State Tax Department	2.1.6	26
Refund cases	2.1.7	27
Response of the Departments towards audit	2.1.8	27
Analysis of the mechanism for dealing with the issues raised by Audit	2.1.9	29
Action taken on the recommendations accepted by the Departments/ Government	2.1.10	30
Audit Planning	2.1.11	30
Results of audit	2.1.12	31

Description	Reference to	
	Paragraph	Page No.
Coverage of the Revenue Chapter	2.1.13	31
<b>COMPLIANCE AUDIT</b>		
<b>MINING DEPARTMENT</b>		
Non-levy of penalty of ₹ 237.10 crore	2.2	32
<b>STAMP AND REGISTRATION DEPARTMENT</b>		
Loss of revenue of ₹ 22.90 lakh	2.3	33
<b>STATE TAX DEPARTMENT</b>		
Non-levy of penalty	2.4	34
Short levy of tax	2.5	35
Loss of revenue and non-levy of penalty	2.6	36
Irregular tax rebate on false declaration in Form-‘C’	2.7	37
Non-levy of penalty due to delay in deposit of TDS	2.8	38
Non-imposition of penalty	2.9	39
<b>Chapter-III</b>		
<b>Social and Economic Sectors (Public Sector Undertakings)</b>		
Functioning of State Public Sector Undertakings	3.1	41
Introduction	3.1.1	41
Accountability framework	3.1.1.3	42
Statutory Audit	3.1.1.4	43
Submission of accounts by PSUs	3.1.1.5	43
Investment by Government of Uttarakhand in State Public Sector Undertakings	3.1.1.6	44
<b>PART-I (Power Sector)</b>		
Functioning of Power Sector Undertakings	3.2	45
Introduction	3.2.1	45
Formation of Power Sector Undertakings	3.2.1.2	45
Disinvestment, Restructuring and Privatisation of Power Sector Undertakings	3.2.1.3	46
Investment in Power Sector Undertakings	3.2.1.4	46
Budgetary Support to Power Sector Undertakings	3.2.1.5	47
Reconciliation with Finance Accounts of Government of Uttarakhand	3.2.1.6	48
Submission of accounts by Power Sector Undertakings	3.2.1.7	48
Performance of Power Sector Undertakings	3.2.1.8	49
Return on Investment	3.2.1.9	50
Erosion of Net worth	3.2.1.11	53
Dividend Payout	3.2.1.12	54
Return on Equity	3.2.1.13	54
Return on Capital Employed	3.2.1.14	55
Analysis of Long term loans of the Companies	3.2.1.15	55

Description	Reference to	
	Paragraph	Page No.
Interest Coverage Ratio	3.2.1.16	56
Debt-Turnover Ratio	3.2.1.17	56
Assistance under Ujjwal DISCOM Assurance Yojana (UDAY)	3.2.1.18	56
Scheme for improving operational efficiency	3.2.1.19	57
Scheme for financial turnaround	3.2.1.20	57
Implementation of the UDAY Scheme	3.2.1.21	57
Comments on Accounts of Power Sector Undertakings	3.2.1.22	59
Performance Audit and Compliance Audit Paragraphs	3.2.1.23	59
Follow up action on Audit Reports	3.2.1.24	59
Discussion of Audit Reports by COPU	3.2.1.25	60
Compliance to Reports of COPU	3.2.1.26	60
<b>Part-II (Other than Power Sector)</b>		
Functioning of State Public Sector Undertakings (Other than Power Sector)	3.3	61
Introduction	3.3.1	61
Contribution to Economy of the State	3.3.1.2	61
Investment in State PSUs	3.3.1.3	62
Disinvestment, restructuring and privatisation of State PSUs	3.3.1.5	63
Budgetary Support to State PSUs	3.3.1.6	63
Reconciliation with Finance Accounts of Government of Uttarakhand	3.3.1.7	64
Timeliness in preparation of accounts by the working State PSUs	3.3.1.8	65
Timeliness in preparation of accounts by inactive State PSUs	3.3.1.9	66
Placement of Separate Audit Reports of Statutory Corporations	3.3.1.10	67
Impact of non-finalisation of accounts of State PSUs	3.3.1.11	67
Performance of working State PSUs	3.3.1.12	67
Return on Investment	3.3.1.13	68
Return on Investment on historical cost basis	3.3.1.14	69
Return on Investment on the basis of Rate of Real Return on Government Investment	3.3.1.15	70
Erosion of Net worth	3.3.1.18	72
Dividend Payout	3.3.1.19	73
Return on Equity	3.3.1.20	73
Return on Capital Employed	3.3.1.21	74
Analysis of Long Term Loans of the PSUs	3.3.1.22	74
Interest Coverage Ratio	3.3.1.23	75
Debt Turnover Ratio	3.3.1.24	75
Winding up of inactive State PSUs	3.3.1.25	76
Comments on Accounts of State PSUs	3.3.1.26	76

Description	Reference to	
	Paragraph	Page No.
Follow up action on Audit Reports	3.3.1.28	77
Discussion of Audit Reports by COPU	3.3.1.29	78
Compliance to Reports of COPU	3.3.1.30	78
<b>COMPLIANCE AUDIT</b>		
<b>UTTARAKHAND POWER CORPORATION LIMITED</b>		
Compliance to Uttarakhand Right to Service Act 2011, Citizen Charter and Standard of Performance by Uttarakhand Power Corporation Limited	3.4	79
Loss due to non-installation of Lightning Arrestors	3.5	90
<b>POWER TRANSMISSION CORPORATION OF UTTARAKHAND LIMITED</b>		
Undue benefit to contractors	3.6	91
Idle Expenditure	3.7	92
Avoidable liability of Commitment Charges	3.8	93

**Appendices**

Appendix No.	Particulars	Page No.
1.1.1	Position regarding receipt of ATNs on the paragraphs included in the ARs	97
1.4.1	Details of non-recovery of damages on delayed submission of Performance Security by the contractors	99
2.2.1	Statement showing non recovery of five times of royalty from the contractors during 2017-18	100
2.4.1	List of dealers	101
2.8.1	Statement showing non-levy of penalty due to delay in deposit of TDS	103
2.9.1	Details of penalty to be imposed on firm on purchasing of such goods during 2012-13, 2013-14 and 2014-15 on Concessional Form 'C' for which it was not registered	104
3.2.1	Summarised financial results of Power Sector Undertakings for the latest year for which accounts were finalised	106
3.2.2	Statement showing State Government funds infused in the four power sector undertakings since inception till 31 March 2019	107
3.3.1	Statement showing position of equity and outstanding loans relating to State PSUs (other than Power Sector) as on 31 March 2019	108
3.3.2	Statement showing position of State Government Investment (Loans and grant/subsidy) in working PSUs (other than Power Sector) during the period for which accounts are in arrears	111
3.3.3	Summarised financial results of State PSUs (other than Power Sector) for the latest year for which accounts were finalised	112



3.3.4	Year wise details of investment by the State Government for the period from 2001-02 to 2018-19	114
3.3.5	Year wise details of investment by the State Government and present value (PV) of Government investment for the period from 2001-02 to 2018-19	118
3.4.1	Statement showing the details of timelines for providing a service under URTS Act, SoP and CC	119
3.4.2	Statement showing details of divisions selected based on Stratified Sampling Method	122
3.4.3	Organisational Structure of Uttarakhand Power Corporation Limited	123
3.4.4	Statement showing Replacement of burnt meters for the period 2016-19	124
3.4.5	Statement showing Testing of Meters for the period 2016-19	125
3.4.6	Statement showing Replacement of Defective Meters for the period 2016-19	126
3.4.7	Statement showing Conversion of Service for the period 2016-19	127
3.4.8	Statement showing Disconnection/Reconnection of power supply for the period 2016-19	128
3.4.9	Statement showing Fuse Blown or MCB trip for the period 2016-19	129
3.4.10	Statement showing Service line broken for the period 2016-17 to 2018-19	130
3.4.11	Statement showing Voltage related and local problem for the period 2016-19	131
3.4.12	Statement showing Fault in distribution line for the period 2016-17 to 2018-19	132
3.4.13	Statement showing HT main failed for the period 2016-17 to 2018-19	133
3.4.14	Statement showing Violation of the Yardstick for maintenance division for the period 2016-17 to 2018-19	134
3.4.15	Statement showing Lack of skilled Manpower at divisions as on September 2019	135
3.6.1	List of contracts executed by PTCUL Divisions	138



## PREFACE

This Report of the Comptroller and Auditor General of India for the year ended 31 March 2019 has been prepared for submission to the Governor of the State of Uttarakhand. This Report contains three Chapters. Chapters I and II of this Report are placed before the State Legislature under Article 151 (2) of the Constitution of India while Chapter III is submitted to the State Legislature under Section 19 (A) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

**Chapter I** of this Report relates to audit of expenditure of the Social, General and Economic Sectors (Non-PSUs) of the Government departments conducted under the provisions of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. This Chapter contains significant results of compliance audit of departments/autonomous bodies of the Government of Uttarakhand for the year ended 31 March 2019.

**Chapter II** of this Report contains significant findings of audit of receipts and expenditure of major revenue earning departments under the Revenue Sector conducted under the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

**Chapter III** of this Report relates to the audit of State Public Sector Undertakings in the Social and Economic sectors. Audit of accounts of Government companies (including companies deemed to be Government companies as per the Companies Act) is conducted by the Comptroller and Auditor General under Section 619 of the Companies Act 1956 and Sections 139 and 143 of the Companies Act 2013 and audit of Statutory Corporations is conducted under their respective legislations.

The instances mentioned in this Report are those which came to notice in the course of test audit during the year 2018-19 as well as those which came to notice in earlier years but could not be dealt with in previous Audit Reports. Instances relating to the period subsequent to 2018-19 but pertaining to the year 2018-19 have also been included, wherever necessary.

The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.



# Overview



## OVERVIEW

This Report contains 18 compliance audit paragraphs with financial implications of ₹ 305.75 crore.

The total expenditure of the State increased from ₹ 26,254 crore to ₹ 38,564 crore during 2014-15 to 2018-19. The revenue expenditure of the State Government increased by 52 *per cent* from ₹ 21,164 crore in 2014-15 to ₹ 32,196 crore in 2018-19. The revenue expenditure constituted 81 to 84 *per cent* of the total expenditure during the year 2014-15 to 2018-19 whereas the capital expenditure in the same period was 15 to 19 *per cent*. During this period, revenue expenditure increased at an annual average rate of 15 *per cent* whereas revenue receipts grew at an annual average rate of 13 *per cent*. The total revenue receipts of the State Government for the year 2018-19 were ₹ 31,216 crore as compared to ₹ 27,105 crore during the year 2017-18. Out of this, 50 *per cent* was raised through tax revenue (₹ 12,188.09 crore) and non-tax revenue (₹ 3,309.88 crore). The balance 50 *per cent* was received from the Government of India as State's share of divisible Union taxes (₹ 8,011.59 crore) and Grants-in-aid (₹ 7,706.88 crore).

As on 31 March 2019, there were 30 Public Sector Undertakings (three Statutory Corporations and 27 Government Companies including eight inactive government companies) in Uttarakhand. The working PSUs registered an annual turnover of ₹ 9,272.04 crore as per their latest finalised accounts as on 30 September 2019.

### **PSUs in Power Sector**

As on 31 March 2019, the total investment (equity and long term loans) in four power sector undertakings was ₹ 6,049.04 crore. The investment consisted of 51.92 *per cent* towards equity and 48.08 *per cent* in long-term loans. The budgetary assistance received by these power sector PSUs ranged between ₹ 81.95 crore and ₹ 385.03 crore during the period 2014-15 to 2018-19. The budgetary assistance of ₹ 260.47 crore received during the year 2018-19 included ₹ 193.01 crore, ₹ 53.92 crore and ₹ 13.54 crore in the form of equity, loans and grants/subsidy respectively. Out of four power sector undertakings, accounts for the year 2018-19 were submitted by three working power sector PSUs by 30 September 2019. According to financial statements for the year 2018-19 of these power sector PSUs, two PSUs earned profit of ₹ 88.70 crore and one PSU incurred loss of ₹ 553.23 crore.

### **PSUs-Other than Power Sector**

As on 31 March 2019, the total investment (equity and long term loans) in 26 PSUs (other than power sector) was ₹ 1,007.04 crore (₹ 979.80 crore in working PSUs and ₹ 27.24 crore in non-working PSUs). Of this, Government of Uttarakhand had

contributed ₹ 340.98 crore as equity capital and ₹ 318.38 crore as long term loans. The total investment in these PSUs consisted of 36.23 *per cent* towards equity (99.08 *per cent* in working PSUs and 0.92 *per cent* in non-working PSUs) and 63.77 *per cent* in long-term loans (96.28 *per cent* in working PSUs and 3.72 *per cent* in non-working PSUs). The annual budgetary assistance to these PSUs ranged between ₹ 378.35 crore and ₹ 1,208.43 crore during the period 2014-15 to 2018-19. The budgetary assistance of ₹ 1,208.43 crore given during the year 2018-19 included ₹ 1.52 crore as equity, ₹ 1,203.90 crore as grants/subsidy and ₹ 3.01 crore as loan assistance provided by the State Government to these PSUs. Of the total 26 PSUs, no PSU except one submitted its accounts for the year 2018-19 on or before 30 September 2019 for audit by CAG.

This Report is organised into three chapters. Chapter-I deals with the Social, General and Economic Sectors (Non-Public Sector Undertakings); Chapter-II with the Revenue Sector; and Chapter-III deals with the Social and Economic Sectors (Public Sector Undertakings). Some of the major audit findings are summarised below.



---



---

**CHAPTER-I**
**COMPLIANCE AUDIT**
***Indo Nepal Border Road Project, Uttarakhand***

In Uttarakhand, only one road namely Tanakpur-Jauljibi Marg, with length of about 173 km had been proposed against the open border of 263 km. However, after detailed survey it was found that the actual length of the proposed road was only 135.475 km. The DPR of road from km 55.000 to km 101.850 was yet to be approved by Government of India (08.09.2020) as Pancheswar Dam on river Mahakali is affecting km 55.000 to km 135.475 stretch of Tanakpur-Jauljibi road.

The Public Works Department did not comply with the extant rules and failed to provide clear site to the first contractor which resulted in delay of more than four years in completion of stretch 0-12 km besides an extra burden of ₹ 1.92 crore on the State Government. Further, the work on the 12-55 km stretch was either delayed or was held up due to termination of the contract and the matter going to the Court. There were instances of preparation of faulty Detailed Project Report, and adoption of improper tendering process. Besides, the 0 to 12 km stretch of the road was constructed in contravention of provisions of Indian Road Congress Codes resulting in inferior quality of road which was of strategic importance. Also, cases of diversion of funds of ₹ 9.21 crore were noticed. Third party inspection to ensure quality of construction work was also not conducted.

*[Paragraph 1.2]*

***Avoidable expenditure***

The Executive Engineer, Provincial Division, Public Works Department, Rudraprayag incorporated higher rates of hill side cutting in tender documents without having administrative, financial and technical sanctions and without conducting detailed survey of the site, resulting in an avoidable expenditure of ₹ 1.04 crore.

*[Paragraph 1.3]*

***Non-imposition of damages***

The Chief Engineer, National Highway and Bridges (Garhwal Region), Public Works Department, Dehradun failed to recover damages of ₹ 1.39 crore from the contractors which was recoverable as per the terms and conditions of the contracts.

*[Paragraph 1.4]*

***Unauthorised payment of ₹ 41.16 lakh***

The Executive Engineer, Construction Division (Asian Development Bank), Public Works Department, Rudrapur (Udham Singh Nagar) released royalty against e-forms 'J' and 'MM-11' submitted by the contractor pertaining to other districts which resulted in unauthorised payment of ₹ 41.16 lakh. Besides, the contractor was also liable for payment of penalty of ₹ 14.08 crore.

*[Paragraph 1.5]*

***Irregular expenditure***

The District Social Welfare Officers, Nainital and Dehradun paid ₹ 57.20 lakh as one time assistance under National Family Benefit Scheme to 286 ineligible Non-Below Poverty Line beneficiaries in contravention of the Scheme Guidelines.

*[Paragraph 1.6]*

**CHAPTER-II**

**COMPLIANCE AUDIT**

***Non-levy of penalty of ₹237.10 crore***

Non-realisation of five times royalty from the contractors in the absence of Form MM-11 by the Mining Department resulted in short collection of ₹ 237.10 crore.

*[Paragraph 2.2]*

***Loss of revenue of ₹22.90 lakh***

The Stamp and Registration Department suffered loss of revenue of ₹ 22.90 lakh due to inadmissible exemption of 50 per cent allowed by the Department on stamp duty.

*[Paragraph 2.3]*

***Non-levy of Penalty***

The State Tax Department did not impose penalty amounting to ₹ 76.43 lakh for delay in deposit of taxes by the dealers.

*[Paragraph 2.4]*

***Short levy of tax***

Incorrect application of tax rates by the State Tax Department, resulted in loss of revenue of ₹ 29.62 lakh.

*[Paragraph 2.5]*

***Loss of revenue and non-levy of penalty***

The State Tax Department did not reverse the inadmissible input tax credit of ₹ 14.70 lakh claimed by the assessee, which resulted in loss of revenue of ₹ 14.70 lakh along with penalty of ₹ 44.10 lakh thereon.

*[Paragraph 2.6]*

***Irregular tax rebate on false declaration in Form-‘C’***

False declaration in two Form-‘C’ was made by a dealer for inter-State sales of brass ingots on concessional rate of tax, which resulted in short levy of tax of ₹ 0.65 lakh and interest of ₹ 0.56 lakh by the State Tax Department. Besides, penalty amounting to ₹ 6.55 lakh was also leviable.

*[Paragraph 2.7]*

### ***Non-levy of penalty due to delay in deposit of TDS***

The State Tax Department did not impose penalty, the maximum of which amounted to ₹ 1.23 crore under section 35 (8) of the Uttarakhand Value Added Tax (UVAT), Act as the assesses did not deposit the amount of tax deducted at source in the Government Treasury within the prescribed time as given in section 35 (4) of the UVAT, Act.

[Paragraph 2.8]

### ***Non-imposition of penalty***

The State Tax Department did not impose penalty up to ₹ 18.18 lakh under Section 10-A of the Central Sales Tax Act as the firm had purchased such goods, for which it was not registered, on concessional form.

[Paragraph 2.9]

## **CHAPTER-III**

### **COMPLIANCE AUDIT**

#### ***Compliance to Uttarakhand Right to Service Act 2011, Citizen Charter and Standard of Performance by Uttarakhand Power Corporation Limited***

Uttarakhand Power Corporation Limited (UPCL) did not provide enlisted services in Uttarakhand Right to Service (URTS), Act 2011, Standard of Performance (SoP) and Citizen Charter (CC) within the prescribed timeline to its consumers. Uttarakhand Electricity Regulatory Commission (UERC) imposed penalty of ₹ 18.82 crore on UPCL due to delay in providing of new service connections. UPCL could not ensure replacement of burnt/defective meters within prescribed time resulting in penalty of ₹ 6.89 crore and delay in testing of meters attracted penalty of ₹ 66.34 lakh. Further, non-compliance to the norms in respect of disconnection/reconnection by UPCL attracted penalty amounting to ₹ 3.19 crore during 2016-17 to 2018-19.

[Paragraph 3.4]

#### ***Loss due to non-installation of Lightning Arrestors***

Uttarakhand Power Corporation Limited failed to install lightning arrestors on the distribution transformers resulting in their damage and it had to spend ₹ 1.21 crore for their replacement.

[Paragraph 3.5]

#### ***Undue benefit to contractors***

Power Transmission Corporation of Uttarakhand Limited failed to deduct one *per cent* of construction cost as Labour Cess from 16 contractors in 23 works amounting to ₹ 17.95 lakh.

[Paragraph 3.6]

***Idle Expenditure***

Lack of planning in Construction of bays at sub-station of Power Transmission Corporation of Uttarakhand Limited resulted in an idle expenditure of ₹ 3.07 crore as six out of 30 bays could not be put to use since commissioning of the sub-station

***[Paragraph 3.7]***

***Avoidable liability of Commitment Charges***

Asian Development Bank (ADB) withdrew/terminated its loan as the Power Transmission Corporation of Uttarakhand Limited failed to utilise the loan in time which resulted in a burden of ₹ 2.28 crore in the form of commitment charges payable to ADB.

***[Paragraph 3.8]***

**Chapter-I**  
**Social, General and Economic Sectors**  
**(Non-PSUs)**



## CHAPTER-I

### Social, General and Economic Sectors (Non-PSUs)

#### 1.1 Introduction

##### 1.1.1 Budget Profile

There are 62 Government Departments and 41 Autonomous Bodies in the State. The position of budget estimates and expenditure by the State Government during 2014-19 is given in **Table-1.1.1** below:

**Table-1.1.1: Budget and Expenditure of the State Government during 2014-19**

Particulars	2014-15		2015-16		2016-17		2017-18		2018-19	
	Budget Estimates	Expenditure	Budget Estimates	Expenditure	Budget Estimates	Expenditure	Budget Estimates	Expenditure	Budget Estimates	Expenditure
<i>(₹ in crore)</i>										
<b>Revenue Expenditure</b>										
General Services	8,157.61	7402.28	8,910.83	8,409.98	11,129.62	9,934.09	12,300.01	12,408.50	14,292.08	13,524.87
Social Services	10,555.22	9,223.69	11,386.47	9,926.69	14,217.69	10,528.57	12,493.03	10,929.44	13,987.92	12,209.34
Economic Services	4,271.41	3,856.47	4,394.41	3,983.21	5,648.75	3,902.66	5,020.83	4,276.21	5,493.68	5,002.49
Grant-in-aid and contributions	807.79	681.27	1,046.63	766.56	1,254.33	906.18	1,736.94	1,468.54	1,853.63	1,459.32
<b>Total (1)</b>	<b>23,792.03</b>	<b>21,163.71</b>	<b>25,738.34</b>	<b>23,086.44</b>	<b>32,250.39</b>	<b>25,271.50</b>	<b>31,550.81</b>	<b>29,082.69</b>	<b>35,627.31</b>	<b>32,196.02</b>
<b>Capital Expenditure</b>										
Capital Outlay	4,591.37	4,939.01	4,004.85	4,217.38	5,744.36	4,954.22	5,514.37	5,914.37	6,583.79	6,184.42
Loans and advances disbursed	212.59	150.97	172.67	83.15	395.22	165.05	252.35	76.83	191.98	183.48
Repayment of Public Debt	1,757.79	893.89	2,776.79	1,996.56	2,032.23	1,127.40	2,640.23	1,720.72	3,182.00	2,057.51
Contingency Fund	180.00	194.15	175.00	385.46	205.00	227.70	375.00	481.50	400.00	107.08
Public Accounts disbursements	15,683.06	33,534.94	16,247.59	36,536.73	6,602.72	26,607.34	6,521.46	35,366.30	7,173.61	39,947.18
Closing Cash balance	-	1,772.02	-	1,462.80	0.00	2,785.95	--	2,733.60	--	2,583.08
<b>Total (2)</b>	<b>22,424.81</b>	<b>41,484.98</b>	<b>23,376.90</b>	<b>44,682.08</b>	<b>14,979.53</b>	<b>35,867.66</b>	<b>15,303.41</b>	<b>46,293.32</b>	<b>17,531.38</b>	<b>51,062.75</b>
<b>Grand Total (1+2)</b>	<b>46,216.84</b>	<b>62,648.69</b>	<b>49,115.24</b>	<b>67,768.52</b>	<b>47,229.92</b>	<b>61,139.16</b>	<b>46,854.22</b>	<b>75,376.01</b>	<b>53,158.69</b>	<b>83,258.77</b>

Source: Annual Financial Statements and Finance Accounts.

##### 1.1.2 Application of resources of the State Government

The total expenditure<sup>1</sup> of the State increased from ₹ 26,254 crore to ₹ 38,564 crore during 2014-15 to 2018-19. The revenue expenditure of the State Government increased by 52 per cent from ₹ 21,164 crore in 2014-15 to ₹ 32,196 crore in 2018-19.

The revenue expenditure constituted 81 to 84 per cent of the total expenditure during the period 2014-15 to 2018-19 whereas the capital expenditure in the same period was between 15 and 19 per cent. During this period, the revenue expenditure increased at an annual average rate of 15 per cent whereas the revenue receipts grew at an annual average rate of 13 per cent during 2014-15 to 2018-19.

<sup>1</sup> Total expenditure includes revenue expenditure, capital expenditure, loans and advances.

### 1.1.3 Funds transferred directly to the State implementing agencies

The Government of India (GoI) had transferred significant funds directly to the State Implementing Agencies for implementation of various schemes/programmes in the past years. However, despite the Government of India's decision to release all assistance pertaining to Centrally Sponsored Schemes/Additional Central Assistance to the State Government and not to implementing agencies, out of total funds of ₹1,778.24 crore transferred directly by Government of India to implementing agencies (including Central Bodies and other organisation outside the purview of the State Government) in the State, an amount of ₹701.50 crore (*i.e.* 39 per cent) was transferred directly to various State Implementing Agencies during the year 2018-19.

### 1.1.4 Grants-in-Aid from Government of India

Grants-in-aid received by the State from GoI during 2014-15 to 2018-19 are depicted in Table-1.1.2 below:

Table-1.1.2: Trends in Grants-in-aid receipt from GoI

Particulars	( <i>₹ in crore</i> )				
	2014-15	2015-16	2016-17	2017-18	2018-19
Non-Plan grants	944	1,043	824	714	-
Grants for State Plan schemes	4,083	1,173	1,532	1,621	-
Grants for Central Plan schemes	99	609	843	76	-
Grants for Centrally Sponsored Plan schemes	1,879	2,479	3,035	4,391	-
Grants for Centrally Sponsored Scheme	-	-	-	-	4,966
Finance Commission Grants	-	-	-	-	485
Other Transfer/Grants to States (GST Compensation)	-	-	-	1,283	2,256
<b>Total</b>	<b>7,005</b>	<b>5,304</b>	<b>6,234</b>	<b>8,085</b>	<b>7,707</b>
Percentage of increase/decrease over previous year	38	(-) 24	18	30	(-) 5
Percentage of Revenue Receipts	35	25	25	30	25

The Grants-in-aid from GoI at ₹7,005 crore in 2014-15 decreased to ₹5,304 crore (24 per cent) in 2015-16 but it increased by ₹930 crore (18 per cent) during 2016-17 over the previous year. In 2017-18, receipts under Grants-in-aid from GoI increased by ₹1,851 crore (30 per cent) over the previous year. However, the Grants-in-aid decreased by ₹378 crore (five per cent) during the current year 2018-19.

### 1.1.5 Planning and conduct of Audit

The audit process starts with a risk assessment of various departments, autonomous bodies, schemes/projects that includes assessing the criticality/complexity of their activities, the level of delegated financial powers, internal controls and concerns of stakeholders besides taking into account the previous audit findings as well as media reports. Based on this risk assessment, the frequency and extent of audit are decided and an Annual Audit Plan is formulated.

After completion of audit, Inspection Reports containing audit findings are issued to the heads of the audited entities with request to furnish reply within one month. Whenever replies are received, audit findings are either settled or further action for compliance is advised. The important audit observations arising out of these IRs are processed for



inclusion in the Audit Reports which are submitted to the Governor of Uttarakhand under Article 151 of the Constitution of India.

During 2018-19, compliance audit of 24 departments comprising of 528 drawing and disbursing officers of the State and two units of autonomous bodies was conducted by the Office of the Principal Accountant General (Audit), Uttarakhand.

#### ***1.1.6 Significant audit observations and response of Government to Audit***

In the last few years, audit has reported on several significant deficiencies in the implementation of various programmes/activities as well as on the quality of internal controls in selected departments which have had negative impact on the success of programmes and functioning of the departments. The focus was on auditing specific programmes/schemes and offering suitable recommendations to the Executive for taking corrective action and improving service delivery to the citizens.

As per the Comptroller and Auditor General of India's Regulations on Audit and Account, 2007, the departments are required to send their response to draft performance audit reports/draft paragraphs proposed for inclusion in the Comptroller and Auditor General of India's Audit Reports within six weeks. It is also brought to the attention of the concerned Heads of Department that in view of likely inclusion of such paragraphs in the Report of the Comptroller and Auditor General of India to be placed before the Uttarakhand Legislature, it would be desirable to include their comments in the matter. The draft reports and paragraphs proposed for inclusion in the Report are also forwarded to the Additional Chief Secretaries/Principal Secretaries/Secretaries concerned for seeking their replies. Seven draft paragraphs<sup>2</sup> for the Audit Report for the year ended 31 March 2019 were forwarded to the concerned administrative Secretaries. However, formal reply of the Government was received in only three cases (December 2020).

#### ***1.1.7 Recoveries at the instance of Audit***

Audit findings involving recoveries that came to notice in the course of test-audit of accounts of the departments of the State Government were referred to various departmental Drawing and Disbursing Officers for confirmation and further necessary action under intimation to audit. Recovery of ₹ 1.95 crore was made during the year 2018-19 at the instance of audit.

#### ***1.1.8 Responsiveness of Government to Audit***

The Principal Accountant General (Audit), Uttarakhand, conducts periodical inspection of Government departments by test-check of transactions and verifies the maintenance of important accounting and other records as per prescribed rules and procedures. These inspections are followed by issue of Inspection Reports (IRs). The Heads of offices and higher authorities are required to report their compliance to the Principal Accountant

---

<sup>2</sup> In one case Government accepted the fact and made recovery of labour cess and recovered amount has been included in the amount mentioned in **paragraph 1.1.7**.

General (Audit) within one month of receipt of the IRs. Serious irregularities are also brought to the notice of the Heads of the Departments by the Office of the Principal Accountant General (Audit), Uttarakhand through a half yearly report on pending IRs.

Based on the results of the test-audit, 8,347 audit observations contained in 3,186 IRs were outstanding as on 31 March 2019, details of which are given in **Table-1.1.3** below:

**Table-1.1.3: Outstanding Inspection Reports/Paragraphs**

Sl. No.	Name of Sector	Inspections Reports	Paragraphs	Amount involved (₹ in crore)
1.	Social Sector	2,039	5,953	23,335.24
2.	General Sector	66	152	105.95
3.	Economic Sector (Non-PSUs)	1,081	2,242	9,636.32
<i>Total</i>		<i>3,186</i>	<i>8,347</i>	<i>33,077.51</i>

The Government sets up audit committees to monitor and expedite the progress of the settlement of the IRs and of the paragraphs in the IRs. During 2018-19, 30 meetings of audit committee were held in which 265 paragraphs were settled. The departmental officers failed to take timely and adequate action on observations contained in IRs resulting in erosion of accountability.

It is recommended that the Government may take timely and adequate corrective action on the audit paragraphs and submit its replies to the office of the Principal Accountant General.

### **1.1.9 Follow-up on Audit Reports**

#### **1.1.9.1 Submission of suo-motu Action Taken Notes (ATNs)**

According to the Rules of Procedure for Committee on Public Accounts, administrative departments should initiate *suo-motu* action on all audit paragraphs featuring in the Comptroller and Auditor General's Audit Reports regardless of whether these are taken up for examination by the Public Accounts Committee. The departments are also required to furnish detailed notes, duly vetted by audit, indicating the remedial action taken or proposed to be taken by them within three months of the presentation of the Audit Reports to the State Legislature.

It was, however, noticed that out of 307 audit paragraphs featuring in the Civil Chapters of Audit Reports from 2000-01 to 2016-17, *suo-motu* ATNs in respect of 94 audit paragraphs involving 42 Departments had not been received (as detailed in **Appendix-1.1.1**) upto 31 March 2019. The Audit Report for the year 2017-18 was placed before the Legislative Assembly on 10 December 2019. The related action taken explanatory notes are yet to be received (December 2020).

#### **1.1.9.2 Action taken on recommendations of the PAC**

Action Taken Notes, duly vetted by the Principal Accountant General (Audit), on the observations/recommendations made by the PAC in respect of the audit paragraphs

discussed by them are to be furnished to the Committee within six months from the date of such observations/recommendations. Out of 307 audit paragraphs featuring in the Civil Chapters of Audit Reports for the years from 2000-01 to 2016-17, only 193 audit paragraphs had been discussed by the PAC up to 31 March 2019. Recommendations in respect of 102 audit paragraphs were made by the PAC. ATNs on the recommendations of the Committees are pending from the State Government in respect of five paragraphs.

**1.1.10 Status of placement of Separate Audit Reports of autonomous bodies in the State Assembly**

Several autonomous bodies have been set up by the State Government. A large number of these bodies are audited by the Comptroller and Auditor General of India and their transactions, operational activities and accounts, regulatory issues and internal control, etc. are scrutinised. The audit of accounts of one autonomous body (Uttarakhand Jal Sansthan) in the State was entrusted (September 2016) to the Comptroller and Auditor General of India for a period of five years (*i.e.* 2015-16 to 2019-20) whereas audit entrustment (March 2016) of one autonomous body (Real Estate Regulatory Authority *i.e.* RERA) is permanent. Separate Audit Report of Uttarakhand Jal Sansthan issued (06 March 2019) by Audit for the year 2017-18 is yet to be placed before the State Legislature. Separate Audit Reports of RERA issued (25 April 2019 and 22 January 2020) for the years 2017-18 and 2018-19 respectively are also yet to be placed before the State Legislature.

**1.1.11 Year-wise details of performance audits and paragraphs that appeared in Audit Reports**

The year-wise details of performance audits and paragraphs that appeared in the Audit Reports for the last two years along with their money value are given in **Table-1.1.4** below:

**Table-1.1.4: Details regarding performance audits and paragraphs that appeared in Audit Report during 2016-18**

Year	Performance Audit		Paragraphs		Replies received	
	Number	Money value (₹ in crore)	Number	Money value (₹ in crore)	Performance Audit	Paragraphs
2016-17	02	127.24	10	23.85	Nil	01
2017-18	01	1,153.29	11	98.17	01	04

Five audit paragraphs involving money value of ₹ 28.62 crore have been included in this Chapter. Replies, wherever received, have been suitably incorporated at appropriate places.

**COMPLIANCE AUDIT**

**PUBLIC WORKS DEPARTMENT**

**1.2 Indo Nepal Border Road Project, Uttarakhand**

**1.2.1 Introduction**

Border roads are of strategic and operational significance to the Border Guarding Forces (BGFs) namely *Sashastra Seema Bal* (SSB)<sup>3</sup> and Border Security Forces (BSF) deployed on the borders of India. India and Nepal share an open border of 1,751 km, out of which the State of Uttarakhand has border of 263 km with Nepal. SSB battalions are deployed on this border and operate from 28 Border Outposts (BOPs), out of which only seven BOPs were connected by roads. The lack of road infrastructure had severe limitations on the mobility of the troops.

**Map-1: Indo-Nepal Border Road Project**



The main objectives of Indo-Nepal Border Road (INBR) project are to enable the SSB to dominate the sensitive border effectively; provide connectivity to BOPs by roads thereby adding to the mobility of the SSBs; and meet the requirements of the border population and catalyse better implementation of development initiative in border areas.

The Ministry of Home Affairs (MHA), Government of India (GoI) is the nodal agency responsible for the INBR project. A High Level Empowered Committee<sup>4</sup> (HLEC) of MHA was authorised to take appropriate decision and approve the Detailed Project Report (DPR) of the project. A Memorandum of Understanding (MoU) was signed on 24 April 2014 between MHA and Public Works Department, Uttarakhand for implementation of the project. The MoU provided the following:

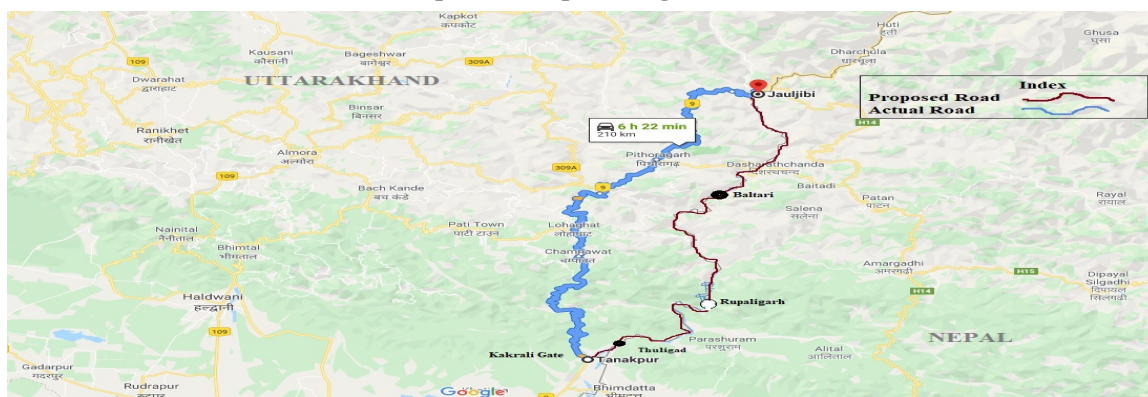
<sup>3</sup> SSB was mandated to guard the Indo-Nepal border in June 2001 and was given added responsibility of guarding Indo-Bhutan border in March 2004.

<sup>4</sup> HLEC is headed by Home Secretary with Secretary, Border Management, Defence secretary, Foreign Secretary, Secretary, Department of Expenditure and Director General (works) CPWD among others as Members.

- The work will be executed by PWD, Uttarakhand as Deposit work and it will be paid agency charges of seven *per cent* of the actual cost of work.
- The capital expenditure for construction of the proposed road project will be borne by MHA, GoI.
- The expenditure on maintenance of roads after construction shall be borne by PWD, Uttarakhand from its own resources.

In Uttarakhand, only one road namely Tanakpur-Jauljibi Marg, with length of about 173 km had been proposed against the open border of 263 km. However, after detailed survey it was found that the actual length of the proposed road was only 135.475 km. The DPR of road from km 55.000 to km 101.850 was yet to be approved by Government of India (08.09.2020) as Pancheswar Dam on river Mahakali is affecting km 55.000 to km 135.475 stretch of Tanakpur-Jauljibi road. Further, road from km 101.850 to km 135.475 was either existing or under construction under State sector<sup>5</sup>.

Map-2: Tanakpur Jauljibi Road



For construction of the above road in Uttarakhand, the Public Works Department (PWD) received an amount of ₹ 209.14 crore during 2012 to 2019. Out of this, an amount of ₹ 73.64 crore was spent leaving a balance of ₹ 135.50 crore<sup>6</sup> as on 31 March 2020. Year-wise details of fund received and expenditure incurred is given in **Table-1.2.1** below:

Table-1.2.1: Statement of year wise fund received and expenditure incurred

(₹ in crore)

Year	Opening Balance	Fund released by GoI	Total Fund Available	Expenditure	Closing balance
2011-12	-	-	-	-	-
2012-13	-	1.14	1.14	0.93	0.21
2013-14	0.21	-	0.21	-	0.21
2014-15	0.21	0.50	0.71	0.49	0.22
2015-16	0.22	7.50	7.72	1.94	5.78
2016-17	5.78	200.00	205.78	17.78	188.00
2017-18	188.00	-	188.00	32.54	155.46
2018-19	155.46	-	155.46	5.25	150.21
2019-20	150.21	-	150.21	14.71	135.50
<b>Total</b>		<b>209.14</b>		<b>73.64</b>	

Source: Public Works Department, Uttarakhand.

<sup>5</sup> This part of the Road is being constructed under state sector and not from INBRP Funds.

<sup>6</sup> This does not include an amount of ₹ 10.40 crore being interest earned on keeping the fund in bank.

### **1.2.2 Audit Coverage**

Scrutiny of records in the office of the Executive Engineer, Project Implementing Unit (PIU), PWD, Thulighar, Tanakpur was carried out during February to May 2019 and November 2019 covering the period from 2010-11 to 2018-19. Besides, information was also collected from Executive Engineer, Provincial Division, PWD, Champawat and Bridge, Ropeway, Tunnel and Other Infrastructure Development Corporation of Uttarakhand Limited (BRIDCUL).

### **1.2.3 Audit findings**

The audit findings relating to the different stretches are discussed below:

#### **1.2.3.1 Kakrali Gate to Thuligad (Stretch km 0 to 12)**

The stretch from km 0 to 12 of the INBR was an existing road and required only upgradation. HLEC accorded (4 July 2011) administrative approval and sanction of ₹ 12.30 crore for up-gradation of 12.00 kilometre Kakrali Gate-Thuligad road under the project. Chief Engineer (Kumaon Region) of State PWD, Almora accorded (26 September 2011) Technical Sanction for the work. As per initial agreement of this stretch, the scheduled completion date was 15 May 2013. After termination of this agreement, a new agreement was executed on 25 March 2015. The work which was scheduled to be completed on 24 September 2016 under the new agreement was actually completed on 20 June 2017 at a cost of ₹ 9.12 crore. As such, there was a delay of more than four years (initial scheduled completion date: 15 May 2013) in upgrading the 12 km stretch of the road. The following deficiencies were observed.

#### **1.2.3.2 Delay in execution of work due to non-obtaining of forest clearances**

Clause 378 of Financial Hand Book Volume VI, Uttarakhand stipulates that no work should be commenced on land which has not been duly made over by the responsible civil officers. Further, clause 4.4 of Forest (Conservation) Act, 1980 provides that if a project required forest as well as non-forest land, work should not be started on non-forest land till approval of the Government of India for release of forest land under the Act has been obtained.

Audit observed that in contravention of above provisions, PWD Division, Champawat without obtaining forest clearance entered into (November 2011) an agreement with the contractor M/s Hillways Construction Company Private Limited for improvement and strengthening of the road from 0 to 12 km for ₹ 9.10 crore. As per agreement, the scheduled dates of start and completion of the work were 16 November 2011 and 15 May 2013 respectively. As the work had started (November 2011) without obtaining forest clearance, and as the contractor found the worksite not encumbrance free, he requested (January 2012) the Division for making available a clear site.

Further, the Forest Department also informed (March 2012) the Division about the loss of trees due to the work being carried out and stopped (25 June 2012) the contractor from

carrying out the work. The contractor again approached (February 2013) the Division to expedite the forest clearance. In the meantime, the Division started (March 2012) the process of obtaining forest clearance, which could only be obtained from Government of India in July 2015. Meanwhile, the contractor intimated (27 May 2013) the Division that he was unable to work on the agreed rates as passage of time had led to an increase in rates and that he would work only on the current rate (rates prevalent in May 2013). On the request (October 2013) of the contractor, the Department cancelled (December 2013) the agreement<sup>7</sup> without levy of any penalty on the contractor and ordered (December 2013) for appointment of an Arbitrator. The Arbitrator ordered (10 April 2016) the Department to pay the claimed amount of ₹ 1.32 crore<sup>8</sup> along with interest to the contractor. The Department appealed (08 July 2016) against the Arbitrator's order in the District Court, Champawat but the court dismissed (15 June 2017) the petition in favour of the contractor. On dismissal of the appeal, the Department filed appeal (14 September 2017) in the High Court of Nainital and the High Court also gave ruling (June 2019) in favour of the contractor. After that, the Department filed Special Leave Petition in the Supreme Court, which dismissed (October 2019) the appeal and ordered that the decision of the High Court would stay.

In the meanwhile, in anticipation of obtaining the forest clearance, the Department again floated (September 2014) the tender for the remaining work and executed (March 2015) an agreement with M/s Kumar Infratech, for ₹ 7.88 crore, with the scheduled date of completion as 24 September 2016. The work was finally completed in June 2017 at a total cost of ₹ 10.53 crore<sup>9</sup>.

The Department, therefore, did not comply with the extant rules and failed to provide clear site to the first contractor which resulted in delayed completion of part of the strategic road besides an extra burden of ₹ 1.92 crore<sup>10</sup> on the State Government.

The Division stated (March 2019) that the sanction of the forest land in respect of the existing motor road from 0 to 12 km was already received in 1987 and accordingly the bond was entered into and the work was awarded.

The reply of the Division was not acceptable as the clearance obtained in 1987 was accorded by Uttar Pradesh Government and not by Government of India. In fact, the agreement had to be terminated in absence of acquisition and clearance of forest land; and the Department had to acquire 3.8 hectare forest land at a cost of ₹ 0.74 crore to obtain (July 2015) forest clearances from Government of India. Besides, the Department

---

<sup>7</sup> Against the agreement value of ₹ 9.10 crore, work valuing ₹ 1.41 crore was executed by the contractor for which he was paid this amount.

<sup>8</sup> ₹ 1.32 crore consisted of ₹ 62.91 lakh being overhead charges @ 10 % of the unexecuted work and ₹ 69.20 lakh as contractor's profit for unexecuted work.

<sup>9</sup> ₹ 10.53 crore = ₹ 1.41 crore first agreement + ₹ 9.12 crore second agreement.

<sup>10</sup> The High court awarded ₹ 1.92 crore {₹ 1.32 crore (Principal) + ₹ 43.34 lakh (Interest) + ₹ 15.85 lakh (GST)}.

had also accepted in the Arbitration (December 2013) that the forest clearance had not been obtained and, therefore, it had to cancel the bond without levying any penalty on the contractor.

### **1.2.3.3 Improper Tendering Process**

As per clause 13.1 of the Uttarakhand Procurement Rule (UPR) 2008, as amended from time to time, goods/works of estimated value of ₹ 25 lakh and above should be through invitation to tender. Further, sub clause V of the UPR envisages that the minimum time to be allowed for submission of bids should be three weeks from the date of publication of the tender notice or availability of the bidding document for sale, whichever is later.

Audit observed that, in contravention of the above provisions, during tendering (01 October 2011) for improvement and strengthening of the road stretch from 0 to 12 km of the projected road, the division prescribed only 11 days as against 21 days for sale and submission of bids by the aspirants/bidders. It was noticed that four bids were received. Also, due to termination (7 December 2013) of the earlier bond, the division floated tender (29 September 2014) for rest of the work for the same stretch of the projected road, wherein only 12 days were given for submitting bids as against prescribed 21 days and only three bids were received.

The PWD Division stated (March 2019) that in both cases, the action was taken after appropriate circulation of tender notice. The reply is not acceptable as only 11 and 12 days were given for submission of bids as against the prescribed 21 days.

### **1.2.3.4 Deficient designing of road**

Note on Cabinet Committee on Security (21 September 2010) finalised the requirement of strategic road along the Indo-Nepal border and provided that these works were proposed to be carried out as per Indian Road Congress (IRC) codes and Ministry of Road Transport and Highways (MoRTH) specifications. The quality of road held special strategic significance as it was meant for movement of troops and defence equipment.

Section 3.2.3 of the guidelines for the design of flexible pavements (IRC-37-2001) provides that using the simple input parameters like design traffic *in terms of cumulative number of standard axles known as* Million Standard Axle (MSA<sup>11</sup>) and California Bearing Ratio<sup>12</sup> (CBR) value of sub-grade, appropriate designs could be chosen for the given traffic and soil strength. IRC-37-2001 further envisaged that thickness of crust of road of painted surface should be 540 mm to 660 mm for 10 MSA and CBR value varying from 5 per cent to 10 per cent.

---

<sup>11</sup> It is used for the designing of the pavement. It tells us about the number of commercial vehicles that would be occupying the road at the end of the design life of road.

<sup>12</sup> The California Bearing Ratio (CBR) test is penetration test meant for the evaluation of subgrade strength of roads and pavements. The results obtained by these tests are used with the empirical curves to determine the thickness of pavement and its component layers.



It was observed that no traffic census was conducted before preparing DPR for 0-12 km road. However, survey was conducted (10 to 16 June 2012) before preparing DPR for the 12 to 55 km stretch. It was concluded that traffic density worked out to 10 MSA on the basis of 969 CVPD<sup>13</sup> after conducting traffic census at Kakrali Gate (km 0.00) which is the starting point of road (km 0-12). Also, the CBR value of the road was between 5 per cent and 10 per cent.

As the Division prepared DPR for 0-12 km road without conducting survey, it failed to consider data on parameters like traffic census and CBR value of sub-grade in preparation of DPR. This led to non-compliance with IRC norm resulting in construction of crust with lesser thickness (340 mm). Further, non-adopting of IRC specification of thickness (540 mm) for the above mentioned 10 MSA and CBR (5-10 per cent) resulted in laying of inferior binding course as well as wearing course for construction of pavement of road. As a result, instead of using Dense Bituminous Macadam and Bituminous Concrete as Binding and Wearing Course, Bituminous Macadam (BM) and Semi Dense Bituminous Concrete (SDBC) were used. Hence, the quality of road, which was of strategic importance meant for movement of troops and defence equipment, did not meet the required IRC specifications.

The Division stated (March 2019) that the road was designed under provisions for Other District Road/Village Road (ODR/VR) as well as on the instructions of Senior Officers. It further added that the DPR was vetted by HLEC.

The reply of the Division was not acceptable as it failed to conduct traffic census in advance and incorporate the right parameters<sup>14</sup> for the design of the road. Moreover, the reply of the Division that the road was designed as per provisions of ODR/VR was also not correct as IRC-SP-20-2002, meant for designing ODR/VR, did not permit designing of road if CVPD was beyond 450. It also did not provide design for crust thickness (340 mm) with CBR value varying from 5 per cent to 10 per cent and laying of BM and SDBC.

#### **1.2.4 Thuligad to Rupaligad (Stretch: km 12 to 55)**

##### **1.2.4.1 Delay in preparation and finalization of DPR**

The Department submitted (04 October 2013) DPR of 123.475 kilometre to Ministry of Home Affairs (MHA), Government of India. The DPR was revised incorporating the current rates and re-submitted (27 August 2014) to MHA. However, following the meeting (21 October 2014) of HLEC and subsequently 2 meetings were held between HLEC & MHA to discuss the effect of submergence of proposed road on upstream of

---

<sup>13</sup> Commercial Vehicle per Day.

<sup>14</sup> As per MOU between MHA and PWD, Uttarakhand, proposed roads of the Project shall be of two lane configuration as specified for State Highways with 12 metre formation width, 7 metre carriage way width and right of the way as per IRC and all these works shall be carried out as per IRC and MORTH specifications.

proposed Pancheswar Dam on river Mahakali, later it was decided (28 January 2016) to start the work in the unaffected length (km 12 to 55) and consequently fresh DPR for 43 kilometer was prepared and submitted (26 February 2016) to GoI as the level of submergence could not be communicated in earlier meetings due to non-finalization of DPR for the dam. After meeting queries of MHA and after several rounds<sup>15</sup> of discussion, the HLEC accorded final approval on 28 July 2016. The first DPR for km 0 to 12 was approved in July 2011. It, therefore, took five years for obtaining approval of DPR for km 12 to 55 resulting in much delay in start of the work. Besides, the work has suffered because of multiple reasons as discussed below.

#### **1.2.4.2 Stretch: km 12 to 29.875**

Under Package-1, an agreement<sup>16</sup> for km 12.000 to km 29.875 was entered on 30 December 2016 at a cost of ₹ 67.58 crore. The due date of completion was 29 June 2018. However, extension of time for the work had been accorded up to December 2018 due to delay in according permission of Crusher by District Administration, heavy rainfall, accidents *etc.* Further extension up to June 2020 had been recommended (10 October 2019) by Executive Engineer due to heavy rainfall, accidents and delay in submission of drawing of bridge spanning 90 meter. The work is under progress and the contractor has sought for further extension upto March 2021 (August 2020) due to non-availability of labour in view of Covid-19 Pandemic and heavy rain fall in monsoon season.

#### **1.2.4.3 Stretch: km 29.875 to 30.565 (690 meter span bridge over Chalthi River)**

For construction of 690 meter bridge over Chalthi river from km 29.875 to km 30.565 of Tanakpur-Jauljibi Road under INBR project, an agreement was entered by the implementing agency BRIDCUL on 14 December 2017 at a cost of ₹ 27.78 crore excluding GST. As the work of construction of bridge could not be started by the contractor till January 2019 despite several reminders<sup>17</sup> by BRIDCUL. The contract for construction of bridge was terminated by BRIDCUL in February 2019. After termination of the bond, the contractor filed petition in High Court against the termination and the High Court stayed the re-tendering process on 01 March 2019 and ordered (08 August 2019) the Principal Secretary, PWD, Government of Uttarakhand to take a decision on the matter as early as possible and the parties to invoke the arbitration case thereafter. The Additional Chief Secretary, PWD, Government of Uttarakhand had issued the orders (December 2019) for revival of the contract with the same contractor on same rates, time schedule and terms and conditions of the contract. The delay in completion of bridge may lead to approximate cost overrun by 15-20 *per cent* as estimated by the Department.

---

<sup>15</sup> 22 March 2016, 04 May 2016 and 09 June 2016.

<sup>16</sup> Agreement was entered with M/s R. G. Buildwell Engineers Private Limited.

<sup>17</sup> 03 November 2018, 11 December 2018, 13 December 2018 and 02 January 2019.

**1.2.4.4 Stretch: km 30.565 to 55.000**

An agreement<sup>18</sup> was entered (3 January 2017) for ₹ 123.27 crore for construction of Tanakpur-Jauljibi two lane motor road from km 30.565 to km 55.000. The scheduled completion date of work was 2 July 2018. The Department on finding irregularities<sup>19</sup> in experience certificate of the contractor, terminated the agreement on 25 August 2017 after a payment of ₹ 6.08 crore was made to the contractor against the work done. No work was carried out thereafter as the case went into court and was subjudice till date (November 2019). The failure of the Tender Advisory Committee (TAC)<sup>20</sup> to verify the authenticity of the documents submitted by bidders, therefore, led to cancellation of contract and a court case. As a result, the work had come to a standstill on this stretch and the fund released for the work was lying unspent. The delay on this stretch is also likely to result in cost overrun. Further, the contractor has claimed ₹ 104.44 crore as compensation as its loss due to cancellation of agreement by the Department.

The Department agreed (November 2019) that it was not able to complete the work due to the ongoing court case and estimating likely date of completion of the work was not possible.

**1.2.5 Rupaligarh to Baltari (Stretch km 55 to 101.850)**

DPR of this stretch was sent (May 2018) to MHA and its approval was awaited (December 2019), as height of Pancheswar dam was yet to be finalised by Government of India (8 September 2020). The dam is a bi-national hydro power project to be developed on Mahakali river bordering India and Nepal.

**1.2.6 Connectivity to Border Out Posts of SSB**

The objective of constructing road parallel to border under INBR project was to enable the Border Guarding forces to dominate the sensitive border more effectively and for providing connectivity to BOPs and mobility to SSBs.

There are 28 BOPs on the border of proposed road. It was also proposed to establish six more BOPs on this stretch of road. The aerial distance of BOPs from the proposed road alignment in Uttarakhand is given in **Table-1.2.2** below:

**Table-1.2.2: Aerial Distance of SSB BOPs from Alignment**

Distance from alignment	0 Km	Up to 0.25 km	0.25-0.5 Km	0.5-1 Km	1-1.25 Km	1.25-1.5 Km
No. of BOPs	16	5	7	2	3	1

Source: PWD Division, Thuligad.

As seen from the above table, all the BOPs were within aerial distance of 1.5 km of the proposed road. However, as only 12 km of the proposed road had been completed as on

<sup>18</sup> Agreement was entered into with M/s Dilip Singh Adhikaari.

<sup>19</sup> It was found that incorrect experience certificates were enclosed.

<sup>20</sup> TAC comprises of Chief Engineer, Superintending Engineer and Executive Engineer.

date and there was only one BOP in this stretch. Thus, the objective of providing connectivity to BOPs and mobility to SSBs could not be ensured.

### **1.2.7 Others Points**

#### **1.2.7.1 Diversion of Funds**

➤ As per clause 23 of MoU entered on 24 April 2014 between MHA and PWD, Uttarakhand, the PWD, Uttarakhand was required to bear the cost on following items:

- Acquisition of land for construction / upgradation / widening of road.
- Net Present Value of Land; compensatory afforestation.
- Clearance from utility authorities including shifting of utilities.

In contravention of above provisions, the Division paid an amount of ₹ 7.04 crore and ₹ 1.29 crore to Forest Department and Van Vikas Nigam respectively as Net Present Value towards 49.70 hectare of forest land from the Central Fund. Further, an amount of ₹ 43.24 lakh was also paid for utility shifting.

The Division replied (November 2019) that the amount was not paid from central fund but out of 7 per cent agency charge recoverable from the fund. The reply was not acceptable as the agency charges of 7 per cent as per the clause 11 of MoU will be paid as last installment after all requirements including submission of project completion report are fully complied with by the executing agency.

➤ As per clause 3 of MoU, the capital expenditure for construction of the proposed road was to be borne by MHA, whereas the expenditure on maintenance had to be borne by PWD Uttarakhand from their own resources. It was observed that in contravention of above provisions of MoU, the Division incurred (October 2016 to December 2016) an expenditure of ₹ 45 lakh on the reconstruction and essential repair of causeways falling on the road stretch from 0 to 12 km, which got damaged during disaster that occurred in June 2013. It was observed that the Division did not get the approval of MHA before incurring the expenditure.

The Division replied (November 2019) that for the smooth transportation on the road, the repair of the causeway was required and on the instructions of Chief Engineer, Pithoragarh, the work was executed. The reply of the Division was not acceptable in view of the provisions of the MoU.

#### **1.2.7.2 Third party inspection**

Third Party inspection to ensure quality of work was required as per suggestion of the Department of Expenditure, GoI. It was observed that third party inspection to ensure quality of construction work was not conducted. However, quality tests were being conducted in approved testing laboratory.

### **1.2.8 Conclusion and Recommendations**

The construction of 0-12 km road was completed in June 2017 with a delay of four years. Further, the work on the 12-55 km stretch was either delayed or was held up due to

termination of the contract and the matter going to the Court. Besides, only one Border Out Post could be linked with the alignment of Indo-Nepal Border Road as road up to only 12 km was completed. The delay and uncertainty in execution of project will lead to cost overrun which will have to be borne out of INBR Project fund released by Government of India.

There were instances of award of work without ensuring transfer of forest land; preparation of faulty Detailed Project Report; and adoption of improper tendering process. Besides, the 0 to 12 km road was constructed in contravention of provisions of Indian Road Congress Code. Also, cases of diversion of funds were noticed.

The Government should make vigorous efforts to ensure speedy completion of project in view of its strategic and operational significance to Border Guarding Forces and also to avoid resultant cost overrun besides deterioration in the quality of the road due to delay and consequent re-laying leading to additional cost; issue instructions for adherence to IRC and MoRTH specification while preparing DPRs and for following the prescribed tendering process; obtain all necessary statutory clearances before commencing the work; and put in place a mechanism for third party inspection of the road for ensuring quality of the work done.

### 1.3 Avoidable Expenditure

***Higher rates of hill side cutting incorporated in tender documents without having administrative, financial and technical sanctions and without conducting detailed survey of the site, resulted in an avoidable expenditure of ₹1.04 crore.***

Paragraph 375(a) of Financial Hand Book Vol.-VI provides that no work shall be commenced unless a properly detailed design and estimate has been sanctioned, allotment of funds made, and orders for its commencement issued by the competent authority. Further, Rule 29 and 30 of Uttarakhand Procurement Rules, 2008 provides that call of tenders and award of work should be made after the due process of getting the administrative, financial and technical sanction (TS).

Government of Uttarakhand (GoU) accorded (May 2014) administrative and financial sanction of ₹ 26.62 crore for conversion/widening of 19.80 km long Vijaynagar-Tailla Motor Road of district Rudraprayag from single lane to 1.5 lane and renewal of surface by Bituminous Macadam (BM)/Semi Dense Bituminous Concrete (SDBC). Out of a total length of 19.80 km of road work, some items of work<sup>21</sup> in 8.80 km intermediate road length (chainage km 9.00 to km 17.80) were already sanctioned/taken up by another working agency<sup>22</sup> under the Pradhan Mantri Gramin Sadak Yojana (PMGSY). Accordingly, partial TS of ₹ 17.03 crore<sup>23</sup> for widening and renewal of 11 km<sup>24</sup> road length was accorded (September 2014) by the Chief Engineer (CE), Public Works

<sup>21</sup> Hill side cutting work, Granular Sub-Base, Inter and Top coat, cross drainage and construction of *naali*.

<sup>22</sup> PMGSY Division, Jakholi, Rudraprayag.

<sup>23</sup> ₹ 15.86 crore for civil work and ₹ 1.17 crore for other works like contingency expenditure, land acquisition, compensation, survey, drawing & design and maintenance of road during the construction.

<sup>24</sup> Chainage- 0.00 km to 9 km and Chainage-17.80 km to 19.80 km.

Department (PWD). The PMGSY division transferred (June 2017) 8.80 km road to the Executive Engineer (EE), Provincial Division (PD), PWD, Rudraprayag for items of work<sup>25</sup> not completed. The TS of ₹ 6.09 crore was accorded (October 2018) by CE, PWD to complete the pending items of work for this 8.80 km road length.

Scrutiny of records (February 2019) of the EE, PD, PWD, Rudraprayag revealed that tender for widening and renewal of entire 19.80 km road length was invited (February 2014) under two jobs<sup>26</sup> without having administrative, financial and TS for the work, which was contrary to the provision of aforesaid financial rules. Further, single financial bid of a contractor was received/accepted for both the jobs which was also contrary to the extant financial rule<sup>27</sup>. Subsequently, in view of the partial work completed by PMGSY, the bids were evaluated afresh, but retaining the same unit wise rates quoted by the contractor for stretch of 19.80 km and LS rate of ₹ 3.80 crore for hill side cutting. The contracts of these two jobs with revised scope of work for 11 km were awarded to the contractor at a cost of ₹ 16.16 crore<sup>28</sup> (December 2014 and January 2015) which was inclusive of ₹ 2.03 crore negotiated rate for LS item of hill side cutting.

Audit observed that the lump-sum item of hill side cutting in the tender documents was kept for ₹ 3.80 crore<sup>29</sup> (for entire road length of 19.80 km) without conducting detailed survey of the site/preparing of detailed estimate of the work. The contractor's bid for this item of work was ₹ 3.25 crore (14.47 per cent less). The cost as per Bill of Quantity (BoQ) in the detailed estimate for LS item was estimated at ₹ 98.80 lakh (September 2014), but the Department did not consider for retendering, and retained the same rates of February 2014. The work of hill side cutting was, therefore, awarded to the contractor for more than double the estimated cost as per BoQ in the detailed estimate. Thus, not only the invitation and finalization of tender for this work was irregular but it also resulted in an extra expenditure of ₹ 1.04 crore<sup>30</sup> which was avoidable if it was retendered based on detailed estimate (September 2014).

On being pointed out, the Government stated (June 2020) that the road was damaged during June 2013 disaster and to provide better road facility to pilgrims as well as to general public, tenders were invited on 6 February 2014 to avoid enforcement of Model Code of Conduct due to ensuing Lok Sabha Election. The reply of the Government is not

<sup>25</sup> Partial G-3 work for improvement of layer, BM/SDBC, *Kachi evam Pakki Nali*, masonry work in sliding zone, construction of parapet etc.

<sup>26</sup> Job-1: 1 km to 10 km and Job-2: 11 km to 19.80 km.

<sup>27</sup> Procurement Rule does not permit consideration/opening of single bid in first tender invitation.

<sup>28</sup> Job-1: ₹ 13.04 crore and Job-2: ₹ 3.12 crore.

<sup>29</sup> Job-1: ₹ 2.00 crore and Job-2: ₹ 1.80 crore.

<sup>30</sup>

Particulars		Job-1 (in ₹)	Job-2 (in ₹)	Total (in ₹)
1.	Cost of the job put in tender documents	2,00,00,000	1,80,00,000	3,80,00,000
2.	Rates quoted by the contractor against departmental rates	1,65,00,000	1,60,00,000	3,25,00,000
3.	Estimated/sanctioned cost of the LS job as per TS	83,27,609	15,52,837	98,80,446
4.	Cost of LS work/payment to contractor	1,65,00,000	38,00,000	2,03,00,000
<b>Excess expenditure over sanctioned cost (Sl. 4-3)</b>		<b>81,72,391</b>	<b>22,47,163</b>	<b>1,04,19,554</b>

acceptable as the purpose of calling tender in February 2014 before getting TS was defeated as work was awarded only in December 2014/January 2015. Had the tender been invited as per prescribed procedure and on receipt of proper sanctions, the extra expenditure of ₹ 1.04 crore could have been avoided.

#### 1.4 Non-imposition of damages

***The Department failed to recover damages of ₹ 1.39 crore from the contractors which was recoverable as per the terms and conditions of the contracts.***

The Uttarakhand Public Works Department (PWD) is responsible for maintenance of all the existing National Highways (NH) and its Bridges situated in Uttarakhand on behalf of the Ministry of Road Transport & Highways (MoRTH), Government of India (GoI).

Scrutiny of records (May 2019) of the Chief Engineer (CE), NH & Bridges (Garhwal Region), PWD, Dehradun showed that 16 contracts of NH & Bridges for strengthening and improvement of roads, were awarded to various contractors under Engineering Procurement & Construction (EPC) mode<sup>31</sup>. Article 7.1 of these contracts stipulates that the contractor shall provide Performance Security (PS) to the Authority (CE, NH) within 10 days of the date of signing of contract. In the event of a contractor failing to provide the PS within 10 days of the signing of contract, he may seek extension of time for a period not exceeding 30 days on payment of damages<sup>32</sup> at the rate of 0.01 *per cent* of the contract price for each day until the PS is provided. Further, scrutiny of these contracts revealed that there was delay<sup>33</sup> ranging between 2 and 133 days in submission of PS by the contractors in case of six contracts, for which, the contractors were liable to pay damages amounting to ₹ 1.39 crore (*Appendix-1.4.1*) at the specified rates in accordance with the contracts, but the Department did not impose any damages on the above contractors.

On this being pointed out, the CE while accepting the audit observation replied (May 2019) that in four out of six cases, 21 days time limit was given to the contractors for providing the PS, and therefore, the calculation of damages should be made accordingly. The CE further added that action was being taken for recovery of damages from the concerned contractors. Further, the department withheld (February 2020) an amount of ₹ 36.87 lakh for recovery of damage from the bill of one of the contractors.

The reply of the CE regarding giving 21 days time limit to four contractors for providing the PS, was against the stipulations issued (September 2015) by the MoRTH for finalisation of the EPC contracts and also against Article 7.1 of the respective contracts. The Department, therefore, failed to impose damages of ₹ 1.39 crore on the contractors in contravention of the terms and conditions of the contracts.

<sup>31</sup> Engineering, Procurement and Construction (EPC) mode is a particular form of contracting arrangement used in some industries where the EPC contractor is made responsible for all the activities from design, procurement, construction, commissioning and handover of the project to the end-user or owner.

<sup>32</sup> Damages means penalty.

<sup>33</sup> Beyond 10 days of signing of contracts by the contractors.

Audit recommends that the Department may fix the responsibility for non-deduction of penalty/damages in accordance with extant clause of the contract.

The matter was referred to the Government (July 2019 and May 2020); Reply was awaited (December 2020).

### **1.5 Unauthorised payment of ₹41.16 lakh**

***The division released royalty against e-forms 'J' and 'MM-11' submitted by the contractor pertaining to other districts which resulted in unauthorised payment of ₹41.16 lakh. Besides, the contractor was also liable for payment of penalty of ₹14.08 crore.***

As per the notification no. 1578/VII-1/158 kh/04 TC-II dated 30 September 2016 of Industrial Development Section-1, Uttarakhand Government, e-ravanna<sup>34</sup> system was introduced in Uttarakhand for transportation of minerals. Accordingly, for regular monitoring of revenue receipt, the Government has prescribed the e-form 'J', for the effective transport/transit of minerals from storage/crusher/screening plant, and e-form 'MM-11', for transport of the sub-minerals from mines to any place of the State. Further, as per sub-rule (2) and (5) of Section 21 of Mines and Minerals (Development and Regulation) Act, 1957, in addition to fine amounting to ₹ 30,000 per truck, an amount of five times the royalty on the quantity of illegal mined mineral/illegal minerals being transported/illegal mineral stored will be charged from illegal miner.

Scrutiny of records (September 2018) of Executive Engineer (EE), Construction Division (ADB), PWD, Rudrapur (Udham Singh Nagar) revealed that the Division entered into an Addendum<sup>35</sup> with M/s Woodhill Infrastructure Ltd. (Contractor) for construction of three motor roads<sup>36</sup> in Udham Singh Nagar District. Audit observed that the Division deducted (March 2018) ₹ 1.38 crore as royalty<sup>37</sup> from the bills of the contractor for sand, stone dust, grit, etc., used on the said works and this amount was kept in the form of deposit. However, the Division released (August 2018) ₹ 1.10 crore to the contractor against the submitted e-forms ('J' and 'MM-11'). Audit observed (May 2019) that the above e-forms submitted by the contractor included 4,007 such e-forms which pertained to other work

---

<sup>34</sup> Registration of approved mining lease holders/stone crushers/screening plants/retail storehouses under the state's territory is done by the District Mining Officer in the e-Ravanna web application (dgmappl.uk.gov.in). An automatically generated login id and password is communicated to the registered mining entrepreneur on his registered mobile number. The registered mining entrepreneur, by login into the e-Ravanna web application, generates e-Ravanna after registering the necessary information regarding approved capacity/available capacity/ton, on the approved online form.

<sup>35</sup> Supplementary Agreement being an Addendum No.-1 was made on 18.03.2017 under the Contract Agreement No. 13/PD/PMU/ADB/2013 dated 23.01.2014.

<sup>36</sup> Maseet-Saikenia Motor Road (from km 0.000 to km 5.370), Gadarpur-Gularbhoj Motor Road (from km 0.000 to km 9.575), and Gularbhoj - Roshanpur Motor Road (from km 0.000 to km 5.327).

<sup>37</sup> While paying the bill for the construction works, the royalty is calculated on material consumed on the basis of material consumption statement, by the Assistant Engineer/Additional Assistant Engineer. Royalty is recovered from the bill if e-Ravanna is not submitted by the contractor and if e-Ravanna is submitted, no royalty is deducted from the bill.



sites<sup>38</sup> of Almora and Nainital Districts and were not valid for the work site of Udham Singh Nagar (Gadarpur/Gularbhoj, etc.). Out of ₹ 1.10 crore released by the Division, ₹ 41.16 lakh<sup>39</sup> pertained to royalty against these 4,007 e-forms. It was also noticed that out of these e-forms, the contractor had fraudulently claimed royalty against 875 e-forms 'J' twice, 454 e-forms 'J' thrice and four e-forms 'J' four times in Rudrapur Division. Besides, the contractor was also liable for payment of penalty of ₹ 14.08 crore<sup>40</sup> as per rule, for which the matter should have been taken up with Mining Department<sup>41</sup>.

On being pointed out by the audit, the EE, Rudrapur Division stated (September 2018) that due to large number of forms 'J' submitted by the contractor, the said amount was released after getting affidavit from the contractor, and necessary action would be taken after getting clarification from the contractor. The reply of the division is not acceptable as the Division should have checked and verified the e-forms before releasing the royalty since it is the responsibility of the Divisional Officer to ensure that all the e-forms submitted by the contractor were valid and related to the work carried out by the Division. These e-forms are issued electronically can be printed multiple times, therefore, some of these e-forms were used multiple times for release of royalty. Hence it is recommended that the Department may take up the issue with Mining Department to enforce such a mechanism that e-forms issued once may not be used multiple times.

The Division, therefore, released royalty against e-forms 'J' and 'MM-11' submitted by the contractor pertaining to other districts which resulted in unauthorised payment of ₹ 41.16 lakh. Besides, as per rule, the contractor was also liable for payment of penalty of ₹ 14.08 crore.

The matter was referred to the Government (January 2020 and May 2020); Reply was awaited (December 2020).

## SOCIAL WELFARE DEPARTMENT

### 1.6 Irregular expenditure

***The Department paid ₹57.20 lakh as one time assistance under National Family Benefit Scheme to 286 ineligible Non-Below Poverty Line beneficiaries in contravention of the Scheme Guidelines.***

Government of India introduced (August 1995) 'National Social Assistance Programme' (NSAP) targeting the destitutes, to be identified by the State Government, with the objective of providing a basic level of financial support. NSAP includes five

<sup>38</sup> Ramnagar/Betalghat quarry and Betalghat/Lalkuan mines for transportation of minerals to Dwarahat Machhali, Veerbhati, etc.

<sup>39</sup> 34,612.68 MT/1.48 = 23,386.95 cum of minerals @ ₹ 176 per cum = ₹ 41,16,103.20.

<sup>40</sup> ₹ 14.08 crore = ₹ 205.81 lakh (₹ 41,16,103.20 x 5) + ₹ 1,202.10 lakh (4,007 x ₹ 30,000).

<sup>41</sup> Rule 13 (2) (f) of Uttarakhand Minerals (prevention of illegal mining, transportation and storage) Rules, 2005 authorises the mining officer/senior mining officer/deputy director mining and chief mining officer/joint director mining for imposition of fine and penalty on the vehicles related to illegal mining/illegal storage.

sub-schemes<sup>42</sup> as its components. The assistance under sub-schemes is applicable only for persons belonging to Below Poverty Line (BPL) category. BPL identification of a family in the State was based on the survey<sup>43</sup> conducted in 2002 by Rural Development Department. Under the sub-scheme of National Family Benefit Scheme (NFBS), one time assistance of ₹ 20,000 will be given to the bereaved household in the event of death of the bread winner. A woman in the family, who is a home maker, is also considered as a “bread winner” for this purpose. The death of such a bread winner should have occurred whilst he/she is more than 18 years and less than 60 years of age. The family benefit will be paid to such surviving member of the household of the deceased poor, who after local enquiry, is found to be the head of the household.

Scrutiny of records (January and August 2018) of the District Social Welfare Officers (DSWOs), Nainital and Dehradun revealed that out of ₹ 95.60 lakh paid to 478 beneficiaries, ₹ 57.20 lakh was paid to 286 ineligible non-BPL beneficiaries<sup>44</sup> on the basis of income certificate given by Tehsildar as assistance during 2016-17 and 2017-18 under NFBS in contravention to the scheme guidelines of NSAP.

On this being pointed, the Government stated (November 2019) that after the matter was brought to its notice by audit, assistance was not being given to Non-BPL families.

The Department, therefore, disbursed ₹ 57.20 lakh as one time assistance to 286 ineligible non-BPL beneficiaries under NFBS in contravention of the guidelines of the Scheme.

---

<sup>42</sup> (1) Indira Gandhi National Old Age Pension Scheme (2) Indira Gandhi Widow Pension Scheme (3) Indira Gandhi National Disability Pension Scheme (4) National Family Benefit Scheme (5) Annapurna Scheme.

<sup>43</sup> This survey was based on 13 parameters: such as area of the land, type of houses, availability of clothes, food security, sanitation, consumer goods, literacy, job status, source of livelihood, children status, debt status, migration from home and priority of assistance. The surveyed families were to be given a score from 0 to 4 for each parameter. Thus the maximum score was 52. In Uttarakhand the upper limit of score for identifying a BPL family was capped at 25 out of 52.

<sup>44</sup>

Name of the District	Year	Number of beneficiaries	Expenditure (₹ in lakh)	Number of Non-BPL beneficiaries	Expenditure (₹ in lakh)
Dehradun	2017-18	216	43.20	186	37.20
Nainital	2016-17	262	52.40	100	20.00
<b>Total</b>		<b>478</b>	<b>95.60</b>	<b>286</b>	<b>57.20</b>

**Chapter-II**  
**Revenue Sector**



## CHAPTER-II

### Revenue Sector

#### 2.1 Introduction

##### 2.1.1 Trend of revenue receipts

Tax and non-tax revenue raised by the Government of Uttarakhand during the year 2018-19, the State's share of net proceeds of divisible Union taxes and duties and Grants-in-aid received from the Government of India during the year and the corresponding figures for the preceding four years are mentioned in **Table-2.1.1** below:

**Table-2.1.1: Trend of Revenue Receipts**

(₹ in crore)						
Sl. No.	Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Revenue raised by the State Government</b>						
1.	• Tax revenue	8,338.47	9,377.79	10,897.31	10,164.93	12,188.09 <sup>1</sup>
	• Non-tax revenue	1,110.44	1,219.66	1,345.82	1,769.53	3,309.88
<b>Total</b>		<b>9,448.91</b>	<b>10,597.45</b>	<b>12,243.13</b>	<b>11,934.46</b>	<b>15,497.97</b>
<b>Receipts from the Government of India</b>						
2.	• Share of net proceeds of divisible Union taxes and duties <sup>2</sup>	3,792.30	5,333.19	6,411.57	7,084.91	8,011.59 <sup>3</sup>
	• Grants-in-aid	7,005.34	5,303.79	6,234.27	8,085.20	7,706.88 <sup>4</sup>
<b>Total</b>		<b>10,797.64</b>	<b>10,636.98</b>	<b>12,645.84</b>	<b>15,170.11</b>	<b>15,718.47</b>
3.	<b>Total revenue receipts of the State Government (1 and 2)</b>	20,246.55	21,234.43	24,888.97	27,104.57	31,216.44
<b>Percentage of 1 to 3</b>		<b>47</b>	<b>50</b>	<b>49</b>	<b>44</b>	<b>50</b>

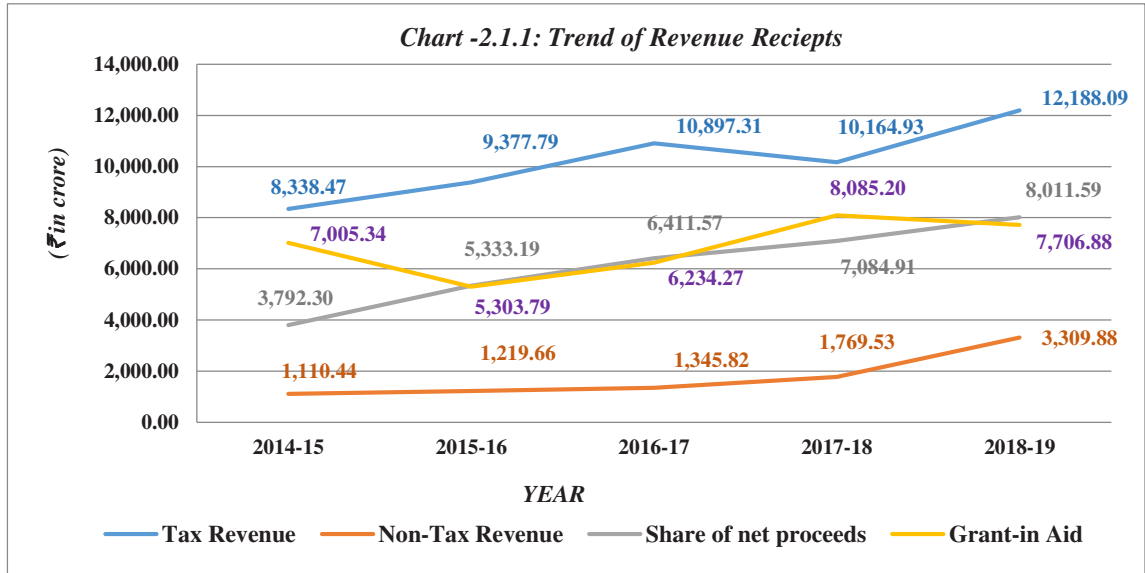
Source: Finance Accounts.

<sup>1</sup> This includes the amount of ₹ 4,802.02 crore of State Goods and Services Tax (SGST).

<sup>2</sup> Note: For details, please see Statement No.14: Detailed accounts of revenue by Minor Heads in the Finance Accounts (Vol-II) of Government of Uttarakhand. Figures under the "Share of net proceeds assigned to States" under the Major Heads-0020-Corporation Tax, 0021-Taxes on Income and Expenditure, 0032-Taxes on Wealth, 0037-Customs, 0038-Union Excise Duties and 0044-Service Taxes booked in the Finance Accounts under 'A-Tax Revenue' have been excluded from the revenue raised by the State Government and included in the 'Share of net proceeds of divisible Union taxes and duties' in the above table.

<sup>3</sup> This includes the amount of ₹ 1977.40 crore of Central/Union Goods and Services Tax (CGST) and amount of ₹ 157.80 crore of Integrated Goods and Services Tax (IGST).

<sup>4</sup> This includes the amount of ₹ 2,037 crore of compensation for loss of revenue arising out of implementation of Goods and Services Tax (GST). Compensation receivable by the State government for the year 2018-19 was ₹ 7,350.266 crore after growth of 14 per cent per annum based on OM of Ministry of Finance dated 29.08.2017 by which compensation worked out for the year 2017-18 was ₹ 6,447.602 crore.



During the year 2018-19, the revenue raised by the State Government (₹ 15,497.97 crore) was 50 per cent of the total revenue receipts. The balance 50 per cent (₹ 15,718.47 crore) of the receipts was received from the Government of India as share of net proceeds of divisible Union taxes and duties and Grants-in-aid.

**2.1.2** The details of tax revenue raised during the period 2014-15 to 2018-19 are given in **Table-2.1.2** below:

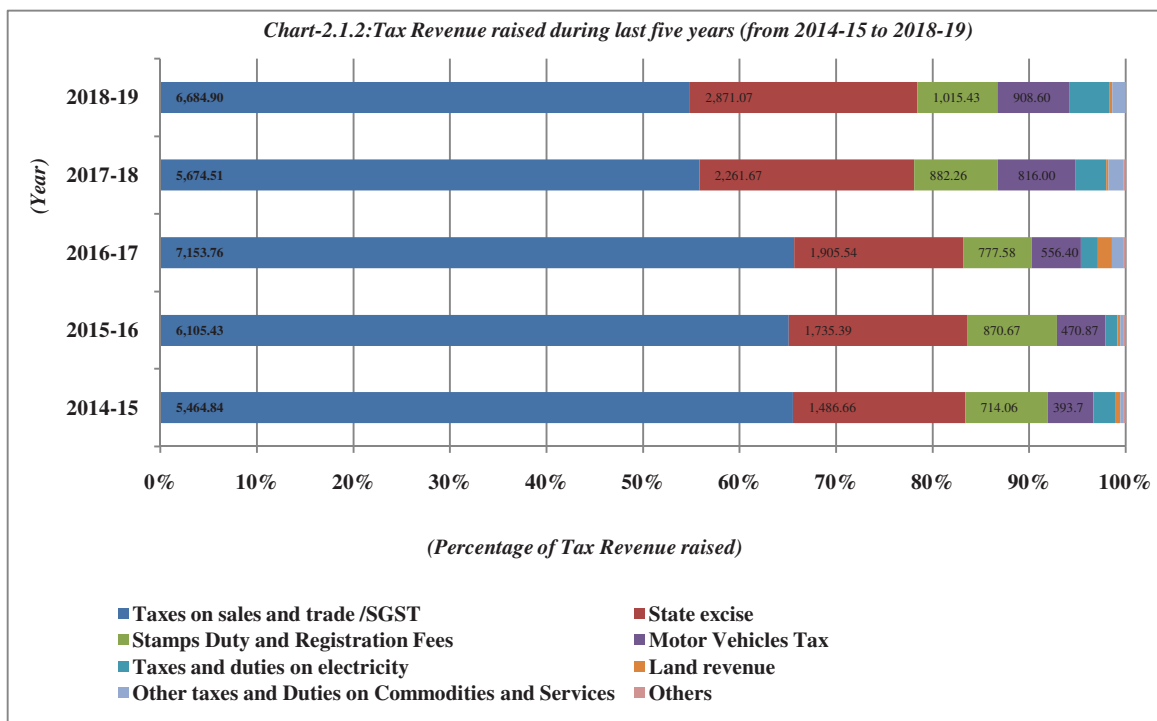
**Table-2.1.2: Details of Tax Revenue raised**

Sl. No.	Head of revenue	(₹ in crore)					Percentage of increase (+) or decrease (-) in actual of 2018-19 over actual of 2017-18
		2014-15 Actual (percentage)	2015-16 Actual (percentage)	2016-17 Actual (percentage)	2017-18 Actual (percentage)	2018-19 Actual (percentage)	
1.	Taxes on sales and trade /State Goods and Services Tax <sup>5</sup>	5,464.84 (65.54)	6,105.43 (65.11)	7,153.76 (65.65)	5,674.51 (55.82)	6,684.90 <sup>6</sup> (54.83)	(+) 17.81
2.	State excise	1,486.66 (17.83)	1,735.39 (18.51)	1,905.54 (17.49)	2,261.67 (22.25)	2,871.07 (23.55)	(+) 26.94
3.	Stamps Duty and Registration Fees	714.06 (08.56)	870.67 (09.28)	777.58 (07.13)	882.26 (08.68)	1,015.43 (08.33)	(+) 15.09
4.	Motor Vehicles Tax	393.70 (04.72)	470.87 (05.02)	556.40 (05.11)	816.00 (08.03)	908.60 (07.45)	(+) 11.35
5.	Taxes and duties on electricity	192.65 (02.31)	114.76 (01.22)	188.56 (01.73)	323.62 (03.18)	505.88 (04.15)	(+) 56.32
6.	Land revenue	39.26 (00.47)	27.88 (00.30)	159.51 (01.46)	24.09 (00.24)	34.10 (00.28)	(+) 41.55
7.	Other taxes and Duties on Commodities and Services	25.26 (00.30)	28.37 (00.30)	126.53 (01.16)	163.71 (01.61)	167.89 (01.41)	(+) 2.55
8.	Others	22.04 (00.27)	24.42 (00.26)	29.43 (00.27)	19.07 (00.19)	0.22 (00.002)	(-) 98.85
<b>Total</b>		<b>8,338.47</b>	<b>9,377.79</b>	<b>10,897.31</b>	<b>10,164.93</b>	<b>12,188.09</b>	<b>(+) 19.90</b>

Source: Finance Account.

<sup>5</sup> GST came into the effect from 01 July 2017 through implementation of one hundred and first amendment of Constitution of India by the Government. The tax replaced existing multiple cascading taxes levied by Central and State Government.

<sup>6</sup> GST + Taxes on sales and trade = ₹ 4,802.02 crore + ₹ 1,882.88 crore = ₹ 6,684.90 crore.



The State's own tax revenue increased from ₹8,338.47 crore in 2014-15 to ₹12,188.09 crore in 2018-19 (46.17 per cent). However, the States' own tax revenue during 2018-19 increased by 19.90 per cent over the year 2017-18. The revenue from Taxes on Sales and Trade, Goods and services tax (₹6,684.90 crore) comprised a major share of tax revenue registering an increase of 17.81 per cent over the previous year.

The respective Departments reported the following reasons for the variations:

**State excise:** The increase of 26.94 per cent over the previous year in the revenue receipt was due to allotment of all 624 wine shops through e-tendering which resulted in bidding of higher value by the bidders.

**Stamp and Registration Fees:** The increase in the Stamp Duty and Registration Fee of 15.09 per cent during 2018-19 as compared to the year 2017-18, was due to increase of 2,036 registration of instruments involving an amount of ₹133.17 crore as compared to year 2017-18.

**Motor vehicle tax:** The increase of 11.35 per cent in revenue receipt in 2018-19 over the year 2017-18, was due to increase in rate of taxes<sup>7</sup>, registrations of vehicles<sup>8</sup>, recovery of compounding fee<sup>9</sup> through *challan* as compared to 2017-18.

<sup>7</sup> The rates of tax increased from minimum six per cent to eight per cent and maximum eight per cent to 10 per cent for different category of vehicles.

<sup>8</sup> Number of vehicles registered in 2017-18 and 2018-19 are 2,71,209 and 2,72,125 respectively.

<sup>9</sup> Recovery of compounding fee increased by 21.57 per cent in 2018-19 compared to previous year.

**Tax and duty on electricity:** The increase of 56.32 per cent in revenue receipt in 2018-19 over the year 2017-18, was due to better realization of electricity bills from consumers. The Department recovered arrears of ₹ 112.47 crore in Electricity Duty and ₹ 3.98 crore in Green Energy Cess in 2018-19.

**Land Revenue:** During 2016-17, out of receipt of ₹ 159.51 crore, huge amount (₹ 100.01 crore) was realised under receipt from Sale of Government Estate. However, in 2017-18 no amount was realised under above head by the Department. Resultantly, there was sharp decrease in receipt in 2017-18 as compared to 2016-17. However, receipt by the Department increased from ₹ 24.09 crore in 2017-18 to ₹ 34.10 crore (41.55 per cent) in 2018-19 due to increased receipts mainly under Land Revenue/Tax (0029-101).

Other departments did not furnish any reason for variation (December 2020).

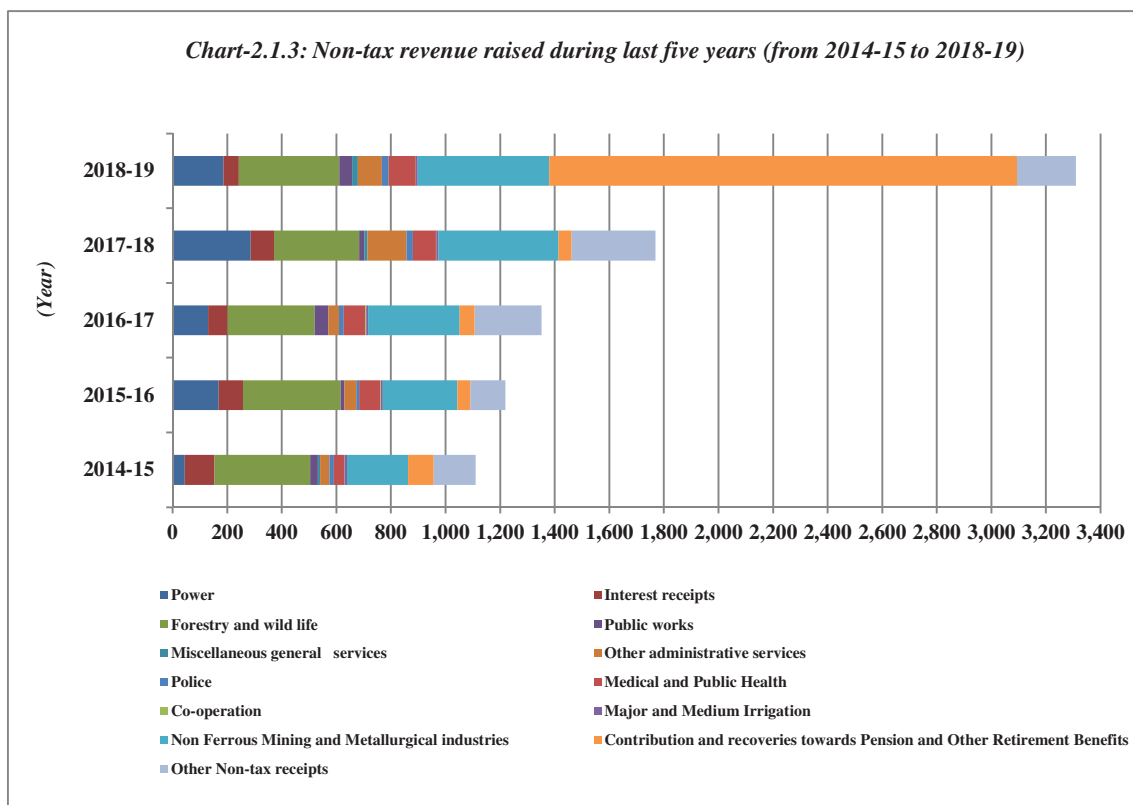
**2.1.3** The details of non-tax revenue raised during the period 2014-15 to 2018-19 are indicated in **Table-2.1.3** below:

**Table-2.1.3: Details of Non-Tax Revenue raised**

Sl. No.	Head of revenue	(₹ in crore)					Percentage of increase (+) or decrease (-) in actual of 2018-19 over actual of 2017-18
		2014-15 Actual (percentage)	2015-16 Actual (percentage)	2016-17 Actual (percentage)	2017-18 Actual (percentage)	2018-19 Actual (percentage)	
1.	Power	45.01 (04.05)	168.57 (13.88)	130.08 (09.67)	286.21 (16.17)	186.67 (05.64)	(-) 34.78
2.	Interest receipts	108.17 (09.74)	89.22 (07.35)	71.77 (05.33)	85.39 (04.83)	55.70 (01.68)	(-) 34.77
3.	Forestry and wild life	351.24 (31.63)	357.47 (29.44)	318.21 (23.64)	312.20 (17.64)	368.73 (11.14)	(+) 18.11
4.	Public works	28.29 (02.55)	13.96 (01.15)	51.08 (03.80)	18.69 (01.06)	46.49 (01.40)	(+) 148.74
5.	Miscellaneous general services	8.26 (00.74)	(-) 5.50 (-) (00.45)	(-) 6.16 (-) (00.46)	11.31 (00.64)	20.88 (00.63)	(+) 84.62
6.	Other administrative services	33.50 (03.02)	43.19 (03.56)	38.90 (02.89)	143.56 (08.11)	87.93 (02.66)	(-) 38.75
7.	Police	16.51 (01.49)	11.18 (00.92)	17.43 (01.30)	23.56 (01.33)	24.80 (00.75)	(+) 5.26
8.	Medical and Public Health	37.78 (03.40)	76.86 (06.33)	78.70 (05.85)	84.12 (04.75)	99.27 (03.00)	(+) 18.01
9.	Co-operation	1.17 (00.11)	2.26 (00.19)	2.87 (00.21)	1.14 (00.06)	0.50 (00.02)	(-) 56.14
10.	Major and Medium Irrigation	9.22 (00.83)	7.92 (00.65)	6.97 (00.52)	7.67 (00.43)	7.58 (00.23)	(-) 1.17
11.	Non Ferrous Mining and Metallurgical industries	223.72 (20.15)	272.65 (22.46)	335.17 (24.90)	439.81 (24.85)	480.86 (14.53)	(+) 9.33
12.	Contribution and Recoveries towards Pension and Other Retirement Benefits	93.33 (08.40)	48.54 (03.98)	55.13 (04.10)	47.96 (02.71)	1,714.70 (51.81)	(+) 3,475.27
13.	Other Non-tax receipts	154.24 (13.89)	127.84 (10.48)	245.67 (18.25)	307.91 (17.40)	215.77 (06.52)	(-) 29.92
<b>Total</b>		<b>1,110.44</b>	<b>1,219.66</b>	<b>1,345.82</b>	<b>1,769.53</b>	<b>3,309.88</b>	<b>(+) 87.05</b>

Source: Finance Accounts.





Non-tax revenue showed an increasing trend during the period 2014-15 to 2018-19. The increase during 2017-18 and 2018-19 was ₹423.71 crore (31.48 per cent) and ₹1,540.35 crore (87.05 per cent) respectively over the previous years.

The respective Departments reported the following reasons for variations:

**Power:** The main reason for decrease of 34.78 per cent of revenue receipt over the previous year was due to less receipt under ‘Other receipts’ in ‘Transmission and Distribution’ and ‘Hydel Generation’.

**Public Works:** The increase of 148.74 per cent in revenue receipt as compared to last year was due to increase in sale of tender forms, increased receipts under ‘Sale of equipment and machinery’ and more receipts under ‘Miscellaneous Advances’.

Other departments did not furnish any reason for variation (December 2020).

#### **2.1.4 Analysis of arrears of revenue**

The arrears of revenue as on 31 March 2019 in some principal heads of revenue amounted to ₹11,084.80 crore, of which ₹1,253.64 crore were outstanding for more than five years as detailed in **Table-2.1.4** below:

**Table-2.1.4: Arrears of Revenue**

Head of Revenue	Total Amount outstanding as on 31 March 2019 (₹in crore)	Amount outstanding for more than five years as on 31 March 2019 (₹in crore)	Replies of the Department
Taxes on Sales and Trade/ VAT/ GST	9,986.03	1,015.44	Recovery of ₹ 437.81 crore (2,617 cases) is subjudice and recovery certificates have been issued for remaining ₹ 9,548.22 crore.
Taxes and Duties on Electricity	1,021.25	180.97	Arrear amount is under process for recovery.
Co-operation	1.80	1.80	Arrear amount is under process for recovery.
Taxes on vehicles	7.51	1.34	67 cases (₹ 0.07 crore) are subjudice. In remaining cases, recovery certificates/demand certificates have been issued.
State Excise	10.78	0.55	In two cases amounting to ₹ 0.30 crore, the Department issued Recovery Certificate (RC) through respective DMs. But, finding no movable or immovable properties, the recoveries could not be made and 14 days sentence (prison) was awarded to both the licensees. Recovery is not written-off yet and other two cases of ₹ 0.25 crore are pending in court.
Forestry and Wild life	57.43	53.54	Amount ₹ 1.27 crore is subjudice. Remaining amount is under process for recovery.
<b>Total</b>	<b>11,084.80</b>	<b>1,253.64</b>	

Source: Departmental figures.

### 2.1.5 Arrears in assessments

The details of cases pending at the beginning of the year, cases becoming due for assessment, cases disposed of during the year and the number of cases pending for finalisation at the end of the year as furnished by the State Tax Department in respect of Sales Tax/VAT/ GST are given below in **Table-2.1.5** below:

**Table-2.1.5: Arrears in Assessments**

Head of revenue	Opening balance	New cases due for assessment during 2018-19	Total assessments due	Cases disposed of during 2018-19	Balance at the end of the year	Percentage of disposal (col.5 to 4)
1	2	3	4	5	6	7
Taxes on sales and Trade/ VAT/ GST	69,398	56,805	1,26,203	65,699	60,504	52.06

Source: Information provided by the State Tax Department.

The cases disposed of during 2018-19 were much more than the new cases due for assessment during 2018-19. This resulted in decrease in the cases pending for assessment at the close of year 2018-19.

### 2.1.6 Evasion of tax detected by the State Tax Department

The Special Task Force (STF) of the Department conducts the raids, searches and investigations in the business premises of the tax payers. The STF checks the records of the tax payer; calculates the evasion of tax; and submits its report to the Department.

Thereafter, the Department issues demand notices to the tax payers to recover the amount.

The details of cases of evasion of tax detected by the State Tax Department, cases finalised and the demands for additional tax raised in 2018-19 as reported by the Department are given in **Table-2.1.6** below:

**Table-2.1.6: Evasion of Tax**

(₹ in crore)

Head of revenue	Cases pending as on 31 Mar 2018	Cases detected during 2018-19	Total	Number of cases in which assessment/investigation completed and additional demand with penalty raised		Number of cases pending for finalisation as on 31 March 2019
				Number of cases	Amount of demand	
Taxes on sales and Trade/ VAT/ GST	77	106	183	153	1,411.88	30

Source: Departmental figure.

The number of cases pending at the end of the year decreased in the case of Taxes/VAT on Sales and Trade/GST as compared to the number of cases pending at the beginning of the year.

### 2.1.7 Refund cases

The number of refund cases pending at the beginning of the year 2018-19, claims received during the year, refunds allowed during the year and the cases pending at the close of the year 2018-19, as reported by the State Tax Department, are given in **Table-2.1.7** below:

**Table-2.1.7: Details of Refund Cases**

(₹ in crore)

Particulars	Sales tax / VAT		GST	
	No. of cases	Amount	No. of cases (12-10-18 to 22-03-19)	Amount
Claims outstanding at the beginning of the year	1,607	19.23	-	-
Claims received during the year	4,047	118.11	1633	162.15
Refunds made during the year	4,166	86.65	1600	111.36
Balance outstanding at the end of year	1,488	50.69	33	50.79

Source: Departmental figure.

Section 36 (3) of Uttarakhand VAT Act, 2005, provides for payment of simple rate of interest of nine *per cent* per annum if the refund is made after two months. Further, Section 54 of Uttarakhand Goods and Services Tax Act, 2017, provides for payment of interest at such rate not exceeding six *per cent* per annum if the refund is not made within sixty days from the date of receipt of application. To avoid interest liability, it is recommended that the State Government may ensure disposal of refund claims in time.

### 2.1.8 Response of the Departments towards audit

The Principal Accountant General (Audit), Uttarakhand, conducts periodical inspection of Government departments to test-check the transactions and verify the maintenance of important accounts and other records as prescribed in the applicable rules and procedures. The irregularities detected during the inspection and not settled on the spot are

incorporated in Inspection Reports (IRs) which are issued to the Heads of the Offices inspected with copies to the next higher authorities for taking corrective action. The Heads of the Offices are required to comply with the observations contained in the IRs, within four weeks from the date of receipts of the IRs. Serious irregularities are reported to the Heads of the Department and the Government.

There were 3,138 paragraphs involving ₹ 1,995.43 crore relating to 1,383 IRs that remained outstanding at the end of June 2019. The details along with the corresponding figures for the preceding two years are mentioned in **Table-2.1.8** below:

**Table-2.1.8: Details of Pending Inspection Reports**

Details of IRs	June 2017	June 2018	June 2019
Number of IRs pending for settlement	1,091	1,250	1,383
Number of outstanding audit paragraphs	2,431	2,764	3,138
Amount of revenue involved (₹ in crore)	583.02	1,367.35	1,995.43

**2.1.8.1** The department-wise details of IRs and outstanding audit paragraphs as on 30 June 2019 and the amounts involved are mentioned in **Table-2.1.9** below:

**Table-2.1.9: Department-wise details of IRs and paragraphs**

Name of the Department	Nature of receipts	Numbers of outstanding IRs	Numbers of outstanding audit observations	Money value involved (₹ in crore)
Finance	Taxes on Sales, Trade, SGST and luxury tax	673	1599	278.99
Excise	State Excise	113	202	261.06
Transport	Taxes on motor vehicles	128	298	232.68
Stamp and Registration	Stamp and registration fees	342	543	19.92
Mining	Mining	29	146	588.97
Forest	Forest	98	350	613.81
<i>Total</i>		<i>1,383</i>	<i>3,138</i>	<i>1,995.43</i>

The large pendency of the IRs was due to non-receipt of the replies which is indicative of the fact that the Heads of Offices and the Departments did not initiate necessary action to rectify the defects, omissions and irregularities pointed out in the IRs by the Principal Accountant General. Out of 168 IRs issued in 2018-19, there is no such IR in which even first reply was received within four weeks of the receipt of IR by the audited entity.

The Government may consider putting in place an effective system for ensuring prompt and appropriate responses to the outstanding audit observations.

### **2.1.8.2 Departmental audit committee meetings**

The Government sets up audit committees to monitor and expedite the progress of the settlement of the IRs and of the paragraphs in the IRs. During the year 2018-19, only one meeting of departmental audit committee was held for settlement of paragraphs related to Forest Department wherein six paragraphs, involving an amount of ₹ 2.95 crore, were settled.

In view of the large number of pending IRs and audit paragraphs, the Government may consider instructing all departments to regularly hold meetings of the audit committees, in consultation with the Principal Accountant General, to expedite their settlement.

### **2.1.8.3 Response of the Departments/Government to the draft audit paragraphs**

The draft audit paragraphs proposed for inclusion in the Report of the Comptroller and Auditor General of India are forwarded by the Principal Accountant General to the Principal Secretaries/Secretaries of the concerned Departments drawing their attention to the audit findings and requesting them to send their response within six weeks. The fact of non-receipt of the replies from the Departments/Government is invariably indicated at the end of such paragraphs included in the Audit Report.

Nine draft paragraphs were sent to the Principal Secretaries/Secretaries of the respective Departments between April 2019 and February 2020. Replies of the Government for all nine paragraphs are awaited (December 2020). However, the response from the concerned auditee units had been received and the same was suitably incorporated in the report.

### **2.1.8.4 Follow up on the Audit Reports-summarised position**

The Public Accounts Committee (PAC) notified in December 2002 that after the presentation of the Report of the Comptroller and Auditor General of India in the Legislative Assembly, the Departments shall initiate action on the audit paragraphs *suomotu* irrespective of whether these are taken up for discussion by PAC and the action taken notes (ATNs) thereon should be submitted by the Government within three months of tabling of the Report for consideration of the Committee. In spite of these provisions, the ATNs on audit paragraphs of the reports were being delayed inordinately. 40 paragraphs were included in the Audit Reports for the years 2011-12 to 2017-18. The Audit Reports were placed before the State Legislative Assembly between September 2013 and December 2019. The ATNs from the concerned departments on four paragraphs were received late with an average delay of 18 months whereas ATNs in respect of 27 paragraphs<sup>10</sup> from five departments had not been received (December 2020).

No paragraph relating to Revenue was discussed in the PAC during the year 2018-19.

### **2.1.9 Analysis of the mechanism for dealing with the issues raised by Audit**

To analyse the system of redressal of issues highlighted in the IRs by the Government, the action taken on the paragraphs included in the IRs of the last five years for State Tax Department was evaluated.

---

<sup>10</sup> Excluding paragraph related to the Audit Report for the year 2017-18.

The summarised position of IRs relating to the State Tax Department issued during the last five years, paragraphs included in these reports, and their status as on 31 March 2019 are tabulated in **Table-2.1.10** below:

**Table-2.1.10: Position of IRs**

(₹ in crore)

Year	Opening Balance			Addition during the year			Clearance during the year			Closing balance		
	IRs	Para-graphs	Money Value	IRs	Para-graphs	Money Value	IRs	Para-graphs	Money Value	IRs	Para-graphs	Money Value
2014-15	411	1,080	104.77	44	135	8.83	17	100	13.12	438	1,115	100.48
2015-16	438	1,115	100.48	46	199	42.23	06	59	2.06	478	1,255	140.65
2016-17	478	1,255	140.65	52	265	44.57	06	94	39.73	524	1,426	145.49
2017-18	524	1,426	145.48	71	229	109.01	7	140	10.75	588	1,515	243.74
2018-19	588	1,515	243.74	71	267	79.35	5	181	27.27	654	1,601	295.82

As against 411 IRs with 1,080 outstanding paragraphs at the beginning of 2014-15, the number of outstanding IRs rose to 654 with 1,601 paragraphs at the end of 2018-19 while only 574 paragraphs were cleared during the period 2014-15 to 2018-19.

### **2.1.10 Action taken on the recommendations accepted by the Departments/ Government**

Performance audits conducted by the Principal Accountant General are forwarded to the concerned Department/Government for their information with a request to furnish their replies. These are also discussed in exit conference and the Department's/Government's views are included while finalising the performance audits for the Audit Reports.

One performance and one thematic audit on Revenue Administration Department, one on Transport Department, one on Mining Department, one on Stamp and Registration Department and one on Forest Department featured in the last five years' Audit Reports. A total of 26 recommendations had been made to the Government for consideration in the light of the audit findings. The details of ATNs on the recommendations are given in **Table-2.1.11** below:

**Table-2.1.11: Action Taken on Recommendations accepted by Government**

Year of Audit Report	Name of Performance Audit	No. of Recommendation	Status
2011-12	Administration of VAT	07	ATN not received
2013-14	Levy and collection of Taxes on Motor Vehicles Tax	03	ATN not received
	Receipt of Minor Minerals	02	
2014-15	Pendency of cases in the Revenue Department	02	ATN not received
2015-16	Levy and collection of Stamp Duty & Registration Fees	03	ATN not received
2017-18	Revenue Receipts from Forest Department	09	ATN not received

### **2.1.11 Audit Planning**

During the year 2018-19, out of total 319 auditable units, 172 units were planned and 168<sup>11</sup> units were audited. Three units were merged with other units and one unit could not

<sup>11</sup> State Excise: 12, Stamp & Registration: 23, Transport: 12, State Tax: 69, Forest: 41 and Mines and Minerals: 11.

be audited due to General Assembly election's duties of the personnel involved in audit. The units were selected on the basis of risk analysis.

### 2.1.12 Results of audit

#### Position of local audit conducted during the year

Test-check of the records of 168 units of the Department of State Tax, Mines & Minerals, Forest, State Excise, Stamp and Registration and Transport department conducted during the year 2018-19 revealed under assessment/short levy/loss of revenue and other irregularities involving ₹ 965.47 crore in 599 paragraphs as categorised in **Table-2.1.12** below:

**Table-2.1.12: Category-wise Audit observations**

Sl. No.	Categories	No. of paragraphs	Amount (₹ in crore)
<b>State Tax</b>			
1.	Short/non levy of penalty and tax	112	29.54
2.	Irregular allowance of concessional rate of tax	19	4.65
3.	Other Irregularities	136	45.16
<b>Total</b>		<b>267</b>	<b>79.35</b>
<b>Mines &amp; Minerals</b>			
1.	Short levy/Non-levy of Royalty, short levy of penalty on illegal mining of minor minerals and other miscellaneous irregularities.	63	178.56
2.	Non achievement of revenue target	01	180.00
<b>Total</b>		<b>64</b>	<b>358.56</b>
<b>Forest</b>			
1.	Revenue loss due to short extraction of leesa as per prescribed norms, Loss of revenue due to leakage of stored leesa, Non-recovery of interest on delayed deposit of lease rent and other miscellaneous irregularities.	81	312.12
2.	Other irregularities	64	51.43
<b>Total</b>		<b>145</b>	<b>363.55</b>
<b>State excise</b>			
1.	Revenue loss due to short levy of tax on application form	03	3.21
2.	Revenue loss due to non recovery of license fee	05	21.09
3.	Short levy of stamp duty	03	0.04
4.	Other irregularities	22	26.26
<b>Total</b>		<b>33</b>	<b>50.60</b>
<b>Stamp Duty and Registration Fee</b>			
1.	Short levy of stamp duty and registration fee	42	2.70
2.	Other irregularities	09	2.26
<b>Total</b>		<b>51</b>	<b>4.96</b>
<b>Transport</b>			
1.	Short levy of registration fee/green cess/fitness fee	02	0.73
2.	Other irregularities	37	107.72
<b>Total</b>		<b>39</b>	<b>108.45</b>
<b>Grand Total</b>		<b>599</b>	<b>965.47</b>

During the course of the year, the concerned departments accepted under-assessment and other deficiencies of ₹ 274.08 crore out of ₹ 464.05 crore of recovery pointed out in audit during 2018-19. During 2018-19, an amount of ₹ 1.82 crore which related to the period 2002-03 to 2018-19, was collected by the Departments.

### 2.1.13 Coverage of the Revenue Chapter

The Revenue Chapter contains eight audit paragraphs involving financial effect of ₹ 240.47 crore, out of which, the Departments/Government have accepted audit observations involving ₹ 238.42 crore in five cases. These are discussed in succeeding paragraphs of Chapter-II.

**COMPLIANCE AUDIT**

**MINING DEPARTMENT**

**2.2 Non-levy of penalty of ₹237.10 crore**

***Non-realisation of five times royalty from the contractors in the absence of Form MM-11 resulted in short collection of ₹237.10 crore.***

Rule 70 (1) of the Uttarakhand Minor Minerals (Avoidance) Rules, 2001 provides that the holder of a mining lease or permit or a person authorised by him in this behalf shall issue a pass in form MM-11 to every person carrying consignment of minor mineral by a vehicle, animal or any other mode of transport. Further, Rule 70 (2) provides that no person shall carry, within the State, minor mineral by a vehicle, animal or any other mode of transport, except railway without carrying a pass in Form MM-11.

According to Rule 13-2 (*kha*) of amended Uttarakhand Minerals (Prevention of Illegal Mining, Transportation and Storage) Rules, 2005 dated 13 November 2016, an amount equal to five times of the royalty shall be computed and recovered on the quantity of illegal mining of minerals/transportation/storage, from the person who contravenes the rule. Further, according to Rule 13-2 (*cha*) of Uttarakhand Minerals (Prevention of Illegal Mining, Transportation and Storage) Rules, 2005 dated 31 July 2015, the authority to confiscate the illegal storage of minerals and penalise the offenders rests with the Mining Officers.

During (May 2018 to August 2018) scrutiny of records pertaining to period 2017-18 of the nine District Mining Offices<sup>12</sup>, it was found that none of the contractors submitted e-Form MM-11 to the construction agencies<sup>13</sup> against minor minerals used by them in the construction work. The construction agencies deducted one time royalty amounting to ₹47.42 crore (as detailed in *Appendix-2.2.1*) on the quantity of minor minerals from the bills of the contractors and deposited it into the treasury. However, in the absence of Form MM-11, an amount equal to five times of the royalty on the quantity of illegally transported minerals was to be levied on the contractors.

On this being pointed out, the Department, while accepting the audit observation, intimated that action would be taken for the recovery of an amount equal to five times of the royalty. Further, Mining Department intimated (August 2019) to this office that

<sup>12</sup> District Mining Officer, Haldwani (Nainital), New Tehri, Rudrapur, Haridwar, Uttarkashi, Rudraprayag, Dehradun Pithoragarh and Pauri.

<sup>13</sup> Executive Engineer, National Highway Division (PWD), Construction Division, Public Works Department, Provincial Division, Public Works Department, World Bank Division, Public Works Department, Temporary Division, Public Works Department, Irrigation Division, Minor Irrigation Division, *Nal Koop* Division, Tarai Irrigation Division, Rural Construction Department (RES, PMGSY Division, Public Works Department, PMGSY Irrigation Division, PMGSY ADB (Disaster) Division, Infrastructure and Rehabilitation Division, Minor Lift Division, Asian Development Bank, Public Works Department, Peyjal Niram Nigam, District Panchayat, Construction Branch, Peyjal Nigam.



executing agencies may forward cases of transportation of minerals without form MM-11 to the District Magistrate/Sub-Divisional Magistrate/District Mining Officer for further penal action. However, no such communication was ever issued to the executing agencies by the Mining department. In the absence of any mechanism between the departments to ensure that the tax defaulters are identified and penalised as per the standing rules/regulations, the Government could not recover a penalty of ₹ 237.10 crore<sup>14</sup>.

The matter was referred to the Government (February 2020 and May 2020); Reply was awaited (December 2020).

### **STAMP AND REGISTRATION DEPARTMENT**

#### **2.3 Loss of revenue of ₹22.90 lakh**

***The Stamp and Registration Department suffered loss of revenue of ₹22.90 lakh due to inadmissible exemption of 50 per cent allowed by the Department on stamp duty.***

Vide Notification<sup>15</sup> dated 29.10.2015 issued by Finance Department, Government of Uttarakhand, a rebate on stamp duty to government / private entrepreneurs was allowed on land acquired on lease or purchased for establishment of industries in developed industrial estate/areas in accordance with provisions of the Uttarakhand Micro, Small and Medium Enterprises (MSME)<sup>16</sup> Policy 2015. As per the Office Memorandum dated 31.01.2015, exemption on stamp duty was admissible only for purchase of land to establish an industry in the industrial estate. Further, as per MSME Policy 2015, 50 per cent exemption on stamp duty was admissible on purchase of land under 'D' category area. The district Dehradun is classified in 'D' category.

In terms of provisions of Article 23 khand (a) of Schedule 1B of Indian Stamp Act 1899, the rate of Stamp Duty as notified<sup>17</sup> by the Finance Department, Government of Uttarakhand is 5 per cent of the Circle rate or consideration whichever is higher.

During 2018-19, Audit test checked 1,010 deeds out of 8,091 deeds registered with the Sub-Registrar-II, Vikas Nagar, Dehradun. Scrutiny of records of the Sub Registrar-II, Vikas Nagar, Dehradun (September 2018) revealed that a company purchased<sup>18</sup> an already established industrial unit in the industrial estate<sup>19</sup> through a deed registered on 10.01.2017 for a consideration of ₹ 9.16 crore. The buyer claimed and availed 50 per cent exemption on stamp duty as per Office Memorandum dated 31.01.2015 of Government of Uttarakhand and paid only ₹ 22.90 lakh<sup>20</sup> as stamp duty. However, as per

<sup>14</sup> ₹ 47.42 crore\*5=₹ 237.10 crore.

<sup>15</sup> No.205 (1)/2015/XXVII(9)/UO-05/Stamp/2015.

<sup>16</sup> No.184/VII-2-15/146-MSME/2013 Dehradun dated 31.01.2015.

<sup>17</sup> Notification no 297/XXVII(9)/2011/Stamp-61/2009 dated 31.05.2011.

<sup>18</sup> Sale deed was made on 22.12.2016 and registered on 10.01.2017.

<sup>19</sup> Total land 6,117 sq. metre and total covered area 1,650 sq. metre (810 sq. meters in ground floor and 840 sq. metre in first floor) at Mauja Central Hope Town (Selaqui), Pargana-Pachwa Doon, Tehsil-Vikasnagar, Dehradun.

<sup>20</sup> 2.5 per cent of ₹ 9,16,00,000.

the above mentioned Notification and Office Memorandum, 50 per cent exemption on stamp duty was admissible only for purchase of land to establish an industry in the industrial estate. 50 per cent exemption on stamp duty in this case was not admissible as the buyer had purchased an established industrial property (including land with construction).

The Sub-Registrar was required to take cognizance of notification dated 29.10.2015 issued by Finance Department, Government of Uttarakhand before allowing 50 per cent concession in stamp duty, which was not done, resulting in loss of revenue of ₹ 22.90 lakh.

On this being pointed out by audit, the unit referred (March 2019) the matter to Additional District Magistrate (Finance and Revenue)/District Registrar for necessary action.

The matter was referred to the Government (March 2019 and May 2020); the reply was awaited (December 2020).

### **STATE TAX DEPARTMENT**

#### **2.4 Non-levy of penalty**

***The Department did not impose penalty amounting to ₹76.43 lakh for delay in deposit of taxes by the dealers.***

Rule 11 (1) of Uttarakhand Value Added Tax Rules, 2005 stipulates that dealers having gross turnover of more than ₹ 50 lakh in the preceding year are liable to pay tax, composition money, late fee, interest or TDS monthly by 25<sup>th</sup> of the succeeding month. The date of payment was advanced to 20<sup>th</sup> of the succeeding month by the Government of Uttarakhand Notification No. 327/2014/181(120)/XXVII (8)/08 dated 26.03.2014.

Section 58(1)(vii)(b) of Uttarakhand Value Added Tax Act, 2005 provides that if the assessing authority is satisfied that any dealer has, without any reasonable cause, failed to pay, within the time allowed, the tax due under the provisions of the Act, the assessing authority may, after such enquiry as deemed necessary, shall order for payment of penalty, in addition to the tax, if any, a sum not less than ten per cent, but not exceeding twenty five per cent of the tax due if the amount of tax is up to rupees ten thousand and fifty per cent of the tax due if the tax is above rupees ten thousand. Further, as per section 7(b) (i) of the Uttarakhand Value Added Tax (amendment) Act, 2015<sup>21</sup>, such amount which is equivalent to 5 per cent of tax payable, if the delay in deposit of tax is not more than one month.

During scrutiny (September 2018) of records of Deputy Commissioner (Assessment), State Tax, Kichcha, Udham Singh Nagar, it was noticed that eight dealers whose gross turnover was more than ₹ 50 lakh in the preceding year (assessed during 2017-18) without any reasonable cause, failed to pay taxes due, within the prescribed time limit. As

---

<sup>21</sup> Notification no. 102/XXXVI (3)/2015/22(1)/2015 dated 31.03.2015.

such, five dealers (three for assessment year 2013-14 and two for assessment year 2014-15) were liable to pay penalty of ₹ 41,60,272 @ minimum 10 *per cent* of taxes due. Further, three dealers (assessment year 2015-16) were liable to pay penalty of ₹ 34,83,217 @ 5 *per cent* of taxes due.

The Department, however, did not impose even the minimum penalty amounting to ₹ 76.43 lakh<sup>22</sup> (as detailed in **Appendix-2.4.1**) due to delay in deposit of tax by the dealers as per provisions of Section 58 (1) (vii) (b) of the Uttarakhand Value Added Tax Act, 2005.

On being pointed out (September 2018), the Deputy Commissioner (Assessment), State Tax, Kichcha imposed (March 2019) penalty in all the eight cases.

The matter was referred to the Government (March 2020 and May 2020); the reply was awaited (December 2020).

## 2.5 Short levy of tax

### ***Incorrect application of tax rates resulted in loss of revenue of ₹29.62 lakh***

Sections-4 (2) (b) (i) (b) and (d) of the Uttarakhand Value Added Tax Act (UV Act), 2005 stipulate five *per cent* rate of tax in respect of goods specified in Schedule II (B) and 13.5 *per cent* rate of tax in respect of goods not specified in any of the schedules. Further, Commissioner State Tax Department, Government of Uttarakhand *vide* his decision (9 September 2016) under Section 57 of the Act directed that tax at the rate of 13.5 *per cent* would be leviable on product Epoxy Resin. Further, the assessing authorities are bound to follow order/decision of Commissioner under Section 57 of Uttarakhand Value Added Tax Act, 2005.

Test check of records (August 2018) of Deputy Commissioner (Assessment)-I, {Assessing Authority (AA)}, State tax, Haridwar revealed that in disregard to the order of Commissioner, the AA while assessing (October 2017) the case of a dealer<sup>23</sup> for the assessment year 2013-14, levied tax at the rate of five *per cent* instead of 13.5 *per cent* on sale within state (₹ 182.27 lakh) and central sale (₹ 8.63 lakh) without Form 'C' of product Epoxy Resin which was not classified in any of the schedules. This resulted in short levy of tax amounting to ₹ 16.23 lakh<sup>24</sup> at the differential rate of 8.5 *per cent*<sup>25</sup>. Besides, interest at the rate of 15 *per cent* per annum was also leviable under section 34 (4) of the Act which amounts to ₹ 13.39 lakh<sup>26</sup> for the period from 01 October 2013 to 31 March 2019. The dealer, therefore, was liable to pay the amount of ₹ 29.62 lakh<sup>27</sup> as per the provision of UV Act, 2005.

<sup>22</sup> ₹ 41,60,272 + ₹ 34,83,217 = ₹ 76,43,489.

<sup>23</sup> Tin 05007797176.

<sup>24</sup> ₹ 182.27 lakh + ₹ 8.63 lakh = ₹ 190.90 lakh x 8.5/100 = ₹ 16.23 lakh.

<sup>25</sup> (13.5-5) *per cent* = 8.5 *per cent*.

<sup>26</sup> ₹ 16.23 lakh x 15 x 66 month /12 x 100 = ₹ 13.39 lakh.

<sup>27</sup> ₹ 29.62 lakh = ₹ 16.23 lakh differential tax plus ₹ 13.39 lakh (interest).

On this being pointed out, the Department, while accepting the facts, reassessed (08 February 2019) the case and levied tax at the rate of 13.5 per cent on sale of product Epoxy Resin. The recovery was pending.

The matter was referred to the Government (May 2019 and May 2020); Reply was awaited (December 2020).

## **2.6 Loss of revenue and non-levy of penalty**

***The Department did not reverse the inadmissible input tax credit of ₹14.70 lakh claimed by the assessee, which resulted in loss of revenue of ₹14.70 lakh along with penalty of ₹44.10 lakh thereon.***

Section (8) (b) of Uttarakhand Value Added Tax Act, 2005 (Act) provides that no Input Tax Credit (ITC) shall be allowed on purchase of goods, other than Capital Goods, when goods are purchased from an un-registered dealer or a dealer whose Certificate of Registration has been cancelled. Further, Section 58 (1) (xi) of the Act stipulates that if a dealer wrongly claims an amount as ITC or claims an ITC on the basis of false sale invoice, such a dealer shall pay, by way of penalty, a sum of rupees five thousand or three times of the amount claimed, whichever is higher.

During 2017-18, the Office of Deputy Commissioner (Assessment)-III, State Tax, Haldwani made assessment of 152 cases of which 75 assessment cases were test checked by audit. Scrutiny of records (December 2017) of the Deputy Commissioner (Assessment)- III (DC), State Tax, Haldwani revealed that an assessee<sup>28</sup> claimed ITC of ₹ 23.59 lakh on the purchase of scrap of ₹ 5.90 crore during the assessment year 2011-12. The assessee closed his trade in the relevant assessment year. Audit noticed that the assessee, *inter-alia*, claimed ITC<sup>29</sup>, on purchase of scrap from two dealers<sup>30</sup>, whose registrations were found cancelled (December 2011 and July 2011). The ITC claim of ₹ 14.70 lakh<sup>31</sup> was, therefore, not admissible to the assessee. Further, as per Section 58 (1) (xi) of the Act, the assessee was also liable to pay penalty of ₹ 44.10 lakh<sup>32</sup>, being three times the claim of ITC.

It was further observed that the assessing officer while making assessment had directed (May 2016) *Khatapalak*<sup>33</sup> to send information regarding within the State purchase and ITC for verification. However, the verification was not done till date of audit (December 2017) and the verification process was initiated only after the issue was pointed out (December 2017) by audit.

---

<sup>28</sup> Tin 05011172970.

<sup>29</sup> As per assessment order dated 31.05.2016, the dealer claimed ITC.

<sup>30</sup> Tin 05010420832 and 05008343092.

<sup>31</sup> ₹ 8,77,991 + ₹5,91,709 = ₹ 14,69,700.

<sup>32</sup> ₹ 14.70 lakh x 3= ₹ 44.10 lakh.

<sup>33</sup> The person who holds all the assessment file of dealers, issues demand notices, reconciles challan with Daily Collection Register and initiates process of verification of ITC.

The Department, therefore, suffered a loss of revenue of ₹ 14.70 lakh due to non-reversal of inadmissible ITC along with penalty of ₹ 44.10 lakh thereon.

On being pointed out, the DC assured (December 2017) that action would be taken after examination of the audit objection. Accordingly, DC made correspondence<sup>34</sup> with the Assessing Authorities concerned to verify the ITC claim and found that the total ITC<sup>35</sup> claimed was inadmissible as the assessee had declared false purchases from bogus/closed firms for the purpose of evasion of tax. In this regard, the DC issued (October 2018) a penalty notice of ₹ 70.77 lakh<sup>36</sup> under section 58 (1) (xi) of the Act by including one more case<sup>37</sup> of inadmissible ITC of ₹ 8.90 lakh.

The matter was referred to the Government (August 2019 and May 2020); Reply was awaited (December 2020).

## 2.7 Irregular tax rebate on false declaration in Form-‘C’

***False declaration in two Form-‘C’ was made by a dealer for inter-State sales of brass ingots on concessional rate of tax, which resulted in short levy of tax of ₹0.65 lakh and interest of ₹0.56 lakh. Besides, penalty amounting to ₹6.55 lakh was also leviable.***

Section-8 (4) of the Central Sales Tax Act, 1956, stipulates that inter-State sales to registered dealers are taxable at concessional rate<sup>38</sup> when such sales are supported by declaration in Form-‘C’. If a dealer issues or furnishes a false certificate or declaration, he shall be liable to penalty of a sum not exceeding forty *per cent* of the value of the goods involved or three times of the tax leviable on such goods, whichever is higher, under Section-58 (1) (xxix) of the Uttarakhand VAT Act, 2005. Further, Section-34 (4) of this Act also provides that tax admittedly payable shall be deposited within the time prescribed<sup>39</sup> failing which simple interest at the rate of 15 *per cent* per annum shall become due and be payable on the unpaid amount with effect from the date immediately following the last date prescribed till the date of payment of such amount. Further, Commissioner, State Tax Department, Uttarakhand directed<sup>40</sup> (September 2014) all the field offices to verify all the declaration forms of ₹ 5 lakh and above regarding inter-state transactions through verification cell under Joint Commissioner (Executive) of the respective offices.

<sup>34</sup> On 19.02.2018 for Tin 05010420832 and 13.03.2018 for Tin 05008343092.

<sup>35</sup> ₹ 23.59 lakh (as given in assessment order).

<sup>36</sup> ₹ 23.59 lakh x 3= ₹ 70.77 lakh.

<sup>37</sup> Tin 05007502878.

<sup>38</sup> At the rate of one *per cent*.

<sup>39</sup> Rule 11 (1) of Uttarakhand Value Added Tax Rules, 2005 stipulates that dealers having gross turnover of more than ₹ 50 lakh in the preceding year are liable to pay tax, composition money, late fee, interest or TDS monthly by 25th of the succeeding month.

<sup>40</sup> Letter No. 2438/Ayukt Kar Uttarakhand/Vanijya Kar /Enforcement Section/2014-15/Dehradun dated 02.09.2014.

Audit scrutiny of records (June 2019) of the Deputy Commissioner (DC) (Assessment)-III, State Tax, Haridwar revealed that during assessment year 2013-14 two Form-‘C’ amounting to ₹ 44.29 lakh<sup>41</sup> for sale of brass ingots were issued to the dealer by the purchaser of the Haryana State. Cross verification of the Form-‘C’ submitted by a dealer disclosed that these two Form-‘C’ were issued for ₹ 27.92 lakh<sup>42</sup> instead of ₹ 44.29 lakh.

The verification cell under Joint Commissioner (Executive), State Tax, Haridwar did not cross verify the declaration Form-‘C’ from the issuing State in violation of the directions of the Commissioner, State Tax Department, Uttarakhand. The action was taken by the verification cell when the matter was highlighted by Audit.

Thus, due to false declaration in Form-‘C’, the dealer<sup>43</sup> was liable to pay tax of ₹ 0.65 lakh<sup>44</sup>, interest of ₹ 0.56 lakh<sup>45</sup> and also the penalty of ₹ 6.65 lakh<sup>46</sup> on the unverified amount of Form ‘C’ to the tune of ₹ 16.37 lakh.

On this being pointed out, the DC stated that action was being taken against the dealer on remaining unverified amount.

The matter was referred to the Government (October 2019 and May 2020); reply was awaited (December 2020).

## **2.8 Non-levy of penalty due to delay in deposit of TDS**

***The Department did not impose penalty, the maximum of which amounted to ₹1.23 crore under section 35 (8) of the Uttarakhand Value Added Tax (UVAT), Act as the assesses did not deposit the amount of tax deducted at source in the Government Treasury within the prescribed time as given in section 35 (4) of the UVAT, Act.***

Section 35 (4) of Uttarakhand Value Added Tax Act, 2005 (Act) stipulates that the amount of TDS deducted by the person shall be deposited by him in the Government Treasury before the expiry of the month following the month in which deduction has been made. Further, as per section 35 (8) of the Act, if any such person fails to make the deduction or after deducting, fails to deposit the amount so deducted as required in sub-section (4), the assessing authority may, after giving such person an opportunity of being heard, by order in writing, direct that such person shall pay, by way of penalty, a sum not exceeding twice the amount deductible under this section but not so deducted and, if deducted, not so deposited in the Government Treasury.

<sup>41</sup> No.-HR013C / 1371275 (₹ 13,87,947) and No.- HR013C / 1371260 (₹ 30,41,269) = ₹ 44,29,216 (Say ₹ 44.29 lakh).

<sup>42</sup> No.-HR013C / 1371275 (₹ 12,89,043) and No.- HR013C / 1371260 (₹ 15,03,334) = ₹ 27,92,377 (Say ₹ 27.92 lakh).

<sup>43</sup> Tin 05009719813.

<sup>44</sup> Differential tax @ of 4 per cent (of the 5 per cent, the dealer had already paid 1 per cent) x ₹ 16.37 lakh = ₹ 0.65 lakh.

<sup>45</sup> ₹ 0.56 lakh (₹ 0.65 lakh x 15 per cent per annum x 68 month 14 days) for the period of 01.10.2013 to 14.06.2019.

<sup>46</sup> Forty per cent of value of goods (i.e ₹ 16.37 lakh x 40 per cent) = ₹ 6.55 lakh or three times of tax leviable (i.e ₹ 16.37 lakh x 15 per cent) = ₹ 2.46 lakh), whichever is higher.

Scrutiny of records of Deputy Commissioner (Assessment)-I (DC), State Tax, Dehradun (October 2018) showed that two assessees<sup>47</sup> deposited (₹ 61.58 lakh) the Tax Deducted at Source (TDS) along with due interest thereon in the Government Treasury with the delay of 13 to 54 days during assessment year 2012-13 and 2013-14 (assessed during 2017-18). The Assessing Authority (AA) mentioned in the assessment order that for delay in deposit of TDS, action would be taken for penalty as per rule separately. However, the AA did not initiate action and levy penalty, the maximum of which amounted to ₹ 1.23 crore on delayed deposit of tax as per provisions of Section 35 (8) of the Act (as detailed in *Appendix-2.8.1*).

Further, in a case<sup>48</sup>, the Hon'ble High Court, Uttarakhand had given a decision, that penalty would be imposed on the dealer who failed to pay, within time allowed, the tax due, even though dealer deposited the due tax with interest for delay period.

In reply, the Department stated (August 2019) that as the dealers deposited the amount of TDS along with interest, no action was taken to impose penalty for delay in deposit of TDS. The reply of the Department was not acceptable as the interest amount had been deposited by the dealers before the AA mentioned in his assessment order that separate action would be taken for penalty.

Thus the dealers were required to pay penalty under Section 35 (8) of Uttarakhand Value Added Tax, Act 2005 for delay in deposit of TDS.

The matter was reported to the Government (May 2019 & May 2020). Reply was awaited (December 2020).

## **2.9 Non-imposition of penalty**

***The Department did not impose penalty up to ₹18.18 lakh under Section 10-A of the Central Sales Tax Act as the firm had purchased such goods, for which it was not registered, on concessional form.***

As per the provisions of Section 10 (b) read with section 10-A of the Central Sales Tax Act 1956, if any person, being a registered dealer, falsely represents when purchasing any class of goods that goods of such class are covered by his certificate of registration, the authority who granted certificate of registration to him may, after giving him a reasonable opportunity of being heard, by order in writing, impose upon him by way of penalty a sum not exceeding one-and-a-half times of the tax which would have been levied under sub-section (2) of Section 8 in respect of the sale to him of the goods, if the sale had been a sale falling within that sub-section. Further, as per sub-rules 1 and 2 under rule 6 of the Uttaranchal Central Sales Tax Rules, 2006, the Assessing Authority (AA) may inspect,

<sup>47</sup> M/s Alaknanda Hydro Power Company Limited Dehradun and M/s Lanco Infratech Limited Dehradun.

<sup>48</sup> Anand Nishikava Company versus Commissioner, Trade tax revision no. 16/2005 & 17/2005 dated 18.06.2007.

examine and make such enquiries on books, accounts or other documents from the dealer relating to his business, as he may consider necessary.

Scrutiny of the records of the office of the Deputy Commissioner (Assessment)-2, State Tax, Harbartpur, Vikasnagar revealed (August 2019) that a dealer<sup>49</sup> purchased goods<sup>50</sup> at a concessional rate by issuing Form 'C' during the assessment years 2012-13, 2013-14 and 2014-15. However, the purchased goods (as detailed in *Appendix-2.9.1*) were not covered under relevant Central Registration Certificate at the time of purchase of the goods. Hence the dealer was not authorised to purchase the goods at concessional rate. Accordingly, dealer was liable to pay penalty, the maximum of which is ₹ 18.18 lakh as per provisions of section 10 (b) read with section 10-A of the Central Sales Tax Act 1956. However, the penalty was not imposed by the AA.

On being pointed out, the AA imposed penalty of ₹ 18.18 lakh on the dealer in June 2020.

The matter was reported to the Government (January 2020 & May 2020). Reply was awaited (December 2020).

---

<sup>49</sup> Tin 05008116694.

<sup>50</sup> Spare parts, Machine spares and parts, Machine, DG set, Tools & Dies *etc.*



## **Chapter-III**

### **Social and Economic Sectors (Public Sector Undertakings)**



## CHAPTER-III

### Social and Economic Sectors (Public Sector Undertakings)

#### 3.1 Functioning of State Public Sector Undertakings

##### 3.1.1 Introduction

###### General

**3.1.1.1** State Public Sector Undertakings (PSUs) consist of State Government companies and Statutory corporations. State PSUs are established to carry out activities of commercial nature keeping in view the welfare of people and occupy an important place in the State economy. As on 31 March 2019, there were 30 PSUs in Uttarakhand, including three<sup>1</sup> Statutory corporations and 27 Government companies (including eight inactive government companies<sup>2</sup>) under the audit jurisdiction of the Comptroller & Auditor General of India (C&AG). None of these Government companies were listed on the stock exchange.

**3.1.1.2** The financial performance of the PSUs on the basis of latest finalised accounts as on 30 September 2019 is covered in this report. The nature of PSUs and the position of accounts are indicated in **Table-3.1.1**:

**Table-3.1.1: Nature of PSUs covered in the Report**

Nature of PSUs	Total Number	Number of PSUs of which accounts received during the reporting period <sup>3</sup>				Number of PSUs of which accounts are in arrear (total accounts in arrear) as on 30 September 2019
		Accounts upto 2018-19	Accounts upto 2017-18	Accounts upto 2016-17	Total	
Working Government companies <sup>4</sup>	19 <sup>5</sup>	4	5	1	10	15 (65)
Statutory corporations	3	0	2	1	3	3(5)
<b>Total working PSUs (A)</b>	<b>22</b>	<b>4</b>	<b>7</b>	<b>2</b>	<b>13</b>	<b>18 (70)</b>
Inactive Government companies (B)	8	0	0	0	0	8(212)
<b>Total (A + B)</b>	<b>30</b>	<b>4</b>	<b>7</b>	<b>2</b>	<b>13</b>	<b>26(282)</b>

The working PSUs registered an annual turnover of ₹ 9,272.04 crore<sup>6</sup> as per their latest finalised accounts as on 30 September 2019. This turnover was equal to 3.77 per cent of Gross State Domestic Product (GSDP) for the year 2018-19 of ₹ 2,45,895 crore. The working PSUs incurred loss of ₹ 585.45 crore<sup>7</sup> as per their latest finalised accounts. As on March 2019, the State PSUs had around 18,000 employees.

<sup>1</sup> Uttarakhand Parivahan Nigam, Uttarakhand Forest Development Corporation and Uttarakhand Peyjal Sansadhan Vikas Evam Nirman Nigam.

<sup>2</sup> Inactive PSU means a Company which has not been carrying on any business or operation, or has not made any significant accounting transaction, or has not filed financial statements and annual returns during the last two financial years.

<sup>3</sup> From October 2018 to September 2019.

<sup>4</sup> Government PSUs include other Companies referred to in Section 139 (5) and 139 (7) of the Companies Act, 2013.

<sup>5</sup> This includes four new PSUs namely Dehradun Smart City Limited, Ecotourism Development Corporation of Uttarakhand, Kishau Corporation Limited and Uttarakhand Metro Rail Urban Infrastructure & Building Construction Corporation Limited which were incorporated under Companies Act, 2013 by State Government and first accounts of two PSUs namely Ecotourism Development Corporation of Uttarakhand and Kishau Corporation Limited were not received. Further, first accounts of Uttarakhand Alpsankhyak Kalyan Tatha Wakf Vikas Nigam have not been received till date.

<sup>6</sup> Power PSUs: ₹ 7,291.08 crore + Non-Power PSUs: ₹ 1,980.96 crore.

<sup>7</sup> Power PSUs: ₹ 464.53 crore + Non-Power PSUs: ₹ 120.92 crore.

There are eight inactive PSUs<sup>8</sup> in the state. These were inactive for last three to 19 years and have investment of ₹ 27.24 crore towards capital (₹ 3.36 crore) and long term loans (₹ 23.88 crore). This is a critical area as the investments in inactive PSUs do not contribute to the economic growth of the State.

### **3.1.1.3 Accountability framework**

The procedure for audit of Government companies is laid down in Sections 139 and 143 of the Companies Act, 2013 (Act 2013). According to Section 2 (45) of the Act 2013, a Government Company means any company in which not less than 51 *percent* of the paid-up share capital is held by the Central Government or by any State Government or Governments or partly by the Central Government and partly by one or more State Governments, and includes a company which is a subsidiary company of such a Government Company. The C&AG appoints the statutory auditors of a Government Company and Government Controlled Other Company under Section 139 (5) and (7) of the Companies Act, 2013. Section 139 (5) of the Companies Act, 2013 provides that the statutory auditors in case of a Government Company or Government Controlled Other Company are to be appointed by the C&AG within a period of one hundred and eighty days from the commencement of the financial year. Section 139 (7) of the Companies Act, 2013 provides that in case of a Government Company or Government Controlled Other Company, the first auditors are to be appointed by the C&AG within sixty days from the date of registration of the company and in case C&AG does not appoint such auditor within the said period, the Board of Directors of the Company or the members of the Company have to appoint such auditor.

Further, as per sub-Section 7 of Section 143 of the Act 2013, the C&AG may, in case of any company covered under sub-Section (5) or sub-Section (7) of Section 139, if considered necessary, by an order, cause test audit to be conducted of the accounts of such Company and the provisions of Section 19A of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 shall apply to the report of such test Audit. Thus, a Government Company or any other Company owned or controlled, directly or indirectly, by the Central Government, or by any State Government or Governments or partly by Central Government and partly by one or more State Governments is subject to audit by the C&AG. An audit of the financial statements of a Company in respect of the financial years that commenced on or before 31 March 2014 shall continue to be governed by the provisions of the Companies Act, 1956.

---

<sup>8</sup> UPPI, Trans Cables Limited (Subsidiary of Kumaun Mandal Vikas Nigam limited), Uttar Pradesh Digitals Limited (Subsidiary of Kumaun Mandal Vikas Nigam limited), Kumtron Limited (Subsidiary of Uttar Pradesh Hill Electronics Corporation Limited), Uttar Pradesh Hill Phones Limited (Subsidiary of Uttar Pradesh Hill Electronics Corporation Limited), Uttar Pradesh Hill Quartz Limited (Subsidiary of Uttar Pradesh Hill Electronics Corporation Limited), Garhwal Anusuchit Janjati Vikas Nigam Limited (Subsidiary of Garhwal Mandal Vikas Nigam Limited), Kumaun Anusuchit Janjati Vikas Nigam Limited (Subsidiary of Kumaun Mandal Vikas Nigam Limited). Further, four PSUs namely Garhwal Anusuchit Janjati Vikas Nigam Limited, Kumaun Anusuchit Janjati Vikas Nigam Limited, Trans Cables Limited and Uttar Pradesh Digitals Limited, which were working PSUs upto 2016-17 have now been included as inactive PSUs for the year 2018-19 onwards as there has not been any commercial activities in these PSUs.

#### **3.1.1.4 Statutory Audit**

The financial statements of the Government companies (as defined in Section 2 (45) of the Act 2013) are audited by Statutory Auditors, who are appointed by the C&AG as per the provisions of Section 139 (5) or (7) of the Act 2013. The Statutory Auditors submit a copy of the Audit Report to the C&AG including, among other things, financial statements of the Company under Section 143(5) of the Act 2013. These financial statements are also subject to supplementary audit by the C&AG within sixty days from the date of receipt of the audit report under the provisions of Section 143 (6) of the Act 2013. Audit of Statutory corporations is governed by their respective legislations. Out of three Statutory corporations, the C&AG is sole auditor for the Uttarakhand Parivahan Nigam and the Uttarakhand Forest Development Corporation (UFDC). In respect of Uttarakhand Peyjal Sansadhan Vikas Evam Nirman Nigam, the audit was entrusted to C&AG under section 20 (1) of the C&AG's (Duties, Powers and Conditions of Service) Act, 1971.

#### **3.1.1.5 Submission of accounts by PSUs**

##### **(a) Need for timely finalisation and submission**

According to Section 394 and 395 of the Companies Act 2013, Annual Report on the working and affairs of a Government Company, is to be prepared within three months of its Annual General Meeting (AGM) and as soon as may be after such preparation laid before the Houses or both the Houses of State Legislature together with a copy of the Audit Report and any comments upon or supplement to the Audit Report, made by the C&AG. Almost similar provisions exist in the respective Acts regulating Statutory corporations. This mechanism provides the necessary legislative control over the utilisation of public funds invested in the companies from the Consolidated Fund of the State. Section 96 of the Companies Act, 2013 requires every company to hold AGM of the shareholders once in every calendar year. It is also stated that not more than 15 months shall elapse between the date of one AGM and that of the next.

Further, Section 129 of the Companies Act, 2013 stipulates that the audited Financial Statement for the financial year has to be placed in the said AGM for their consideration. Section 129 (7) of the Companies Act, 2013 provides for levy of penalty like fine and imprisonment on the persons including directors of the company responsible for non-compliance with the provisions of Section 129 of the Companies Act, 2013.

##### **(b) Role of Government and Legislature**

The State Government exercises control over the affairs of these PSUs through its administrative departments. The Chief Executive and Directors to the Board are appointed by the State Government.

The State Legislature also monitors the accounting and utilization of Government investment in the PSUs. For this, the Annual Reports together with the Statutory Auditors' Reports and comments of the C&AG, in respect of State Government Companies and Separate Audit Reports in case of Statutory Corporations are to be placed before the State Legislature under Section 394 of the Act 2013 or as stipulated in the respective Acts. The Audit Reports of the C&AG are submitted to the Government under Section 19A of the C&AG's (Duties, Powers and Conditions of Service) Act, 1971.

### 3.1.1.6 Investment by Government of Uttarakhand in State Public Sector Undertakings

The financial stake of Government of Uttarakhand (GoU) in the PSUs is mainly of three types:

- **Share capital and loans** – In addition to the share capital contribution, GoU also provides financial assistance by way of loans to the PSUs from time to time.
- **Special financial support** – GoU provides budgetary support by way of grants and subsidies to the PSUs as and when required.
- **Guarantees** – GoU also guarantees the repayment of loans with interest availed by the PSUs from Financial Institutions.

3.1.1.7 The sector-wise summary of investment in the PSUs as on 31 March 2019 is given in **Table-3.1.2:**

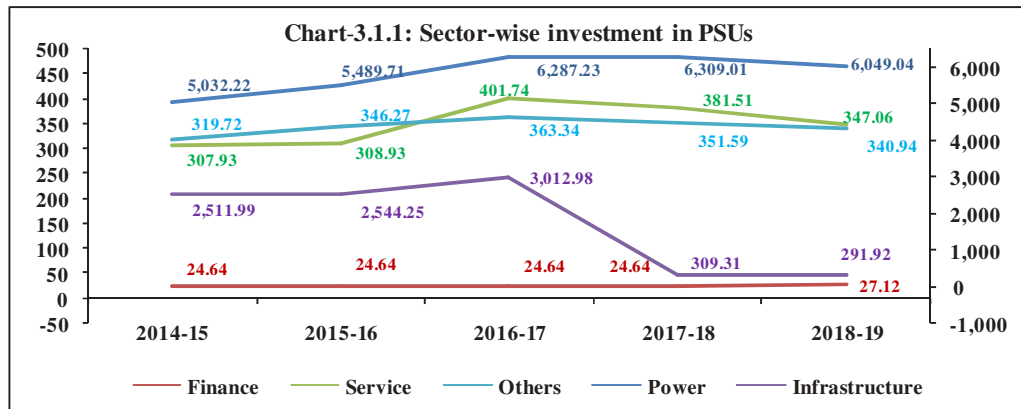
**Table-3.1.2: Sector-wise investment in PSUs**

Name of sector	Government companies		Statutory corporations		Total	Investment <sup>9</sup> (₹ in crore)		
	Working	Inactive	Working	Inactive		Equity	Long term loans	Total
Power	4	--	--	--	4	3,140.79	2,908.25	6,049.04
Finance	1	2	--	--	3	24.45	2.67	27.12
Service	3	--	1	--	4	258.71	88.35	347.06
Infrastructure	4	--	1	--	5	32.70	259.22	291.92
Others	7	6	1	--	14	49.00	291.94	340.94
<b>Total</b>	<b>19</b>	<b>8</b>	<b>3</b>		<b>30</b>	<b>3,505.65</b>	<b>3,550.43</b>	<b>7,056.08</b>

Source: Compilation based on information received from PSUs.

The thrust of PSU investment was mainly on power sector during the last five years. This sector had received as much as 85.73 per cent (₹ 6,049.04 crore) of total investment of ₹ 7,056.08 crore.

3.1.1.8 The investment in different sectors at the end of 31 March 2015 and 31 March 2019 is indicated in the **Chart-3.1.1:**



Keeping in view the high level of investment in Power Sector, we are presenting the results of audit of four Power Sector PSUs in paragraph 3.2 and of the 26 PSUs (other than power sector) in paragraph 3.3 of this Chapter.

<sup>9</sup> Investment includes equity and long term loans.

## PART-I (Power Sector)

### 3.2 *Functioning of Power Sector Undertakings*

#### 3.2.1 *Introduction*

**3.2.1.1** The power sector undertakings play an important role in the economy of the State. Apart from providing a critical infrastructure required for development of the State's economy, the sector also adds significantly to the Gross Domestic Product (GDP) of the State. A ratio of Power Sector PSUs turnover to Gross State Domestic Product (GSDP) shows the extent of activities of these PSUs in the State economy. The **Table-3.2.1** provides the details of turnover of these undertakings and GSDP of Uttarakhand for a period of five years ending 31 March 2019:

**Table-3.2.1: Details of turnover of power sector undertakings vis-à-vis GSDP of Uttarakhand**

<i>(₹ in crore)</i>					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Turnover	4,421.60	5,745.16	5,883.21	6,780.91	7,291.08
GSDP of Uttarakhand	1,61,439	1,77,163	1,95,125	2,22,836	2,45,895
Percentage of Turnover to GSDP of Uttarakhand	2.74	3.24	3.02	3.04	2.97

Source: Compilation based on Turnover figures of power sector PSUs and GSDP figures as per Finance Account 2018-19 of Government of Uttarakhand.

The undertakings recorded continuous increase in their turnover over that of previous years. The increase in turnover ranged between 2.40 *per cent* and 29.93 *per cent* during the period 2014-15 to 2018-19, whereas increase in GSDP of Uttarakhand ranged between 8.29 *per cent* and 14.20 *per cent* during the same period. The compounded annual growth rate of GSDP was 11.09 *per cent* during the period 2014-15 to 2018-19. The compounded annual growth rate is a useful method to measure growth rate over multiple time periods. Against the compounded annual growth rate of 11.09 *per cent* of the GSDP, the turnover of these undertakings recorded higher compounded annual growth rate of 13.32 *per cent* during the period 2014-15 to 2018-19. This resulted in increase in share of turnover of these undertakings to the GSDP from 2.74 *per cent* in 2014-15 to 2.97 *per cent* in 2018-19.

#### 3.2.1.2 *Formation of Power Sector Undertakings*

The Uttar Pradesh State Electricity Board was unbundled on 14 January 2000 into three different entities for carrying out the business of Transmission and Distribution of Electricity in undivided Uttar Pradesh. Consequent to the formation of State of Uttaranchal (09 November 2000), Uttaranchal<sup>10</sup> Power Corporation Limited (UPCL) came into being as successor entity of Uttar Pradesh Power Corporation Limited (UPPCL) to take over the functions of transmission and distribution of electricity in the State. Through the Memorandum of Understanding (13 March 2001) signed between Government of Uttar Pradesh and Government of Uttaranchal, the business was transferred (01 April 2001) to UPCL.

Ministry of Power (MoP), Government of India (GoI), by its order (05 November 2001) notified the methodology for division of assets and liabilities which came into effect from 09 November 2001. As per this scheme, all fixed assets of the undivided power companies situated in the State of Uttaranchal were to be transferred to UPCL and Uttaranchal Jal Vidyut Nigam Limited (UJVNL) as the case may be. The

<sup>10</sup> As per Uttaranchal (Alteration of name) Act, 2006 dated 21 December 2006, the State of Uttaranchal shall be known as the State of Uttarakhand.

movable assets and stores of the field units were to be transferred on the basis of location. Project/assets specific liabilities of the undivided power companies were to be transferred to the successor companies where such project/assets had also been transferred. Those of the liabilities which could not be assigned to any project/assets were to be apportioned between the UPPCL and UPCL and between Uttar Pradesh Jal Vidyut Nigam Limited and UJVNL in the ratio of consumption of power. However, the final transfer scheme for transfer of balances of assets and liabilities has not yet been finalised. (Authority: Note no. 43 (iii) to annual accounts of UJVNL for the year 2018-19).

In Uttarakhand, generation of power is carried out by UJVNL (incorporated on 12 February 2001) and transmission and distribution of power in Uttarakhand is carried out by Uttarakhand Power Corporation Limited (UPCL) which was incorporated on 12 February 2001. On 27 May 2004, the Power Transmission Corporation of Uttarakhand Limited (PTCUL) was formed to maintain and operate 132 KV and above transmission lines and substations in the State. Kishau Corporation Limited<sup>11</sup> is a new company incorporated on 16 January 2017 in the power sector. It had not commenced commercial activities till 31 March 2019.

### **3.2.1.3 Disinvestment, Restructuring and Privatisation of Power Sector Undertakings**

There were no cases of disinvestment, restructuring and privatisation of Power Sector PSUs by the State Government during the year ending 31 March 2019.

### **3.2.1.4 Investment in Power Sector Undertakings**

The activity-wise summary of investment<sup>12</sup> in the power sector undertakings as on 31 March 2019 is given in **Table-3.2.2:**

**Table-3.2.2: Activity-wise investment in power sector undertakings**

Activity	Number of Companies	Investment (₹ in crore)				Total
		Equity	Long term loans			
			GoU	Other		
Generation of Power	2	1,191.00	303.96	1,129.81	2,624.77	
Transmission of Power	1	520.88	17.85	608.50	1,147.23	
Distribution of Power	1	1,428.91	27.04	821.09	2,277.04	
<i>Total</i>	<i>4</i>	<i>3,140.79</i>	<i>348.85</i>	<i>2,559.40</i>	<i>6,049.04</i>	

Source: Compilation based on information received from power sector PSUs.

As on 31 March 2019, the total investment (equity and long term loans) in the four power sector undertakings was ₹ 6,049.04 crore. The investment consisted of 51.92 per cent towards equity and 48.08 per cent in long-term loans.

The loans advanced by the State Government constituted 12.00 per cent (₹ 348.85 crore) of the total long term loans whereas 88.00 per cent (₹ 2,559.40 crore) of the total long term loans were availed from Government of India and other financial institutions. The State Government decided (March 2016) to convert the loan of ₹ 151.13 crore (principal ₹ 77.82 crore and interest thereon ₹ 73.31 crore) into equity of the State DISCOM under Ujjwal DISCOM Assurance Yojana<sup>13</sup> (UDAY)

<sup>11</sup> A Joint Venture between Government of Uttarakhand and Government of Himachal Pradesh for irrigation, power generation and drinking water.

<sup>12</sup> Investment includes equity capital and long term loans extended by GoU.

<sup>13</sup> Scheme launched by Ministry of Power and GoI for financial and operational turnaround of DISCOMs.



scheme. Accordingly, the Company converted GoU loans of ₹ 151.13 crore in 2015-16 and allotted shares to GoU. However, the Finance Department is yet to convert (December 2020) the loan into equity.

### 3.2.1.5 Budgetary Support to Power Sector Undertakings

The Government of Uttarakhand (GoU) provides financial support to the power sector PSUs in various forms through annual budget. The summarised details of budgetary outgo towards equity, loans, grants/subsidies, loans written off and loans converted into equity during the year in respect of power sector undertakings for the last three years ending 31 March 2019 are given in **Table-3.2.3**:

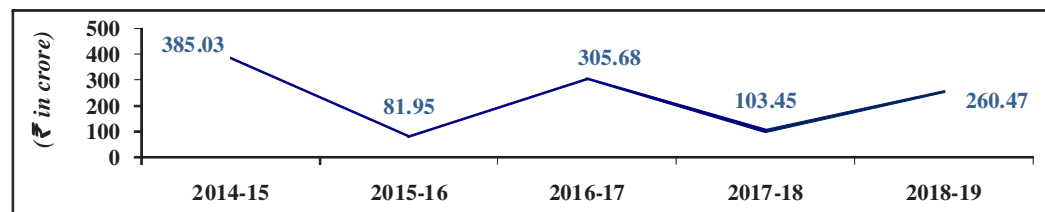
**Table-3.2.3: Details of budgetary support to power sector undertakings during the years**

Particulars <sup>14</sup>	2016-17		2017-18		2018-19	
	Number of PSUs	Amount	Number of PSUs	Amount	Number of PSUs	Amount
Equity Capital (i)	4	130.01	3	53.00	3	193.01
Loans given (ii)	3	129.27	2	35.49	3	53.92
Grants/Subsidy provided (iii)	1	46.40	1	14.96	3	13.54
<b>Total Outgo (i+ii+iii)</b>		<b>305.68</b>		<b>103.45</b>		<b>260.47<sup>15</sup></b>
Loan repayment written off	-	-	-	-	-	-
Loans converted into equity	-	-	-	-	-	-
Guarantees issued	-	-	1	358.31	-	-
<b>Guarantee Commitment</b>	<b>2</b>	<b>988.83</b>	<b>2</b>	<b>894.75</b>	<b>2</b>	<b>445.17</b>

Source: Compilation based on information received from PSUs.

The details of budgetary support towards equity, loans and grants/subsidies for the last five years ending 31 March 2019 are given in a **Chart-3.2.1**:

**Chart-3.2.1: Budgetary support towards Equity, Loans and Grants/Subsidies**



The budgetary assistance received by these power sector PSUs ranged between ₹ 81.95 crore and ₹ 385.03 crore during the period 2014-15 to 2018-19. The grant of ₹ 13.54 crore was given to UJVNL (₹ 7.79 crore for Lakhwar project), PTCUL (₹ 5.65 crore for ADB projects) and UPCL (₹ 0.10 crore as capital grant). MoP, GoI also launched (20 November 2015) UDAY Scheme for operational and financial turnaround of State owned Power Distribution Companies (DISCOMs). The provisions of UDAY and status of implementation of scheme by the DISCOM are discussed in the *paragraph 3.2.1.21* of this chapter. The State Government has not taken over any debt of DISCOM under UDAY scheme. However, loans (including interest) amounting to ₹ 151.13 crore were converted into equity during 2015-16 by UPCL<sup>16</sup> under UDAY scheme but the Finance Department of the State Government

<sup>14</sup> Amount represents outgo from State Budget only.

<sup>15</sup> The budgetary assistance of ₹ 260.47 crore received during the year 2018-19 included ₹ 193.01 crore, ₹ 53.92 crore and ₹ 13.54 crore in the form of equity, loans and grants/subsidy respectively.

<sup>16</sup> Conversion was approved in Board of Directors meeting held on 24 June 2016 wherein Principal Secretary (Energy) as Chairman of the Board and representative of Secretary (Finance) were present.

has not issued orders in this regard (December 2020).

In order to enable PSUs to obtain financial assistance from banks and financial institutions, the State Government provides guarantee and charges guarantee fee of one *per cent* per annum. The Government of Uttar Pradesh had decided (September 2000) to charge guarantee fees at the rate of one *per cent* per annum on the guarantee given by State Government for PSUs seeking financial assistance and the same was adopted by the Uttarakhand Government. The amount of Guarantee commitments outstanding as on 31 March 2017 was ₹988.83 crore which decreased to ₹ 445.17 crore as on 31 March 2019. The guarantee fee payable for the year 2018-19 was ₹ 5.97 crore and guarantee fee paid was ₹ 3.58 crore during the year 2018-19.

### **3.2.1.6 Reconciliation with Finance Accounts of Government of Uttarakhand**

The figures in respect of equity, loans and guarantees outstanding as per records of State PSUs should agree with that of the figures appearing in the Finance Accounts of the GoU. In case the figures do not agree, the concerned PSUs and the Finance Department should carry out reconciliation of the differences. The differences in figures of equity, loans and guarantee as on 31 March 2019 are given in **Table-3.2.4:**

**Table-3.2.4: Equity, Loans and guarantee outstanding as per Finance Accounts vis-à-vis records of power sector undertakings**

(₹ in crore)			
Outstanding in respect of	As per Finance Accounts	As per records of power sector undertakings	Difference
Equity	3,135.80	3,140.79	(-) 4.99
Loan	211.58 <sup>17</sup>	348.85	(-) 137.26
Guarantee	917.79	445.17	472.62 <sup>18</sup>

Source: Compilation based on information received from power sector PSUs and Finance Accounts.

The differences between the figures are persisting since last many years. The issue of reconciliation of differences was also taken up with the PSUs/Departments from time to time. We, therefore, recommend that the State Government and Undertakings should reconcile the differences in a time bound manner.

### **3.2.1.7 Submission of accounts by Power Sector Undertakings**

#### **Timeliness in preparation of accounts by Power Sector Undertakings**

There were four<sup>19</sup> power sector undertakings under the audit purview of C&AG as of 31 March 2019. Accounts for the year 2018-19 were submitted by three<sup>20</sup> working PSUs by 30 September 2019 as per statutory requirement. Details of arrears in submission of accounts of power sector undertakings as on 30 September of each financial year for the last five years ending 31 March 2019 are given in **Table-3.2.5:**

<sup>17</sup> Loan amount is on lower side as old balances of UP Electricity Board (-) ₹ 143 crore shown in Finance accounts which remained unreconciled.

<sup>18</sup> The main reason for decrease in Guarantee is conversion of loan for R-APDRP scheme as per scheme guidelines by UPCL into Grant and repayment of loan which were not depicted in Finance Accounts.

<sup>19</sup> Uttarakhand Power Corporation Limited, Uttarakhand Jal Vidyut Nigam Limited, Power Transmission Corporation of Uttarakhand Limited and Kishau Corporation Limited.

<sup>20</sup> Uttarakhand Power Corporation Limited, Uttarakhand Jal Vidyut Nigam Limited and Power Transmission Corporation of Uttarakhand Limited. Kishau Corporation Limited had not commenced commercial activities till 31 March 2019.

Table-3.2.5: Position relating to submission of accounts of Power Sector Undertakings

Sl. No.	Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
1.	Number of PSUs	3	3	3	4	4
2.	Number of accounts due during current year	5	5	-	4	5
3.	Number of accounts submitted during current year	3	5	3	3	3
4.	Number of PSUs which finalised accounts for the current year	1	3	3	3	3
5.	Number of previous year accounts finalised during current year	2	2	-	-	-
6.	Number of PSUs with arrears in accounts	2	-	-	1	1
7.	Number of accounts in arrears	2	-	-	1	2
8.	Extent of arrears	One year	-	-	One year	Two year

Source: Compilation based on accounts of working PSUs received during the period up to September 2019.

The PSUs except Kishau Corporation Limited have been adhering to the stipulated time lines in submission of their annual accounts during the last three years.

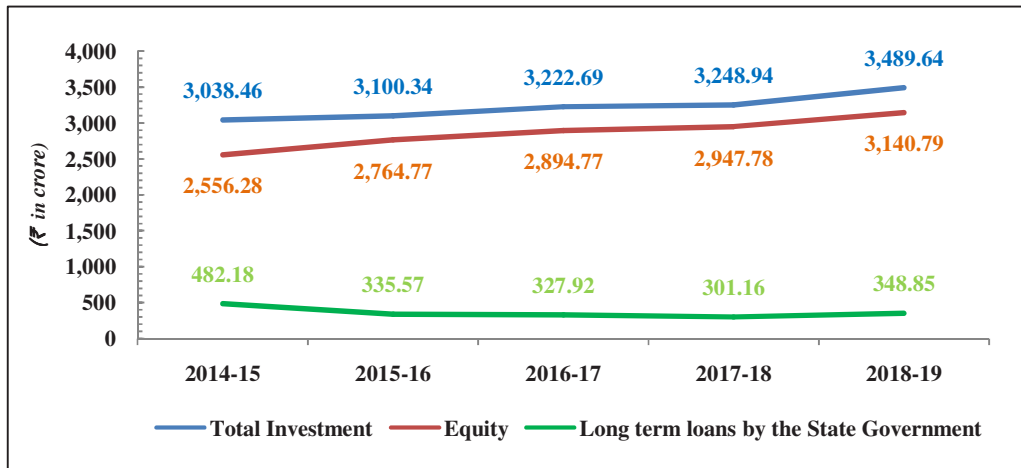
### 3.2.1.8 Performance of Power Sector Undertakings

The financial position and working results of power sector PSUs<sup>21</sup> are detailed in *Appendix-3.2.1* as per their latest finalised accounts as of 30 September 2019.

The PSUs are expected to yield reasonable return on investment made by the Government. The total investment of State Government and others in the working PSUs was ₹ 6,049.04 crore consisting of ₹ 3,140.79 crore as equity and ₹ 2,908.25 crore as long term loans. Out of this, GoU has investment of ₹ 3,489.64 crore in these PSUs consisting of equity of ₹ 3,140.79 crore and long-term loans of ₹ 348.85 crore.

The year wise status of investment of GoU in the form of equity and long term loans in the three working power sector PSUs during the period 2014-15 to 2018-19 is given in **Chart-3.2.2**:

Chart-3.2.2: Total investment of GoU in working power sector undertakings



The profitability of a company is traditionally assessed through return on investment, return on equity and return on capital employed. Return on investment measures the profit or loss made in a fixed year relating to the amount of money invested and is expressed as a percentage of profit to total investment. Return on capital employed is a financial ratio that measures the company's profitability and the efficiency with which its capital is used and is calculated by dividing company's earnings before

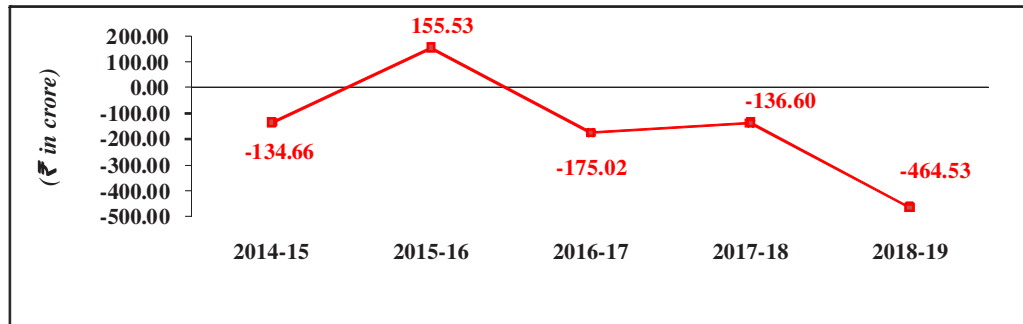
<sup>21</sup> Kishau Corporation Limited had not commenced commercial activities till 31 March 2019 and its first accounts are yet to be received.

interest and taxes by capital employed. Return on Equity is a measure of performance calculated by dividing net profit after taxes by shareholders' funds.

### 3.2.1.9 Return on Investment

Return on investment is the percentage of profit or loss to the total investment. The overall position of profit/losses<sup>22</sup> earned/incurred by three<sup>23</sup> power sector undertakings during 2014-15 to 2018-19 is depicted below in **Chart-3.2.3:**

**Chart-3.2.3: Profit/Loss earned/incurred by Power Sector Undertakings**



The loss incurred by the three PSUs was ₹ 464.53 crore in 2018-19 against losses of ₹ 136.60 crore incurred in 2017-18. According to financial statements for the year 2018-19 of these PSUs, two PSUs earned profit of ₹ 88.70 crore and one PSU incurred loss of ₹ 553.23 crore (*Appendix-3.2.1*). The profit making PSUs were Uttarakhand Jal Vidyut Nigam Limited (₹ 26.24 crore) and Power Transmission Corporation of Uttarakhand Limited (₹ 62.46 crore) while UPCL incurred loss of ₹ 553.23 crore in 2018-19.

#### (a) Return on the basis of historical cost of investment

The State Government infused funds in the form of equity, loans and grants in the three power sector PSUs. The entire equity of these PSUs was contributed by the State Government. Of the long term loans extended by the GoU to these PSUs, no loans were given on interest free basis and no subsidy was given under UDAY scheme.

The return on investment on historical cost basis<sup>24</sup> from these PSUs has been calculated on the investment made by the GoU in the form of Equity and Loans. In the case of loans, only interest free loans are to be considered as investment since the Government does not receive any interest on such loans and are therefore of the nature of equity investment by Government except to the extent that the loans are liable to be re-paid as per terms and conditions of repayment. Funds made available in the form of Grant/subsidy are not to be reckoned as investment.

The investment of the State Government in the Power Sector PSUs has been arrived at by considering equity only. The initial equity of these PSUs did not contain any accumulated losses transferred to them under restructuring scheme, 2000 as referred to in *paragraph 3.2.1.2*.

<sup>22</sup> Figures are as per the latest financial statements during the respective years.

<sup>23</sup> Excluding Kishau Corporation limited which had not commenced commercial activities till 31 March 2019.

<sup>24</sup> Original book value of Investment.

As on 31 March 2019, the investment of State Government in these PSUs was ₹3,489.64 crore consisting of equity of ₹3,140.79 crore and long-term interest bearing loans of ₹348.85 crore.

The return on investment on historical cost basis for the period 2014-15 to 2018-19 is given in **Table-3.2.6:**

**Table-3.2.6: Return on State Government Investment on historical cost basis**

Financial year	Funds <sup>25</sup> infused by the GoU in form of Equity on historical cost basis at the end of the year (₹in crore)	Total Earnings/Losses for the year (₹in crore)	Return on Investment (in per cent)
2014-15	2,556.28	(-)134.66	(-)5.27
2015-16	2,764.77	155.53	5.63
2016-17	2,894.77	(-)175.02	(-)6.05
2017-18	2,947.78	(-)136.60	(-)4.63
2018-19	3,140.79	(-)464.53	(-)14.79

Source: Information furnished by power sector PSUs.

The Return on Investment was negative with the exception of the year 2015-16 in which PTCUL and UJVNL earned profit which was more than the loss of UPCL. UPCL was incurring losses continuously from 2014-15 while profitability of UJVNL also declined during this period except for the year 2015-16. The losses incurred by UPCL brought the overall Return on Investment of power sector PSUs into negative zone.

**(b) Return on Investment on the basis of Rate of Real Return on Government Investment**

In view of the significant investment by Government in the three Power Sector companies, return on such investment is essential from the perspective of State Government. Traditional calculation of return based only on historical cost of investment may not be a correct indicator of the adequacy of the return on the investment since such calculations ignore the present value of money. Therefore, in addition to the calculation of return on funds invested by GoU in the three companies on historical cost basis, the return on investment has also been calculated after considering the Rate of Real Return (RORR) on Government Investments since inception, in all Government companies taken together till 31 March 2019. The investments of Government in all the PSUs in the form of equity, interest free loans, and interest free loans converted into equity and grants/subsidies given by the Government for operational and management expenses less the disinvestments have been identified and indexed to their Present Value (PV) and summated. The RORR thereafter has been calculated by dividing the Profit after Tax (PAT) by the sum of the PV of the investments.

The RORR measures the profitability and efficiency with which equity and a similar non-interest bearing capital have been employed, after adjusting them for their time value, and assumes significance when compared with the conventional Rate of Return (ROR), which is calculated by dividing the PAT by the sum of all such investments counted on historical cost basis. Out of three PSUs, two PSUs<sup>26</sup> had positive RORR on investment during the years 2014-15 to 2018-19.

<sup>25</sup> No interest free loan was given by GoU to power sector undertakings.

<sup>26</sup> PTCUL and UJVNL Limited.

The Present Value (PV) of the State Government investment in power sector undertakings was computed taking the following facts.

- No interest free loan has been infused in the Power Sector PSUs.
- No Grant/Subsidy has been reckoned as investment of GoU.
- No Subsidy was given under UDAY Scheme.

**3.2.1.10** The Company wise position of State Government investment in the three power sector companies in the form of equity and interest free loans since inception of these companies till 31 March 2019 is indicated in **Appendix-3.2.2**. The consolidated position of the PV of the State Government investment relating to the three<sup>27</sup> power sector companies since inception of these companies till 31 March 2019 is indicated in **Table-3.2.7**:

**Table-3.2.7: Year wise details of investment by the state government and present value (PV) of government funds from 2000-01 to 2018-19**

(₹ in crore)

Financial year	Present value of total investment at the beginning of the year	Equity infused by the state government during the year	Interest free loans given by the state government during the year	Total investment during the year	Total investment at the end of the year	Average rate of interest on government borrowings (in percentage)	Present value of total investment at the end of the year	Minimum expected return to recover cost of funds for the year	Total earning for the year <sup>28</sup>
A	B	C	D	E=C+D	F=B+E	G	H=F*(1+G/100)	I=F*G/100	J
2000-01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2001-02	0.00	10.00	0.00	10.00	10.00	8.36	10.84	0.84	(-) 27.62
2002-03	10.84	0.00	0.00	0.00	10.84	10.40	11.97	1.13	(-) 13.80
2003-04	11.97	0.00	0.00	0.00	11.97	8.51	12.99	1.02	(-) 34.73
2004-05	12.99	168.66	0.00	168.66	181.65	9.10	198.18	16.53	(-) 180.75
2005-06	198.18	241.64	0.00	241.64	439.82	7.47	472.67	32.85	(-) 125.29
2006-07	472.67	119.98	0.00	119.98	592.65	7.79	638.82	46.17	(-) 180.25
2007-08	638.82	229.20	0.00	229.20	868.02	7.99	937.37	69.35	(-) 206.65
2008-09	937.37	72.03	0.00	72.03	1,009.40	7.75	1,087.63	78.23	(-) 347.35
2009-10	1,087.63	694.88	0.00	694.88	1,782.51	7.64	1,918.69	136.18	(-) 543.10
2010-11	1,918.69	31.71	0.00	31.71	1,950.40	7.34	2,093.56	143.16	(-) 196.78
2011-12	2,093.56	41.78	0.00	41.78	2,135.34	7.83	2,302.54	167.20	5.33
2012-13	2,302.54	516.35	0.00	516.35	2,818.89	8.50	3,058.50	239.61	8.80
2013-14	3,058.50	258.80	0.00	258.80	3,317.30	7.57	3,568.42	251.12	339.32
2014-15	3,568.42	171.25	0.00	171.25	3,739.67	7.73	4,028.75	289.08	(-) 134.66
2015-16	4,028.75	208.49 <sup>29</sup>	0.00	208.49	4,237.24	8.19	4,584.27	347.03	155.53
2016-17	4,584.27	130.01	0.00	130.01	4,714.28	8.91	5,134.32	420.04	(-) 175.02
2017-18	5,134.32	53.00	0.00	53.00	5,187.32	8.27	5,616.31	428.99	(-) 136.60
2018-19	5,616.31	193.01	0.00	193.01	5,809.32	8.15	6,282.78	473.46	(-) 464.53
<b>Total</b>	<b>3,140.79</b>	<b>0.00</b>	<b>0.00</b>	<b>3,140.79</b>					

Source: Information furnished by power sector PSUs.

The initial equity of PSUs did not contain any accumulated losses transferred to them under restructuring scheme, 2000 as referred to in **paragraph 3.2.1.2**. The balance of investment of the State Government in the power sector PSUs at the end of the year increased to ₹ 3,140.79 crore in 2018-19 from ₹ 10 crore (equity) in 2001-02 as the State Government made further investment in the shape of equity (₹ 3,130.79 crore). The PV of investment of the State Government upto 31 March 2019 worked out to ₹ 6,282.78 crore.

<sup>27</sup> Uttarakhand Power Corporation Limited, Uttarakhand Jal Vidyut Nigam Limited, Power Transmission Corporation of Uttarakhand Limited.

<sup>28</sup> Total earning for the year depicts total of net earnings (profit/loss) for the concerned year relating to those three PSUs (Power Sector) where funds were infused by State Government. In case where annual accounts of any PSU was pending during any year then net earnings (profit/loss) for that year has been taken as per their latest audited accounts of the concerned PSU.

<sup>29</sup> Includes ₹ 151.13 crore loan converted into equity refer **paragraph 3.2.1.4**.

Total Earnings for the year from 2001-02 to 2003-04 depicted net earnings (profit/loss) for the year relating to two PSUs namely UPCL and UJVNL and from 2004-05 onwards depicted net earnings (profit/loss) for the year in respect of three PSUs including Power Transmission Corporation of Uttarakhand Limited. All three PSUs prepared their annual accounts on commercial accounting principle by showing profit/loss for the respective years.

It could be seen that total earnings of these PSUs was negative during 2001-02 to 2018-19 except during the years 2011-12, 2012-13, 2013-14 and 2015-16 which indicates that instead of generating returns on the invested funds Government could not recover its cost of funds. The positive total earning for the year 2011-12, 2012-13 and 2015-16 also remained substantially below the minimum expected return towards the investment made in these companies. During the year 2013-14, the earning was higher than the minimum expected return due to write back of liability of power purchase of UPCL.

Under UDAY scheme, a tripartite MoU amongst MoP, GoI; GoU and UPCL was executed for achieving operational turnaround. However, no subsidy was given to UPCL under UDAY scheme. A comparison of return on investment as per historical cost and present value of such investment during 2018-19 is given in **Table-3.2.8**:

**Table-3.2.8: Return on State Government Funds**

(₹ in crore)

Total Earnings/ Loss (-)	Investment by the GoU in form of Equity <sup>30</sup>	Return on State Government investment on the basis of historical value ( <i>per cent</i> )	Present value of the State Government investment at end of the year	RORR on State Government investment considering the present value of the investments ( <i>per cent</i> )
(-) 464.53	3,140.79	(-) 14.79	6,282.78	(-) 7.39

Source: Information furnished by power sector PSUs.

The returns on investment for the year 2018-19 based on RORR and on historical cost were both negative. Although RORR shows improved results in figures but in fact due to negative returns it depicts distorted results which are not comparable.

### 3.2.1.11 Erosion of Net worth

Net worth means the sum total of the paid-up capital and free reserves and surplus minus accumulated losses and deferred revenue expenditure. Essentially it is a measure of what an entity is worth to the owners. A negative net worth indicates that the entire investment by the owners has been wiped out by accumulated losses and deferred revenue expenditure. The overall accumulated losses of the three power sector PSUs were ₹ 1,979.75 crore as against the capital investment of ₹ 3,140.79 crore resulting in net worth of ₹ 1,161.04 crore. Of the three power sector PSUs, the net worth of UPCL (- ₹ 1,693.04 crore) was eroded completely.

The State Government provided financial support to these PSUs by infusing equity during the period 2015-19. Despite investment of ₹ 1,428.91 crore in UPCL, the accumulated losses of UPCL increased from ₹ 1,955.09 crore in 2014-15 to ₹ 3,121.95 crore in 2018-19 which resulted in negative net worth of ₹ 1,693.04 crore. The net worth of UPCL during 2015-19 were in negative due to losses in all these years. Other two PSUs<sup>31</sup> had positive net worth.

<sup>30</sup> No interest free loans were given to power sector PSUs by State Government.

<sup>31</sup> Uttarakhand Jal Vidut Nigam Limited and Power Transmission Corporation of Uttarakhand Limited.

### 3.2.1.12 Dividend Payout

The State Government had not formulated any dividend policy under which PSUs would be required to pay a minimum return on the paid up share capital contributed by the State Government. Dividend Payout relating to Power Sector PSUs where equity was infused by GoU during the period is shown in **Table-3.2.9:**

**Table-3.2.9: Dividend Payout of Power Sector PSUs during 2014-15 to 2018-19**

(₹ in crore)

Year	Total PSUs where equity infused by GoU		PSUs which earned profit during the year		PSUs which declared/paid dividend during the year		Dividend Payout Ratio (per cent)
	Number of PSUs	Equity infused by GoU	Number of PSUs	Equity infused by GoU	Number of PSUs	Dividend declared/paid by PSUs	
1	2	3	4	5	6	7	8=7/3*100
2014-15	3	2,556.28	2	1,479.38	-	-	-
2015-16	3	2,764.77	2	1,526.74	1	15.18	0.55
2016-17	4	2,894.77	2	1,610.74	2	27.69	0.96
2017-18	4	2,947.78	2	1,641.74	1	27.28	0.93
2018-19	4	3,140.79	2	1,711.87	1 <sup>32</sup>	22.53	0.72

Source: Information furnished by power sector PSUs.

Only one Power Sector PSU (UJVNL) paid/declared dividend during 2015-16 to 2018-19 while Power Transmission Corporation of Uttarakhand Limited paid/declared dividend only during 2016-17. During Exit Conference held in February 2020, the Secretary Finance directed his office to frame a policy for payment of the dividend by profit earning PSUs and to issue directions to Uttarakhand Forest Development Corporation, PTCUL and UJVNL to declare dividend on the profit and deposit the same in State Government Account.

The dividend payout ratio during 2014-15 was nil whereas during 2015-16 to 2018-19, it was nominal ranging between 0.55 per cent and 0.96 per cent. Also, none of these PSUs had declared/paid dividend since their inception till 2014-15.

### 3.2.1.13 Return on Equity

Return on Equity (RoE) is a measure of financial performance to assess how effectively a company's assets are being used to create profits. RoE is calculated by dividing net income (i.e. net profit after taxes) by shareholders' fund. It is expressed as a percentage and can be calculated for any company if net income and shareholders' fund are both positive numbers.

Shareholders' fund is calculated by adding paid up capital and free reserves minus net of accumulated losses and deferred revenue expenditure and reveals how much would be left for a company's stakeholders if all assets were sold and all debts paid. A positive shareholders fund reveals that the company has enough assets to cover its liabilities while negative shareholder equity means liabilities exceed assets.

Return on Equity has been computed in respect of three PSUs where funds had been infused by the State Government. The details of Shareholders fund and RoE relating to the three PSUs during the period from 2014-15 to 2018-19 are given in **Table-3.2.10:**

<sup>32</sup> Uttarakhand Jal Vidyut Nigam Limited.



**Table-3.2.10: Return on Equity relating to three Power Sector PSUs where funds were infused by the GoU**

Year	Net Income (₹ in crore)	Shareholders' Fund (₹ in crore)	ROE (Percentage)
2014-15	(-) 134.66	858.24	--
2015-16	155.53	1,222.26	12.72
2016-17	(-) 175.02	1,049.58	--
2017-18	(-) 136.60	1,083.41	--
2018-19	(-) 464.53	1,161.04	--

Source: Information compiled from financial statements of power sector PSUs.

During the last five years ended March 2019, the Net Income was positive in 2015-16 only, while Shareholders' funds were positive in all the years. Therefore, RoE in respect of these PSUs could not be worked out except for the year 2015-16 wherein RoE was 12.72 per cent. The net income of these PSUs remained negative in the four years due to losses incurred by UPCL. They could not realise their cost of supply of power from tariff<sup>33</sup> charged.

### 3.2.1.14 Return on Capital Employed

Return on Capital Employed (RoCE) is a ratio that measures a company's profitability and the efficiency with which its capital is employed.

RoCE is calculated by dividing a company's Earnings Before Interest and Taxes (EBIT) by the capital employed<sup>34</sup>. The details of RoCE of all the three power sector PSUs during the period from 2014-15 to 2018-19 are given in **Table-3.2.11**:

**Table-3.2.11: Return on Capital Employed**

Year	EBIT (₹ in crore)	Capital Employed (₹ in crore)	RoCE (percentage)
2014-15	75.48	3,334.18	2.26
2015-16	523.76	3,947.20	13.27
2016-17	168.83	4,442.04	3.80
2017-18	211.93	4,444.65	4.77
2018-19	(-) 228.94	4,069.29	(-) 5.63

Source: Information compiled from financial statements of power sector PSUs.

The RoCE ranged between (-) 5.63 per cent and 13.27 per cent during the period 2014-15 to 2018-19. The RoCE of the PSUs exhibited a fluctuating trend. It improved for the year 2015-16 because there was increase in profit of two PSUs<sup>35</sup>. However, RoCE for the year 2018-19 turned negative as EBIT of UPCL decreased from (-) ₹ 36.36 crore in the year 2017-18 to (-) ₹ 433.93 crore.

### 3.2.1.15 Analysis of Long term loans of the Companies

The analysis of the long term loans of the companies which had leverage during 2014-15 to 2018-19 was carried out to assess the ability of the companies to service the debt owned by the power sector PSUs to Government, banks and other financial institutions. This is assessed through the Interest Coverage Ratio and Debt Turnover Ratio.

<sup>33</sup> Tariff means the schedule of charges for supply of electricity approved by Uttarakhand Electricity Regulatory Commission.

<sup>34</sup> Capital employed=Paid up share capital+free reserves and surplus+long term loans-accumulated losses-deferred revenue expenditure. Figures are as per the latest year for which accounts of the PSUs are finalised.

<sup>35</sup> Uttarakhand Jal Vidyut Nigam Limited and Power Transmission Corporation of Uttarakhand Limited.

### 3.2.1.16 Interest Coverage Ratio

Interest coverage ratio is used to determine the ability of a company to pay interest on outstanding debt and is calculated by dividing a company's earnings before interest and taxes (EBIT) by interest expenses of the same period. The lower the ratio, the lesser is the ability of the company to pay interest on debt. An interest coverage ratio of below one indicates that the company was not generating sufficient revenues to meet its expenses on interest. The details of interest coverage ratio in three power sector PSUs which had interest burden during the period from 2014-15 to 2018-19 are given in **Table-3.2.12**:

**Table-3.2.12: Interest coverage ratio**

Year	Interest (₹ in crore)	Earnings before interest and tax (EBIT) (₹ in crore)	Number of PSUs <sup>36</sup> having liability of loans from Government, and other financial institutions	Number of companies having interest coverage ratio more than 1	Number of companies having interest coverage ratio less than 1
2014-15	312.78	75.48	3	2	1
2015-16	339.91	523.76	3	2	1
2016-17	368.88	168.83	3	2	1
2017-18	366.46	211.93	3	2	1
2018-19	240.61	(-) 228.94	3	2	1

Source: Information compiled from financial statements of power sector PSUs.

It was observed that two PSUs<sup>37</sup> have interest coverage ratio of more than one during 2014-15 to 2018-19. One PSU (UPCL) has interest coverage ratio less than one during 2014-15 to 2018-19. Thus, the PSU was not generating sufficient revenue to meet its expenses on interest.

### 3.2.1.17 Debt-Turnover Ratio

During the period 2014-15 to 2018-19, the turnover of power sector PSUs recorded compounded annual growth rate of 13.32 per cent and the compounded annual growth rate of debt was 3.49 per cent due to which the Debt-Turnover Ratio improved from 0.56:1 in 2014-15 to 0.40:1 in 2018-19 as given in **Table-3.2.13**:

**Table-3.2.13: Debt Turnover ratio relating to the Power Sector undertakings**

Particulars	(₹ in crore)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Debt from Government and others (Banks and Financial Institutions)	2,475.94	2,724.94	3,392.46	3,361.23	2,908.25
Turnover	4,421.60	5,745.16	5,883.21	6,780.91	7,291.08
Debt-Turnover Ratio	0.56:1	0.47:1	0.58:1	0.50:1	0.40:1

Source: Information compiled from financial statements of power sector PSUs.

### 3.2.1.18 Assistance under Ujjwal DISCOM Assurance Yojana (UDAY)

The Ministry of Power (MoP), Government of India launched (20 November 2015) Ujjwal DISCOM Assurance Yojana (UDAY) for operational and financial turnaround

<sup>36</sup> One power sector PSU Kishau Corporation Limited has not been considered as its operation did not commence till March 2019.

<sup>37</sup> Uttarakhand Jal Viduyut Nigam Limited and Power Transmission Corporation of Uttarakhand Limited.

of State owned Power Distribution Companies (DISCOMs). As per provisions of UDAY scheme, the participating states were required to undertake amongst others the following measures for operational turnaround.

### **3.2.1.19 Scheme for improving operational efficiency**

The participating States were required to undertake various targeted activities like compulsory feeder and distribution transformer (DT) metering, upgrading or changing transformers and meters, smart metering of all consumers consuming above 200 units per month by 31 December 2019, Demand Side Management (DSM) through energy efficient equipment, quarterly revision of tariff, increase employees engagement, implement consumer service strategy, monitor the performance on monthly basis and assure increased power supply in areas where the AT&C losses have been reduced for improving the operational efficiencies. The timeline prescribed for these targeted activities were required to be followed so as to ensure achievement of the targeted benefits *viz.* ability to track losses at feeder and DT level, identification of loss making areas, reduce technical losses and minimise outages, reduce power theft by enhancing public participation, reduce peak load and energy consumption, *etc.* The outcomes of operational improvements were to be measured through indicators *viz.* phased reduction of AT&C loss to 14.50 *per cent* by the year 2018-19 as per loss reduction trajectory finalised by the MoP and State; and reduction in gap between average cost of supply and average revenue realised to ₹ 0.03 by 2018-19, achieving cent percent Distribution Transformer metering, undertaking energy audit, *etc.*

### **3.2.1.20 Scheme for financial turnaround**

The participating States were required to take over 75 *per cent* of DISCOMs debt as on 30 September 2015 over two years, 50 *per cent* in 2015-16 and 25 *per cent* in 2016-17. The scheme for financial turnaround provided that:

- State will issue non-Statutory Liquidity Ratio bonds and the proceeds realised from issue of such bonds shall be transferred to the DISCOMs which in turn shall discharge the corresponding amount of Banks/FIs debt. The bonds so issued will have a maturity period of 10-15 years with a moratorium on repayment of principal upto 5 years.
- Debt of DISCOM will be taken over in the priority of debt already due, followed by debt with higher cost.
- The transfer to the DISCOM by the State in 2015-16 and 2016-17 will be as a grant which can be spread over three years with the remaining transfer through State loan to DISCOM. In exceptional cases, 25 *per cent* of grant can be given as equity.

### **3.2.1.21 Implementation of the UDAY Scheme**

The status of implementation of the UDAY Scheme in the state is detailed below:

#### **A Achievement of operational parameters**

The achievements *vis-à-vis* targets under UDAY Scheme regarding different

operational parameters relating to the one State DISCOM (UPCL) were as in **Table-3.2.14:**

**Table-3.2.14: Parameter wise achievements vis-à-vis targets of operational performance<sup>38</sup> upto 31 December 2019**

Parameter of UDAY Scheme	Target under UDAY Scheme	Progress under UDAY Scheme	Achievement (in percentage)
Feeder metering (in Nos.)	1,980	1,980	100
<b>Metering at Distribution Transformers (in Nos.)</b>			
Urban	7,569	7,890	104.24
Rural	--	--	--
Feeder Segregation (in Nos.)	60	22	36.67
Rural Feeder Audit (in Nos.)	1,395	989	70.90
Electricity to unconnected household (in lakh Nos.)	21.23	24.94	117.48
Smart metering (in Nos.)	1,98,750	Not yet taken up due to high capital cost and technology related issues.	
Distribution of LED UJALA (in lakh Nos.)	33.82	29.24	86.46
AT & C Losses (in per cent)	14.50	24.32	Not achieved
ACS-ARR Gap (₹ per unit)	0	0.01	Not achieved
Net Income or Profit/Loss including subsidy	34.97	(-) 553.23	Not achieved

Source: State Health Card under UDAY Scheme as per website of the MoP, GoI.

The State has not initiated action for smart metering. Target of feeder segregation were not achieved, whereas the performance of feeder metering, metering at Distribution Transformers in urban areas and providing electricity to unconnected households was extremely encouraging as targets had been achieved/over achieved. The State could not achieve target of AT&C loss reduction of 14.50 per cent by March 2019. According to the MoP, GoI, the State of Uttarakhand stood 23<sup>rd</sup> amongst all the states on the basis of overall achievements made by the State DISCOM under UDAY Scheme upto 31 March 2019.

### **B Implementation of Financial Turnaround**

The GoU or the State DISCOM has not issued any bond for discharging financial liabilities. The GoU conveyed (05 March 2016) its 'in principle' consent to the MoP, GoI to take benefit of the UDAY Scheme. Thereafter, a tripartite Memorandum of Understanding (MoUs) was signed (21 March 2016) between the MoP, GoI, the GoU and the State DISCOM (i.e. UPCL) for operational turnaround. The State Government has not taken over any debt of the DISCOM under the UDAY scheme. However, loans from Uttar Pradesh Government (including interest) amounting to ₹ 151.13 crore were converted into equity during 2015-16 by UPCL<sup>39</sup> under UDAY scheme referred to in **paragraph 3.2.1.4**. Further, against the instruction of GoU to issue State Guarantee bonds to pay loan of ₹ 520.37 crore<sup>40</sup> (as on 30 September 2015) availed from Rural Electrification Corporation, Board of Director of UPCL decided (29 September 2016) not to issue the bonds as loan was carrying lower average rate of interest (eight per cent).

<sup>38</sup> Progressive data.

<sup>39</sup> Conversion was approved in Board of Directors meeting held on 24 June 2016 wherein Principal Secretary (Energy) as Chairman of the board and representative of Secretary (Finance) were present.

<sup>40</sup> Average interest rate of 12 per cent.

**3.2.1.22 Comments on Accounts of Power Sector Undertakings**

Three Power sector Companies<sup>41</sup> forwarded their three audited accounts to the Principal Accountant General during the period from 1 October 2018 to 30 September 2019. All the accounts were selected for supplementary audit. The Audit Reports of Statutory Auditors and supplementary audit conducted by the C&AG indicated that the quality of accounts needs to be improved substantially. The details of aggregate money value of the comments of Statutory Auditors and the C&AG for the accounts of 2016-19 are as in **Table-3.2.15**:

**Table-3.2.15: Impact of audit comments on Power Sector Companies***(₹ in crore)*

Sl. No.	Particulars	2016-17		2017-18		2018-19	
		No. of accounts	Amount	No. of accounts	Amount	No. of accounts	Amount
1.	Decrease in profit	1	4.81	2	120.81	2	372.64
2.	Increase in profit	-	-	-	-	-	0
3.	Increase in loss	1	2.15	1	36.82	1	357.03
4.	Decrease in loss	-	-	-	-	-	0
5.	Non-disclosure of material facts	1	1.93	2	3.75	-	15.43
6.	Errors of classification	3	176.73	3	589.96	2	160.96

Source: Compiled from comments of the Statutory Auditors/C&AG of India in respect of Power Sector PSUs.

During the year 2018-19, the Statutory Auditors had issued qualified certificates on all the accounts. Further, the Statutory Auditors pointed out three instances of non-compliance to the Accounting Standards in one accounts.

**3.2.1.23 Performance Audit and Compliance Audit Paragraphs**

For the Report of the Comptroller and Auditor General of India for the year ended 31 March 2019, one long compliance audit paragraph and four compliance audit paragraphs relating to power sector undertakings were issued to the Principal Secretary of Energy Department, GoU with request to furnish replies within four weeks. Replies on the above paragraphs are still awaited (December 2020). The financial impact of the compliance audit paragraph is ₹ 36.66 crore.

**3.2.1.24 Follow up action on Audit Reports****Replies outstanding**

The Report of the Comptroller and Auditor General of India is the product of audit scrutiny. It is, therefore, necessary that they elicit appropriate and timely response from the executive. All Administrative Departments are required to submit replies/explanatory notes to paragraphs/Performance Audits (PA) included in the Reports of the C&AG of India within a period of three months after their presentation to the Legislature, in the prescribed format, without waiting for any questionnaires from the Committee on Public Undertakings (COPU). The status of explanatory notes is given in **Table-3.2.16**:

<sup>41</sup> One new power sector PSU: Kishau Corporation Limited has not submitted its financial statements as its operation did not commence till March 2019.

**Table-3.2.16: Position of explanatory notes on Audit Reports related to Power Sector PSUs (as on 31 March 2020)**

Year of the Audit Report (PSUs)	Date of placement of Audit Report in the State Legislature	Total Performance Audits (PAs) and Paragraphs related to Power Sector PSUs in the Audit Report		Number of PAs/ Paragraphs for which explanatory notes were not received	
		PAs	Paragraphs	PAs	Paragraphs
2013-14	November 2015	--	03	--	03
2014-15	November 2016	--	03	--	03
2015-16	May 2017	--	--	--	--
2016-17	September 2018	--	03	--	03
2017-18	December 2019	--	01	--	01

Source: Compilation based on the discussion of COPU on the Audit Reports.

Explanatory notes of above audit paragraphs were pending with power department<sup>42</sup> till March 2020.

### 3.2.1.25 Discussion of Audit Reports by COPU

The status of discussion of Performance Audits and paragraphs related to Power Sector PSUs that appeared in Audit Reports (PSUs) by the COPU as on 31 March 2020 was as in **Table-3.2.17**:

**Table-3.2.17: Performance Audits/Paragraphs appeared in Audit Reports vis-à-vis discussed as on 31 March 2020**

Period of Audit Report	Number of Performance Audits/Paragraphs			
	Appeared in Audit Report		Paragraphs discussed	
	Performance Audit	Paragraphs	Performance Audit	Paragraphs
2012-13	01	01	--	--
2013-14	--	03	--	--
2014-15	--	03	--	--
2015-16	--	--	--	--
2016-17	--	03	--	--
2017-18	--	01	--	--

Source: Compilation based on the discussions of COPU on the Audit Reports.

The Audit Reports (PSUs) from the year 2012-13 are pending for discussion.

### 3.2.1.26 Compliance to Reports of COPU

Action Taken Notes (ATNs) on four reports<sup>43</sup> of the COPU presented to the State Legislature in December 2003 and December 2008 had not been received (March 2020) as indicated in **Table-3.2.18**:

**Table-3.2.18: Compliance to COPU Reports**

Year of the COPU Report	Total No. of Reports of COPU	Total number of recommendation in COPU Reports	Number of recommendations where ATNs not received
2005-06	02	03	No ATNs were received.
2009-10	02	15	

Source: Compilation based on COPU Reports.

The above mentioned Reports of COPU contained recommendations in respect of paragraphs pertaining to UPCL which appeared in the Reports of the C & AG of India for the years 1997-1998, 1998-99, 2000-01, 2001-02, 2004-05 and 2005-06. The ATNs on recommendations made in these four COPU Reports were not received till March 2020.

<sup>42</sup> Uttarakhand Power Corporation Limited, Power Transmission Corporation of Uttarakhand Limited and UJVN Limited.

<sup>43</sup> COPU Reports presented before Vidhan Sabha on 11.10.2006 (two reports), 23.03.2011 and 29.09.2011.

## Part-II (Other than Power Sector)

### 3.3 *Functioning of State Public Sector Undertakings (Other than Power Sector)*

#### 3.3.1 *Introduction*

**3.3.1.1** There were 26 State Public Sector Undertakings (PSUs) as on 31 March 2019 functioning in sectors other than Power Sector. These PSUs included 23 Government companies<sup>44</sup> and three Statutory corporations<sup>45</sup>. The Government companies included eight inactive<sup>46</sup> companies which includes seven subsidiary companies<sup>47</sup> owned by other Government companies and one<sup>48</sup> company under liquidation. Thus, there are 18 working companies and eight inactive companies.

The State Government provides financial support to the State PSUs in the shape of equity, loans and grants/subsidy from time to time. Of the 26 State PSUs (other than Power Sector), the State Government invested funds in 18 Government companies and two<sup>49</sup> subsidiary companies only. The State Government did not infuse any funds in five Government companies which were incorporated as subsidiaries of other Government companies and of one Statutory Corporation. Equity of these five subsidiary companies was contributed by the respective Holding companies.

#### 3.3.1.2 *Contribution to Economy of the State*

A ratio of turnover of the PSUs to the Gross State Domestic Product (GSDP) shows the extent of activities of the PSUs in the State economy. The **Table-3.3.1** provides the details of turnover<sup>50</sup> of working State PSUs and GSDP of Uttarakhand for a period

<sup>44</sup> This includes three new PSUs namely Dehradun Smart City Limited; Ecotourism Development Corporation of Uttarakhand; and Uttarakhand Metro Rail, Urban Infrastructure & Building Construction Corporation Limited which were incorporated during March 2017 to September 2017 under Companies Act, 2013 by the State Government.

<sup>45</sup> Audit of Statutory Corporation is governed by their respective legislations. Out of the three Statutory Corporations, C&AG is the sole auditor for Uttarakhand Parivahan Nigam and Uttarakhand Forest Development Corporation. In respect of Uttarakhand Peyjal Sansadhan Vikas Evam Nirman Nigam, the audit was entrusted to the C&AG under section 20 (1) of the C&AG's (DPC) Act, 1971.

<sup>46</sup> Inactive PSU means a Company which has not been carrying on any business or operation, or has not made any significant accounting transaction, or has not filed financial statements and annual returns during the last two financial years.

<sup>47</sup> Trans Cables Limited (Subsidiary of Kumaun Mandal Vikas Nigam limited), Uttar Pradesh Digitals Limited (Subsidiary of Kumaun Mandal Vikas Nigam limited), Kumtron Limited (Subsidiary of Uttar Pradesh Hill Electronics Corporation Limited), Uttar Pradesh Hill Phones Limited (Subsidiary of Uttar Pradesh Hill Electronics Corporation Limited), Uttar Pradesh Hill Quartz Limited (Subsidiary of Uttar Pradesh Hill Electronics Corporation Limited), Garhwal Anusuchit Janjati Vikas Nigam Limited (Subsidiary of Garhwal Mandal Vikas Nigam Limited), Kumaun Anusuchit Janjati Vikas Nigam Limited (Subsidiary of Kumaun Mandal Vikas Nigam Limited). Further, four PSUs namely Garhwal Anusuchit Janjati Vikas Nigam Limited, Kumaun Anusuchit Janjati Vikas Nigam Limited, Trans Cables Limited and Uttar Pradesh Digitals Limited, which were working PSUs upto 2016-17 were included as inactive PSUs for the year 2017-18 onwards as there was no commercial activities in these PSUs.

<sup>48</sup> UPAI Limited.

<sup>49</sup> Garhwal Anusuchit Janjati Vikas Nigam Limited (Subsidiary of Garhwal Mandal Vikas Nigam Limited), Kumaun Anusuchit Janjati Vikas Nigam Limited (Subsidiary of Kumaun Mandal Vikas Nigam Limited).

<sup>50</sup> This does not include four PSUs (One new PSU namely Eco-Tourism Development Corporation Limited, one PSU namely Uttarakhand Alpsankhyak Kalyan Tatha Wakf Vikas Nigam whose first accounts have not been received till date and two PSUs namely UP Hill Phones limited and UP Hill Quartz where details are not available since creation of the State).

of five years ending March 2019:

**Table-3.3.1: Details of turnover of State PSUs vis-à-vis GSDP of Uttarakhand**

Particulars	(₹ in crore)				
	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Turnover</b>	1,319.82	1,428.17	1,440.43	1,990.08	1,980.96
<b>GSDP of Uttarakhand</b>	1,61,439.00	1,77,163.00	1,95,125.00	2,22,836.00	2,45,895.00
<b>Percentage of Turnover to GSDP of Uttarakhand</b>	0.82	0.81	0.74	0.89	0.81

Source: Compilation based on turnover figures of working PSUs (other than power); turnover figures adopted from approved C&AG Audit report upto 2017-18; GSDP figures as per Finance Account 2018-19 of Government of Uttarakhand.

The turnover of these PSUs recorded continuous increase during 2014-15 to 2017-18 but marginally decreased in 2018-19, as per their latest audited accounts available in respective years. The working PSUs recorded turnover of ₹ 1,980.96 crore during the year 2018-19 as per their latest available accounts as on 30 September 2019. The increase in turnover ranged between (-) 0.31 per cent and 38.16 per cent during the period 2014-19, whereas increase in GSDP of the State ranged between 8.29 per cent and 14.20 per cent during the same period. Against the compounded annual growth rate of 11.09 per cent of the GSDP, the turnover of undertakings recorded compounded annual growth rate of 10.67 per cent during last five years. This resulted in marginal decrease in share of turnover of these PSUs to the GSDP from 0.82 per cent in 2014-15 to 0.81 per cent in 2018-19.

### 3.3.1.3 Investment in State PSUs

There are some PSUs which function as instruments of the State Government to provide certain services which the private sector may not be willing to extend due to various reasons. Besides, the Government has also invested in certain business segments through PSUs which function in a competitive environment with private sector undertakings. The position of these State PSUs have therefore been analysed under two major classifications viz. those in the social sector and those functioning in competitive environment. Besides, ten<sup>51</sup> of these State PSUs incorporated to perform some specific activities on behalf of the State Government have been categorised under 'others'. Details of investment made in these 26 State PSUs<sup>52</sup> in form of equity and long term loans upto 31 March 2019 are detailed in **Appendix-3.3.1**.

**3.3.1.4** The sector-wise summary of investment in these State PSUs as on 31 March 2019 is given in **Table-3.3.2**:

<sup>51</sup> Trans Cables Limited (Subsidiary of Kumaun Mandal Vikas Nigam limited), Uttar Pradesh Digitals Limited (Subsidiary of Kumaun Mandal Vikas Nigam limited), Uttar Pradesh Hill Electronics Corporation Limited, Uttarakhand Forest Development Corporation, UPAL, Kumtron Limited (Subsidiary of Uttar Pradesh Hill Electronics Corporation Limited), Uttar Pradesh Hill Phones Limited (Subsidiary of Uttar Pradesh Hill Electronics Corporation Limited), Uttar Pradesh Hill Quartz Limited (Subsidiary of Uttar Pradesh Hill Electronics Corporation Limited), Uttarakhand Metro Rail, Urban Infrastructure and Building Construction Corporation Limited and Dehradun Smart City Limited.

<sup>52</sup> Excluding two PSUs namely Uttarakhand Forest Development Corporation and U.P. Hill Quartz Limited, in which investment (Equity or Long Term Loan) has not been made by State Government.



Table-3.3.2: Sector-wise investment in State PSUs

Sector		Number of PSUs	Investment (₹ in crore)				Total	
			Equity		Long term loans			
			GoU	Other	GoU	Other		
Social Sector	Working	3	26.01	5.99	0.00	2.46	34.46	
	Non-working	2	0.42	0.58	1.17	0.04	2.21	
PSUs in Competitive Environment		Working	11	305.28	15.07	313.06	302.78	936.19
Others	Working	4	9.10	0.05	0.00	0.00	9.15	
	Non-working	6	0.17	2.19	4.15	18.52	25.03	
<b>Total</b>		<b>26</b>	<b>340.98</b>	<b>23.88</b>	<b>318.38</b>	<b>323.80</b>	<b>1,007.04</b>	

Source: Compilation based on information provided by PSUs.

As on 31 March 2019, the total investment (equity and long term loans) in these PSUs was ₹ 1,007.04 crore (₹ 979.80 crore in working PSUs and ₹ 27.24 crore in non-working PSUs). The investment consisted of 36.23 per cent towards equity (99.08 per cent in working PSUs and 0.92 per cent in non-working PSUs) and 63.77 per cent in long-term loans (96.28 per cent in working PSUs and 3.72 per cent in non-working PSUs). The long term loans advanced by the GoU constituted 49.58 per cent (₹ 318.38 crore) of the total long term loans (98.33 per cent in working PSUs and 1.67 per cent in non-working PSUs) whereas 50.42 per cent (₹ 323.80 crore) of the total long term loans (94.27 per cent in working PSUs and 5.73 per cent in non-working PSUs) were availed from other financial institutions.

The investment has grown by 26.75 per cent from ₹ 794.50 crore in 2014-15 to ₹ 1,007.04 crore in 2018-19. There was addition of ₹ 161.04 crore towards equity and ₹ 51.50 crore in long term loans.

### 3.3.1.5 Disinvestment, restructuring and privatisation of State PSUs

During the year 2018-19, no disinvestment, restructuring or privatisation was done by the State Government in these PSUs.

### 3.3.1.6 Budgetary Support to State PSUs

The GoU provides financial support to State PSUs in various forms through annual budget. The summarised details of budgetary outgo towards equity, loans, grants/subsidies, loans written off and loans converted into equity during the year in respect of the State PSUs for the last three years ending March 2019 are given in the

#### Table-3.3.3:

Table-3.3.3: Details regarding budgetary support to State PSUs during the years

Particulars <sup>53</sup>	2016-17		2017-18		2018-19	
	Number of PSUs	Amount	Number of PSUs	Amount	Number of PSUs	Amount
Equity Capital outgo (i)	2	78.42	4	63.02	3	1.52 <sup>54</sup>
Loans given (ii)	-	-	-	-	2	3.01 <sup>55</sup>
Grants/Subsidy provided (iii)	5	490.80	5	649.21	9	1,203.90
Total Outgo (i+ii+iii)	-	569.22	-	712.23	-	1,208.43
Loan repayment written off	-	-	-	-	2	(-) 3.19
Loans converted into equity	-	-	-	-	-	-
Guarantees issued	1	6.25	-	-	2	2.46
Guarantee Commitment	1	0.19	1	0.67	5	266.69

Source: Compilation based on information provided by PSUs.

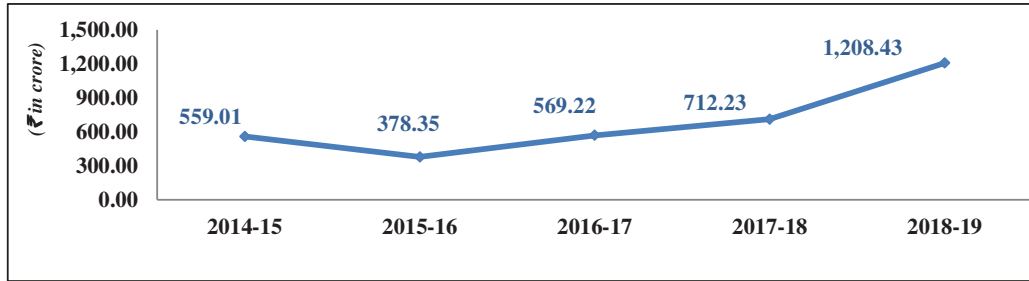
The details regarding budgetary outgo towards equity, loans and grants/subsidies for the last five years ending March 2019 are given in the **Chart-3.3.1:**

<sup>53</sup> Amount represents outgo from State Budget only.

<sup>54</sup> Equity includes capital ₹ 0.50 crore was infused by the GoU in Uttarakhand Alpsankhyak Kalyan Tatha Wakf Vikas Nigam and ₹ 1.02 crore in Uttarakhand Bahuddeshiya Vitta Evam Vikas Nigam Limited.

<sup>55</sup> Kiccha Sugar Company Limited (₹ 3.00 crore) and Uttarakhand Peyjal Sansadhan Vikas Evam Nirman Nigam (₹ 0.01 crore).

Chart-3.3.1: Budgetary outgo towards Equity, Loans and Grants/Subsidies



- The annual budgetary assistance to these PSUs ranged between ₹ 378.35 crore and ₹ 1,208.43 crore during the period 2014-15 to 2018-19. The budgetary assistance of ₹ 1,208.43 crore given during the year 2018-19 included ₹ 1.52 crore and ₹ 1,203.90 crore in the form of equity and grants/subsidy respectively. The State Government provided ₹ 3.01 crore as loan assistance to these PSUs during 2018-19. The State Government gave subsidy of ₹ 123.76 crore to Doiwala Sugar Company Limited (₹ 55.29 crore) and Kichha Sugar Company Limited (₹ 68.47 crore) for payment of sugarcane prices to farmers and grants of ₹ 956.78 crore were provided to Uttarakhand Peyjal Sansadhan Vikas Evam Nirman Nigam to create infrastructure of sewerage and water supply including ₹ 98 crore as revenue grant.
- In order to enable PSUs to obtain financial assistance from banks and financial institutions, GoU provides guarantee and charges guarantee fee of one *per cent* per annum. The Government of Uttar Pradesh had directed (September 2000) that guarantee fees be charged at the rate of one *per cent* per annum on the guarantee given by the State Government for PSUs seeking financial assistance. The same orders were adopted by the Uttarakhand Government. The amount of guarantee commitments outstanding as on 31 March 2015 was nil and it stood at ₹ 266.69 crore<sup>56</sup> as on 31 March 2019. During the year 2018-19, no guarantee commission was paid by the PSUs.

### 3.3.1.7 Reconciliation with Finance Accounts of Government of Uttarakhand

The figures in respect of equity, loans and guarantees outstanding as per records of State PSUs should agree with that of the figures appearing in the Finance Accounts of the GoU. In case the figures do not agree, the concerned PSUs and the Finance Department should carry out reconciliation of the differences. The details of unreconciled differences as on 31 March 2019 are given in the **Table-3.3.4:**

**Table-3.3.4: Equity, loans, guarantees outstanding as per Finance Accounts of Government of Uttarakhand vis-à-vis records of State PSUs**

Outstanding in respect of	Amount as per Finance Accounts	Amount as per records of State PSUs	Difference
Equity	266.65	340.98	(-) 74.33
Loans	167.11	318.38	(-) 151.27
Guarantees	9.22	266.69	(-) 257.47

Source: Compilation based on information provided by PSUs and approved Finance Accounts.

<sup>56</sup> State Infrastructure and Industrial Development Corporation of Uttarakhand Limited (₹ 180.75 crore), Doiwala Sugar Company Limited (₹ 57.20 crore), Kiccha Sugar Company Limited (₹ 20.88 crore), Uttarakhand Alpsankhyak Kalyan Tatha Wakf Vikas Nigam (₹ 2.42 crore) and Uttarakhand Bahuddeshiya Vitta Evam Vikas Nigam Limited (₹ 5.44 crore).

The differences between the figures are persisting since last many years. The issue of reconciliation of differences was also taken up with the respective PSUs/Departments from time to time. The non-reconciliation of figures may lead to fraud and leakage of public money apart from violation of the provisions of the relevant statutes. We recommend that the State Government and respective PSUs should reconcile the differences in a time bound manner.

### **Submission of accounts by State PSUs**

Out of these 26 PSUs, 18 are working PSUs (15 Companies and three Statutory Corporations) and eight are inactive as of 31 March 2019. The status of timelines followed by the State PSUs in preparation of accounts is as detailed under:

#### **3.3.1.8 Timeliness in preparation of accounts by the working State PSUs**

Accounts for the year 2018-19 were required to be submitted by all the working PSUs by 30 September 2019. However, none of the working Government companies submitted their accounts for the year 2018-19 except one PSU<sup>57</sup> for audit by C&AG on or before 30 September 2019. The C&AG is the sole auditor for only two out of the three Statutory corporations, Uttarakhand Parivahan Nigam and Uttarakhand Forest Development Corporation (UFDC). The audit of Uttarakhand Peyjal Sansadhan Vikas Evam Nirman Nigam has been entrusted to the C&AG under Section 20 (1) of the C&AG's (DPC) Act, 1971. None of the Statutory corporations presented their accounts for the year 2018-19 for audit up to 30 September 2019.

Details of arrears in submission of accounts of working PSUs as on 30 September 2019 are given in **Table-3.3.5**:

**Table-3.3.5: Position relating to submission of accounts by the working State PSUs**

Sl. No.	Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
1.	Number of PSUs	18	18	19 <sup>58</sup>	18 <sup>59</sup>	18
2.	Number of accounts due during the year	183	176	187	78	84
3.	Number of accounts submitted during current year	07	19	37	12	15
4.	Number of working PSUs which finalised accounts for the current year	Nil	Nil	Nil	Nil	01 <sup>60</sup>
5.	Number of previous year accounts finalised during current year	07	19	37	12	14
6.	Number of working PSUs with arrears in accounts	18	18	19	18	17
7.	Number of accounts in arrears	176	157	150 <sup>61</sup>	66	69
8.	Extent of arrears	One to twenty eight years	One to twenty nine years	One to Thirty years	One to thirteen years	One to fourteen Years

Source: Compilation based on accounts of PSUs received during the period October 2018 to September 2019.

During the period 1 October 2018 to 30 September 2019, 12 out of the 18 working State PSUs had finalised 14 annual accounts. Further, for 17 PSUs, 69 annual accounts were in arrears which have been detailed in **Appendix-3.3.2**. The

<sup>57</sup> Dehradun Smart City Limited.

<sup>58</sup> During 2016-17, one PSU namely Uttarakhand Alpsankhyak Kalyan Tatha Wakf Vikas Nigam which was incorporated in 2005-06 was included in the list of PSUs. 13 accounts of the PSUs have been included in the arrears accounts as the first account of the company is yet to be received till date.

<sup>59</sup> Four working PSUs considered as Inactive PSUs and the details in this regard have been included in the **Table-3.3.6**. Further, three new PSUs namely *i.e.* Dehradun Smart City Limited, Ecotourism Development Corporation of Uttarakhand, Uttarakhand Metro Rail, Urban Infrastructure & Building Construction Corporation Limited are included.

<sup>60</sup> Dehradun Smart City Limited.

<sup>61</sup> 90 accounts (up to 2016-17) of four companies transferred to inactive PSUs **Table-3.3.6**.

Administrative Departments have the responsibility to oversee the activities of these entities and to ensure that the accounts are finalised and adopted by these PSUs within the stipulated period. The Government was reminded at timely intervals by the Principal Accountant General (Audit) Uttarakhand regarding arrears in finalisation of accounts.

The GoU had provided ₹ 1,205.43 crore (Loan: ₹ 12.81 crore, Subsidy: ₹ 1,192.62 crore) to nine<sup>62</sup> of the 17 working PSUs, accounts of which had not been finalised by 30 September 2019 as prescribed under the Companies Act 2013, whereas no investment was made in eight PSUs during the period for which accounts are in arrears. PSU wise details of investment made by State Government during the years for which accounts are in arrears are given in **Appendix-3.3.2**. However, four accounts of four<sup>63</sup> of these working State PSUs for the period 2018-19 and two<sup>64</sup> accounts of two of these working State PSUs for the period 2016-17 and 2017-18 were finalised and submitted for audit during the period from October 2019 to February 2020 whereas 63 accounts pertaining to 12 working State PSUs were awaited till March 2020.

In the absence of timely finalisation of accounts and their subsequent audit in remaining 12 PSUs, it could not be ensured whether the investments and expenditure incurred had been properly accounted for and the purpose for which the amount was invested was achieved. The GoU investment in these PSUs, therefore, remained outside the control of State Legislature.

### **3.3.1.9 Timeliness in preparation of accounts by inactive State PSUs**

There were arrears in finalisation of accounts by eight inactive PSUs, detailed in **Table-3.3.6**. Out of these eight PSUs, one PSU (UPAI Limited) was under liquidation since March 1991.

**Table-3.3.6: Position relating to arrears of accounts in respect of inactive PSUs**

Sl. No.	Name of inactive companies	Period for which accounts were in arrears
1.	UPAI Limited (under liquidation since 31.03.1991)	1989-90 to 2018-19
2.	Trans Cables Limited (Subsidiary of Kumaun Mandal Vikas Nigam limited)	2000-01 to 2018-19
3.	Uttar Pradesh Digitals Limited (Subsidiary of Kumaun Mandal Vikas Nigam limited)	1997-98 to 2018-19
4.	Kumtron Limited (Subsidiary of Uttar Pradesh Hill Electronics Corporation Limited)	1990-91 to 2018-19
5.	Uttar Pradesh Hill Phones Limited (Subsidiary of Uttar Pradesh Hill Electronics Corporation Limited),	1987-88 to 2018-19
6.	Uttar Pradesh Hill Quartz Limited (Subsidiary of Uttar Pradesh Hill Electronics Corporation Limited)	1989-90 to 2018-19
7.	Garhwal Anusuchit Janjati Vikas Nigam Limited (Subsidiary of Garhwal Mandal Vikas Nigam Limited),	2001-02 to 2018-19
8.	Kumaun Anusuchit Janjati Vikas Nigam Limited (Subsidiary of Kumaun Mandal Vikas Nigam Limited).	1987-88 to 2018-19

Source: Compilation based on accounts of PSUs received during the period October 2018 to September 2019.

<sup>62</sup> Uttarakhand Bahuddeshiya Vitta Evam Vikas Nigam Limited, Uttar Pradesh Hill Electronics Corporation Limited, Kichha Sugar Company Limited, Doiwala Sugar Company Limited, Uttaranchal Project Development and Construction Corporation Limited, Kumaun Mandal Vikas Nigam Limited, Uttarakhand Alpsankhyak Kalyan Tatha Wakf Vikas Nigam, Uttarakhand Metro Rail, Urban Infrastructure and Building Construction Corporation Limited and Uttarakhand Peyjal Sansadhan Vikas Evam Nirman Nigam.

<sup>63</sup> Doiwala Sugar Company Limited, Kichha Sugar Company Limited, Uttaranchal Project Development and Construction Corporation Limited and Uttarakhand Metro Rail, Urban Infrastructure and Building Construction Limited.

<sup>64</sup> State Industrial Infrastructure Construction Corporation Limited (2016-17) and Bridge, Ropeway, Tunnel and Other Infrastructure Development Corporation of Uttarakhand Limited (2017-18).

None of these inactive PSUs except Garhwal Anusuchit Janjati Vikas Nigam Limited<sup>65</sup> submitted their accounts up to March 2020.

### 3.3.1.10 Placement of Separate Audit Reports of Statutory Corporations

Separate Audit Reports (SARs) are audit reports of the C&AG on the accounts of Statutory Corporations. These reports are to be laid before the Legislature as per the provisions of the respective Acts. All three working Statutory Corporations had not forwarded their accounts of the year 2018-19 by 30 September 2019.

Status of annual accounts of Statutory Corporations and placement of their SARs in legislature is detailed in the **Table-3.3.7:**

**Table-3.3.7: Status of placement of SAR of the Statutory Corporations**

Name of the Corporation	Year of Accounts	Month of placement of SAR
Uttarakhand Forest Development Corporation	2014-15 to 2017-18	Yet to be placed
Uttarakhand Parivahan Nigam	2010-11 to 2015-16	Yet to be placed
Uttarakhand Peyjal Sansadhan Vikas Evam Nirman Nigam	2016-17 and 2017-18	Yet to be placed

Source: Compilation based on information provided by the Statutory Corporations.

### 3.3.1.11 Impact of non-finalisation of accounts of State PSUs

As pointed in *paragraph 3.3.1.8*, the delay in finalisation of accounts may also result in risk of fraud and leakage of public money apart from violation of the provisions of the relevant statutes. In view of the above state of arrears of accounts, the actual contribution of the PSUs to GSDP for the year 2018-19 could not be ascertained and their contribution to State exchequer was also not reported to the State Legislature.

It is, therefore, recommended that the Administrative Department should strictly monitor and issue necessary directions to liquidate the arrears in accounts. The Government may also look into the constraints in preparing the accounts of the PSUs and take necessary steps to liquidate the arrears in accounts.

### 3.3.1.12 Performance of working State PSUs

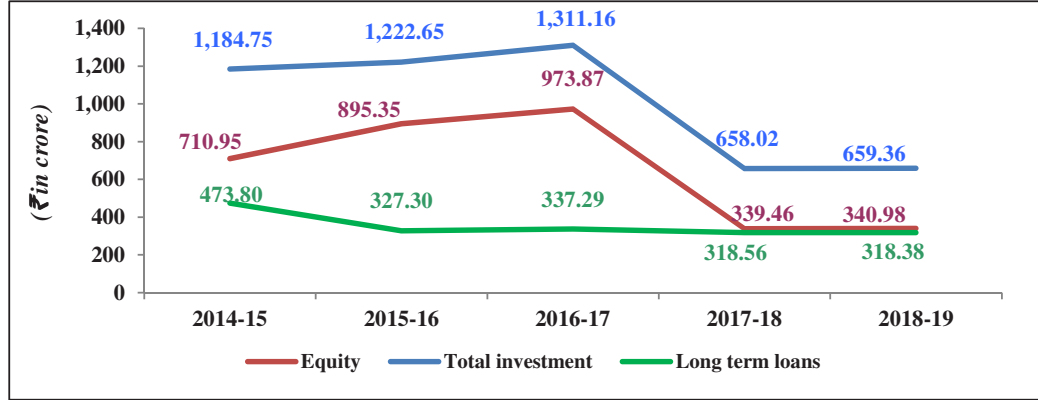
The financial position and working results of the 26 State PSUs are detailed in *Appendix-3.3.3* as per their latest finalised accounts as of 30 September 2019.

The Public Sector Undertakings are expected to yield reasonable return on investment made by Government in the PSUs. The total investment of the State Government and others in PSUs was ₹ 1,007.04 crore consisting of equity of ₹ 364.86 crore and long term loans of ₹ 642.18 crore. Out of this, GoU has investment of ₹ 659.36 crore, consisting of ₹ 340.98 crore as equity and ₹ 318.38 crore as long term loans.

The year wise statement of investment of GoU in the PSUs sector during the period 2014-15 to 2018-19 is as detailed in **Chart-3.3.2:**

<sup>65</sup> Seven accounts from 1994-95 to 2000-01 submitted in October 2019.

Chart-3.3.2: Total investment of GoU in PSUs (other than power sector)

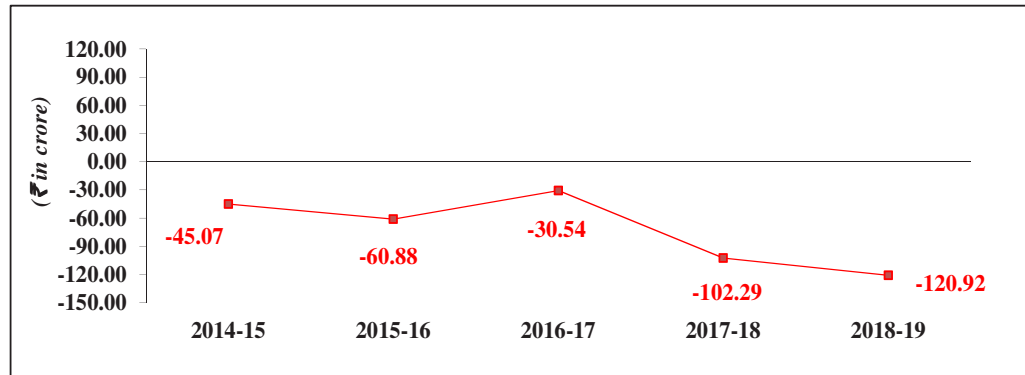


The profitability of a company is traditionally assessed through return on investment and return on capital employed. Return on investment measures the profit or loss made in a fixed year relating to the amount of money invested and is expressed as a percentage of net profit to total investment. Return on capital employed is a financial ratio that measures the company's profitability and the efficiency with which its capital is used and is calculated by dividing company's earnings before interest and taxes by capital employed.

### 3.3.1.13 Return on Investment

The Return on investment is the percentage of profit or loss to the total investment. The overall position of profit/losses<sup>66</sup> earned/incurred by the 16 working PSUs of the State during 2014-15 to 2018-19 is depicted in **Chart-3.3.3**:

Chart-3.3.3: Profit/Losses earned/incurred by 16 working PSUs during the years



The loss of ₹ 45.07 crore incurred by the working PSUs in 2014-15 increased to ₹ 120.92 crore in 2018-19 due to substantial increase in loss of Kiccha Sugar Company Limited and Doiwala Sugar Company Limited. According to latest finalised accounts of these working State PSUs, five PSUs earned profit of ₹ 17.36 crore and ten PSUs incurred losses of ₹ 138.28 crore as detailed in **Appendix-3.3.3**. One PSU namely Dehradun Smart City Limited remained on Break Even Point (No profit no loss during the year).

The top profit making PSUs were Uttarakhand Purv Sainik Kalyan Nigam Limited (₹ 8.60 crore) and State Industrial Development Corporation of Uttarakhand Limited

<sup>66</sup> Figures are as per the latest finalised accounts of the respective years.

(₹ 6.45 crore) while Doiwala Sugar Company Limited (₹ 46.29 crore) and Kichha Sugar Company Limited (₹ 50.71 crore) incurred heavy losses.

Position of working PSUs which earned/incurred profit/loss during 2014-15 to 2018-19 is given in the **Table-3.3.8:**

**Table-3.3.8: Details of working Public Sector Undertakings which earned/incurred profit/loss during 2014-15 to 2018-19**

Financial year	Total number of PSUs	Number of PSUs which earned profits during the year	Number of PSUs which incurred loss during the year	Number of PSUs which had marginal <sup>67</sup> profit/loss during the year
2014-15	14	07	06	01
2015-16	14	06	07	01
2016-17	14	06	07	01
2017-18	14	05	08	01
2018-19	16 <sup>68</sup>	05	09	01

### 3.3.1.14 Return on Investment on historical cost basis

The State Government has infused funds in the form of equity, long term loans and grants/subsidies in 16 PSUs<sup>69</sup> only. The Government has invested ₹ 693.14 crore in these PSUs consisting of equity of ₹ 332.79 crore and long term loans of ₹ 360.35 crore.

The funds made available as grants<sup>70</sup>/subsidy have not been reckoned as investment since they do not qualify to be considered as investment. Out of the total long term loans, only interest free loans have been considered as investment. However, in cases where interest free loans have been repaid by the PSUs, the value of investment based on historical cost and Present Value (PV) was calculated on the reduced balances of interest free loans over the period as detailed in **Appendix-3.3.5.**

The total of the long term loans released during the period (2014-15 to 2018-19) was ₹ 360.35 crore, out of which ₹ 186.62 crore was interest free loans based on the reduced balances of interest free loans. Thus, the total investment of the State Government in these 16 PSUs on the basis of historical cost was ₹ 519.41 crore (₹ 332.79 crore as equity + ₹ 186.62 crore as interest free loans).

The return on investment on the basis of historical cost of investment for the period 2014-15 to 2018-19 is furnished in the **Table-3.3.9:**

**Table-3.3.9: Return on State Government Funds on the basis of historical cost**

Year wise Sector-wise Break-up	Total Earnings	Funds invested by the GoU in form of Equity and Interest Free Loans on historical cost	Return on State Government investment on historical cost basis (percentage)
<b>2014-15</b>			
Social Sector	5.91	17.04	34.68
Competitive Sector	(-) 87.53	483.95	(-) 18.09
Others	36.55	8.95	408.38
<b>Total</b>	<b>(-) 45.07</b>	<b>509.94</b>	<b>(-) 8.84</b>
<b>2015-16</b>			
Social Sector	7.26	17.44	41.63
Competitive Sector	(-) 104.69	492.00	(-) 21.28
Others	36.55	8.95	408.38
<b>Total</b>	<b>(-) 60.88</b>	<b>518.39</b>	<b>(-) 11.74</b>

<sup>67</sup> Profit/Loss below ₹ 50,000.

<sup>68</sup> One PSU namely Dehradun Smart City Limited remained at break-even point (no profit no loss) during the year.

<sup>69</sup> Two companies had not submitted their first accounts up to September 2019.

<sup>70</sup> In case of Uttarakhand Peyjal Sansadhan Vikas Evam Nirman Nigam, State Government is providing capital grant for creation of assets. Hence, it has been considered as investment.

<b>2016-17</b>			
Social Sector	6.26	17.44	35.89
Competitive Sector	(-) 49.06	491.85	(-) 9.97
Others	12.26	8.95	136.98
<b>Total</b>	<b>(-) 30.54</b>	<b>518.24</b>	<b>(-) 5.89</b>
<b>2017-18</b>			
Social Sector	7.56	17.44	43.35
Competitive Sector	(-) 127.95	491.85	(-) 26.01
Others	18.10	9.10	198.90
<b>Total</b>	<b>(-) 102.29</b>	<b>518.39</b>	<b>(-) 19.73</b>
<b>2018-19</b>			
Social Sector	9.46	18.46	51.25
Competitive Sector	(-) 120.67	491.85	(-) 24.53
Others	(-) 9.71	9.10	(-) 106.70
<b>Total</b>	<b>(-) 120.92</b>	<b>519.41</b>	<b>(-) 23.28</b>

Source: Compilation from financial statements and information provided by PSUs.

The return on State Government investment is worked out by dividing the total earnings<sup>71</sup> of these PSUs by the cost of the State Government investments. The return on the State Government investment was negative in the period 2014-15 to 2018-19. It ranged between (-) 5.89 per cent and (-) 23.28 per cent. The return on State Government investment further went down during 2018-19 in comparison to that for the period 2017-18 mainly due to increase in loss of Doiwala Sugar Company Limited (₹ 46.29 crore) and Kichha Sugar Company Limited (₹ 50.71 crore) during the year 2018-19.

### **3.3.1.15 Return on Investment on the basis of Rate of Real Return on Government Investment**

An analysis of the earnings *vis-à-vis* investments in respect of those 16 State PSUs where funds had been infused by the State Government was carried out to assess the profitability of these PSUs. Traditional calculation of return based only on the basis of historical cost of investment may not be a correct indicator of the adequacy of the return on the investment since such calculations ignore the present value of money. Therefore, in addition to the calculation of return on funds invested by GoU in these 16 PSUs on historical cost basis, the return on investment has also been calculated after considering the Rate of Real Return (RORR) on Government Investments since inception, in all Government companies (except Government controlled other companies) taken together up to 31 March 2019. The investments of Government in all the PSUs in the form of equity, interest free loans, interest free loans converted into equity and grants/subsidies given by the Government for operational and management expenses less the disinvestments have been identified and indexed to their Present Value (PV) and summated. The RORR thereafter has been calculated by dividing the Profit after Tax (PAT) by the sum of the PV of the investments.

The RORR measures the profitability and efficiency with which equity and a similar non-interest bearing capital have been employed, after adjusting them for their time value, and assumes significance when compared with the conventional Rate of Return (ROR), which is calculated by dividing the PAT by the sum of all such investments counted on historical cost basis.

During the period from 2014-15 to 2018-19, these 16 PSUs had a negative return on investment. The return on investment for five years have been calculated and depicted on the basis of RORR.

<sup>71</sup> This includes net profit/losses for the concerned year relating to those State PSUs where the investments have been made by the State Government.



The present value (PV) of the State Government investment in these PSUs was computed on the following assumptions:

- Interest free loans have been considered as fund infusion by the State Government. However, in case of repayment of loans by the state PSUs, the PV was calculated on the reduced balances of interest free loans over the period. The funds made available in the form of grant/subsidy for operational and administrative expenditure have been reckoned as investment.
- The average rate of interest on government borrowings for the concerned financial year<sup>72</sup> was adopted as compounded rate for arriving at Present Value since they represent the cost incurred by the government towards investment of funds for the year.

For the years 2014-15 to 2018-19 when these PSUs incurred losses, a more appropriate measure of performance is the erosion of net worth due to the losses. The erosion of net worth of the PSUs is commented upon in *paragraph 3.3.1.18*.

**3.3.1.16** PSU wise position of State Government investment in these 16 State PSUs in the form of equity and loans on historical cost basis for the period from 2001-02 to 2018-19 is indicated in *Appendix-3.3.4*. Further, consolidated position of NPV of the State Government investment relating to these PSUs for the same period is indicated in *Appendix-3.3.5*.

The balance of investment by the State Government in these PSUs at the end of the year increased to ₹ 844.74 crore<sup>73</sup> in 2018-19 from ₹ 46.70 crore in 2001-02 as the State Government made further investments in form of equity (₹ 286.09 crore) and interest free loans (₹ 186.62 crore) during the period 2001-02 to 2018-2019. The PV of funds infused by the State Government upto 31 March 2019 was ₹ 1,560.91 crore.

During the period 2001-02 to 2018-19, total earnings for the year 2001-02 to 2005-06 remained negative and recovery of cost of funds infused by GoU in these PSUs was not there. This was due to three PSUs<sup>74</sup> incurring substantial losses during these years. Similarly during 2011-12 to 2017-18, four PSUs<sup>75</sup> incurred substantial losses. Further, profit earned by one PSU<sup>76</sup> during the period 2006-07 to 2010-11 had set off losses incurred by other PSUs which resulted in total earning turning positive.

Further, analysis of two profit making PSUs *i.e.* State Infrastructure and Industrial Development Corporation of Uttarakhand Limited (SIIDCUL) and UFDC which earned profit from 2004-05 to 2015-16 and from 2014-15 to 2017-18 respectively revealed that these PSUs could register profits because of their advantage in the market. SIIDCUL earned income from activities connected to development and

<sup>72</sup> The average rate of interest on government borrowings was adopted from the Reports of the C&AG of India on State Finances of Government of Uttarakhand for the concerned year wherein the calculation for the average rate for interest paid = Interest Payment/[(Amount of previous year's Fiscal Liabilities + Current year's Fiscal Liabilities)/2]\*100.

<sup>73</sup> ₹ 844.74 crore = ₹ 332.79 crore (Equity) + ₹ 186.62 crore (Interest Free Loan) + ₹ 325.33 crore (Grants/subsidies for operational and administrative expenditure).

<sup>74</sup> Doiwala Sugar Company Ltd. Kiccha Sugar Company Ltd. and Uttarakhand Parivahan Nigam.

<sup>75</sup> Uttarakhand Seeds and Tarai Development Corporation, Doiwala Sugar Company Ltd., Kiccha Sugar Company Ltd. and Uttarakhand Parivahan Nigam.

<sup>76</sup> State Infrastructure and Industrial Development Corporation of Uttarakhand Ltd.

allotment of industrial plots/land and UFDC earned significant revenue from sale of timber and mining activity.

**3.3.1.17** During the years 2014-15 to 2018-19, the government had negative returns on investments made in these PSUs. Sector-wise comparison of returns on State Government funds at historical cost and at present value for these years is given in **Table-3.3.10:**

**Table-3.3.10: Return on State Government Funds**

(₹ in crore)

Year wise Sector-wise Break-up	Total Earnings	Funds invested by the GoU in form of Equity and Interest Free Loans on historical cost	Return on State Government investment on historical cost basis (percentage)	PV of the State Government investment at end of the year	RORR on State Government investment considering the present value of the investments (percentage)
<b>2014-15</b>					
Social Sector	5.91	17.04	34.68	34.97	16.9
Competitive Sector	(-) 87.53	483.95	(-) 18.09	795.41	(-) 11
Others	36.55	8.95	408.38	26.76	136.56
<b>Total</b>	<b>(-) 45.07</b>	<b>509.94</b>	<b>(-) 8.84</b>	<b>857.14</b>	<b>(-) 5.26</b>
<b>2015-16</b>					
Social Sector	7.26	17.44	41.63	38.27	18.97
Competitive Sector	(-) 104.69	492.00	(-) 21.28	890.03	(-) 11.76
Others	36.55	8.95	408.38	28.96	126.23
<b>Total</b>	<b>(-) 60.88</b>	<b>518.39</b>	<b>(-) 11.74</b>	<b>957.26</b>	<b>(-) 6.36</b>
<b>2016-17</b>					
Social Sector	6.26	17.44	35.89	41.68	15.02
Competitive Sector	(-) 49.06	491.85	(-) 9.97	983.28	(-) 4.99
Others	12.26	8.95	136.98	31.54	38.88
<b>Total</b>	<b>(-) 30.54</b>	<b>518.24</b>	<b>(-) 5.89</b>	<b>1,056.50</b>	<b>(-) 2.89</b>
<b>2017-18</b>					
Social Sector	7.56	17.44	43.35	45.13	16.75
Competitive Sector	(-) 127.95	491.85	(-) 26.01	1,125.42	(-) 11.37
Others	18.10	9.10	198.9	39.72	45.57
<b>Total</b>	<b>(-) 102.29</b>	<b>518.39</b>	<b>(-) 19.73</b>	<b>1,210.27</b>	<b>(-) 8.45</b>
<b>2018-19</b>					
Social Sector	9.46	18.46	51.25	49.91	18.95
Competitive Sector	(-) 120.67	491.85	(-) 24.53	1,456.15	(-) 8.29
Others	(-) 9.71	9.10	(-) 106.7	54.85	(-) 17.70
<b>Total</b>	<b>(-) 120.92</b>	<b>519.41</b>	<b>(-) 23.28</b>	<b>1,560.91</b>	<b>(-) 7.75</b>

Source: Compilation from financial statements and information provided by PSUs.

The returns on investment on State Government based on RORR and on historical cost were both negative during 2014-15 to 2018-19.

### **3.3.1.18 Erosion of Net worth**

Net worth means the sum total of the paid-up capital and free reserves and surplus minus accumulated losses and deferred revenue expenditure. Essentially it is a measure of what an entity is worth to the owners. A negative net worth indicates that the entire investment by the owners has been wiped out by accumulated losses and deferred revenue expenditure. The equity capital investment and accumulated losses of all State PSUs as per their latest finalised accounts (as on 30 September 2019) were ₹ 342.37 crore and (-) ₹ 546.93 crore respectively resulting in net worth of (-) ₹ 204.56 crore as detailed in **Appendix-3.3.3**. Analysis of investment and accumulated losses disclosed that net worth had been eroded fully in nine out of these 26 PSUs. The equity investment and accumulated losses of these nine PSUs were

₹ 278.10 crore and (-) ₹ 1,387.50 crore respectively. The net worth of Doiwala Sugar Company Limited at (-) ₹ 397.17 crore, Kichha Sugar Company Limited at (-) ₹ 297.00 crore and Uttarakhand Parivahan Nigam (-) ₹ 189.05 crore had been fully eroded.

The following **Table-3.3.11** indicates total paid up capital, total accumulated profit/loss, and total net worth of the working PSUs where the State Government has made direct investment:

**Table-3.3.11: Net worth of Working PSUs during 2014-15 to 2018-19**

(₹ in crore)

Year	Paid up Capital at end of the year <sup>77</sup>	Accumulated Profit(+)/Loss(-) at end of the year <sup>78</sup> after adjusting Free Reserve	Deferred revenue Expenditure	Net Worth
2014-15	2,591.36	(-) 310.62	0	2,280.74
2015-16	2,782.48	(-) 360.79	0	2,421.69
2016-17	3,060.86	(-) 420.34	0	2,640.52
2017-18	352.88	(-) 442.29	0	(-) 89.41 <sup>79</sup>
2018-19	353.90	(-) 532.12	0	(-) 178.22

Source: Compilation from financial statements and information provided by PSUs.

The net worth of these PSUs decreased during the period from ₹ 2,280.74 crore in 2014-15 to (-) ₹ 178.22 crore in 2018-19. Out of 16 PSUs, 10 PSUs<sup>80</sup> showed positive net worth and net worth of six<sup>81</sup> PSUs was negative during 2018-19.

### 3.3.1.19 Dividend Payout

The State Government had not formulated any dividend policy under which PSUs would be required to pay a minimum return on the paid up share capital contributed by the State Government. No PSU declared any dividend during 2014-15 to 2018-19.

### 3.3.1.20 Return on Equity

Return on Equity (ROE) is a measure of financial performance to assess how effectively management is using shareholders' fund to create profits and is calculated by dividing net income (*i.e.* net profit after taxes) by shareholders' fund. It is expressed as a percentage and can be calculated for any company if net income and shareholders' fund are both positive numbers.

Shareholders' fund of a Company is calculated by adding paid up capital and free reserves net of accumulated losses and deferred revenue expenditure and reveals how much would be left for a company's stakeholders if all assets were sold and all debts paid. A positive shareholders fund reveals that the company has enough assets to cover its liabilities while negative shareholder equity means that liabilities exceed assets.

<sup>77</sup> As per the respective years finalised accounts in the current year.

<sup>78</sup> Based on latest finalised accounts.

<sup>79</sup> Excluding capital grant of Uttarakhand Peyjal Sansadhan Vikas Evam Nirman Nigam Limited.

<sup>80</sup> Uttarakhand Bahuddeshiya Vitta Evam Vikas Nigam Limited, State Infrastructure and Industrial Development Corporation of Uttarakhand Limited, Uttaranchal Project Development and Construction Corporation Limited, Kumaun Mandal Vikas Nigam Limited, Garhwal Mandal Vikas Nigam Limited, Uttarakhand Purva Sainik Kalyan Nigam Limited, Uttarakhand Forest Development Corporation, Bridge, Ropeway, Tunnel and other Infrastructure Development Corporation of Uttarakhand Limited, Dehradun Smart City Limited and Uttarakhand Metro Rail, Urban Infrastructure and Building Construction Corporation Limited.

<sup>81</sup> Uttar Pradesh Hill Electronics Corporation Ltd, Uttarakhand Seeds and Tarai Development Corporation Ltd., Doiwala Sugar Company Limited, Kichha Sugar Company Limited, Uttarakhand Peyjal Sansadhan Vikas Evam Nirman Nigam Limited and Uttarakhand Parivahan Nigam.

The details of Shareholders fund and ROE relating to working PSUs where funds were infused by the GoU during the period from 2014-15 to 2018-19 are given in **Table-3.3.12:**

**Table-3.3.12: Return on Equity relating to working PSUs where funds were infused by the GoU**

Year	Net Income (₹ in crore)	Shareholders' Fund (₹ in crore)	ROE (percentage)
2014-15	(-) 45.07	394.19	-
2015-16	(-) 60.88	527.92	-
2016-17	(-) 30.54	546.14	-
2017-18	(-) 102.29	(-) 89.41 <sup>82</sup>	-
2018-19	(-) 120.92	(-) 178.22	-

Source: Compilation from financial statements and information provided by PSUs.

Since the net income of these PSUs during 2014-19 was negative, RoE could not be calculated.

### 3.3.1.21 Return on Capital Employed

Return on Capital Employed (ROCE) is a ratio that measures a company's profitability and the efficiency with which its capital is employed. ROCE is calculated by dividing a company's earnings before interest and taxes (EBIT) by the capital employed<sup>83</sup>. The details of total ROCE of 22 PSUs<sup>84</sup> together during the period from 2014-15 to 2018-19 are given in **Table-3.3.13:**

**Table-3.3.13: Return on Capital Employed**

Year	EBIT (₹ in crore)	Capital Employed (₹ in crore)	Return on Capital Employed (percentage)
2014-15	(-) 3.16	2,834.59	(-) 0.11
2015-16	(-) 10.63	2,843.73	(-) 0.37
2016-17	42.15	3,362.04	1.25
2017-18	(-) 34.18	606.03 <sup>85</sup>	(-) 5.64
2018-19	(-) 54.83	460.11	(-) 13.65

Source: Compilation from financial statements and information provided by PSUs.

The ROCE of these PSUs ranged between (-) 13.65 per cent and 1.25 per cent during the period 2014-15 to 2018-19. The ROCE of working PSUs during the year 2018-19 was (-) 13.65 per cent while ROCE of non-working PSUs was (-) 18.74 per cent. Also, the ROCE of Profit making working PSUs during 2018-19 was 3.10 per cent while of loss making working PSUs was (-) 31.79 per cent. The aggregate ROCE of non power sector PSUs had improved in 2016-17 in comparison to earlier accounting periods. This was due to improvement in reported financial results of Uttarakhand Parivahan Nigam, Doiwala Sugar Company Limited and Kichha Sugar Company Limited.

### 3.3.1.22 Analysis of Long Term Loans of the PSUs

Analysis of the Long Term Loans of the PSUs which had leverage during 2014-15 to

<sup>82</sup> Excluding the capital grant of Uttarakhand Peyjal Sansadhan Vikas Evam Nirman Nigam Limited in the Paid up Capital.

<sup>83</sup> Capital employed=Paid up share capital+free reserves and surplus+long term loans–accumulated losses-deferred revenue Expenditure, Figures are as per the latest year for which accounts of the PSUs are finalised.

<sup>84</sup> This does not include four PSUs (one new PSU namely Eco-Tourism Development Corporation Limited; one PSU namely Uttarakhand Alpsankhyak Kalyan Tatha Wakf Vikas Nigam whose first accounts have not been received till date and two PSUs namely UP Hill Phones limited and UP Hill Quartz Limited where details are not available since creation of the State).

<sup>85</sup> Excluding the capital grant of Uttarakhand Peyjal Sansadhan Vikas Evam Nirman Nigam Limited in the Paid up Capital.

2018-19 was carried out to assess the ability of the companies to serve the debt owed by the companies to the Government, banks and other financial institutions. This is assessed through the Interest Coverage Ratio and Debt Turnover Ratio.

### 3.3.1.23 Interest Coverage Ratio

Interest coverage ratio is used to determine the ability of a PSU to pay interest on outstanding debt and is calculated by dividing earnings before interest and taxes (EBIT) of a PSU by interest expenses of the same period. The lower the ratio, the lesser the ability of the PSU to pay interest on debt. An interest coverage ratio below one indicated that the PSU was not generating sufficient revenues to meet its expenses on interest. The details of positive and negative interest coverage ratio during the period from 2014-15 to 2018-19 are given in the **Table-3.3.14**:

**Table-3.3.14: Interest Coverage Ratio relating to State PSUs**

Year	Interest (₹in crore)	Earnings before interest and tax (EBIT) (₹in crore)	Number of PSUs having liability of loans from Government and Banks and other financial institutions	Number of PSUs having interest coverage ratio more than 1	Number of PSUs having interest coverage ratio less than 1
2014-15	35.17	(-) 13.30	10	6	4 <sup>86</sup>
2015-16	36.92	(-) 48.42	11	5	6 <sup>87</sup>
2016-17	61.84	40.47	10	5	5 <sup>88</sup>
2017-18	64.68	(-) 41.70	10	4	6 <sup>89</sup>
2018-19	57.00	(-) 60.48	9	1	8 <sup>90</sup>

Source: Compilation from financial statements and information provided by PSUs.

Of the nine State PSUs having liability of loans from Government as well as banks and other financial institutions during 2018-19, one PSUs had interest coverage ratio of more than one whereas remaining eight PSUs had interest coverage ratio below one which indicates that these eight PSUs could not generate sufficient revenues to meet their expenses on interest during the period.

### 3.3.1.24 Debt Turnover Ratio

During the last five years, the turnover of 22 PSUs<sup>91</sup> recorded compounded annual growth rate of 10.67 per cent and compounded annual growth rate of debt was

<sup>86</sup> Uttarakhand Bahuddeshiya Vitta Evam Vikas Nigam Limited, Kichha Sugar Company Limited, Doiwala Sugar Company Limited, Uttarakhand Peyjal Sansadhan Vikas Evam Nirman Nigam.

<sup>87</sup> Uttarakhand Seeds & Tarai Development Corporation Limited, Kichha Sugar Company Limited, Doiwala Sugar Company Limited, Kumaun Mandal Vikas Nigam Limited, Uttarakhand, Peyjal Sansadhan Vikas Evam Nirman Nigam, Uttarakhand Parivahan Nigam.

<sup>88</sup> Uttarakhand Seeds & Tarai Development Corporation Limited, Kichha Sugar Company Limited, Doiwala Sugar Company Limited, Kumaun Mandal Vikas Nigam Limited, Uttarakhand, Peyjal Sansadhan Vikas Evam Nirman Nigam.

<sup>89</sup> Uttarakhand Seeds & Tarai Development Corporation Limited, Kichha Sugar Company Limited, Doiwala Sugar Company Limited, Kumaun Mandal Vikas Nigam Limited, Garhwal Mandal Vikas Nigam Limited, Peyjal Sansadhan Vikas Evam Nirman Nigam.

<sup>90</sup> Uttarakhand Seeds & Tarai Development Corporation Limited, Kichha Sugar Company Limited, Doiwala Sugar Company Limited, Kumaun Mandal Vikas Nigam Limited, Garhwal Mandal Vikas Nigam Limited, Uttarakhand Bahuddeshiya Vitta Evam Vikas Nigam Limited and Bridge, Ropeway, Tunnel and other Infrastructure Development Corporation of Uttarakhand Limited.

<sup>91</sup> This does not include four PSUs (one new PSU namely Eco-Tourism Development Corporation of Uttarakhand; one PSU namely Uttarakhand Alpsankhyak Kalyan Tatha Wakf Vikas Nigam whose first accounts have not been received till date and two PSUs namely UP Hill Phones limited and UP Hill Quartz Limited where details are not available since creation of the State).

12.14 per cent due to which the debt turnover ratio reduced from 0.43:1 in 2014-15 to 0.32:1 in 2018-19 as given in **Table-3.3.15:**

**Table-3.3.15: Debt Turnover Ratio relating to the State PSUs**

Particulars	(₹ in crore)				
	2014-15	2015-16	2016-17	2017-18	2018-19
Debt from Government and others (Banks and Financial Institutions)	564.01	432.20	731.68	684.98	642.18
Turnover	1,319.82	1,428.17	1,440.43	1,990.08	1984.00
Debt-Turnover Ratio	0.43:1	0.30:1	0.51:1	0.34:1	0.32:1

Source: Compilation from financial statements and information provided by PSUs.

For the year 2018-19, Debt Turnover Ratio of working PSUs stood at 0.32:1 while that of non-working PSUs was 7.86:1. The declining trend in debt turnover ratio indicated that the PSUs were able to achieve higher turnover against their debts.

### 3.3.1.25 Winding up of inactive State PSUs

The number of inactive PSUs at the end of each year during last five years ended 31 March 2019 is given in the **Table-3.3.16:**

**Table-3.3.16: Inactive State PSUs**

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
No. of inactive companies	4	4	4	8	8

Source: Compilation from the information included in Audit Report (PSU), GoU of respective years and in Appendix-3.3.1.

Eight of the 26 State PSUs were inactive companies having a total investment of ₹ 27.24 crore towards capital (₹ 3.36 crore) and long term loans (₹ 23.88 crore) as on 31 March 2019 as detailed in **Table-3.3.17:**

**Table-3.3.17: Investment in Inactive State PSUs**

Sl. No.	Name of inactive companies	(₹ in crore)		
		Share Capital	Loan	Total Investment
1.	UPAI Limited	0.17	-	0.17
2.	Trans Cables Limited	1.63	2.75	4.38
3.	Uttar Pradesh Digitals Limited	0.35	19.92	20.27
4.	Kumtron Limited	0.18	-	0.18
5.	Uttar Pradesh Hill Phones Limited	0.03	-	0.03
6.	Uttar Pradesh Hill Quartz Limited	-	-	0.00
7.	Garhwal Anusuchit Janjati Vikas Nigam Limited	0.50	1.21	1.71
8.	Kumaun Anusuchit Janjati Vikas Nigam Limited	0.50	-	0.50
<b>Total</b>		<b>3.36</b>	<b>23.88</b>	<b>27.24</b>

Out of these inactive PSUs, one<sup>92</sup> PSU was under liquidation since 31.03.1991. The Government may take appropriate decision regarding closure of these PSUs.

### 3.3.1.26 Comments on Accounts of State PSUs

Twelve working companies forwarded 15 audited accounts and one non-working company<sup>93</sup> forwarded its seven accounts to the Principal Accountant General during the period from 1 October 2018 to 30 September 2019. All 22 accounts were selected for supplementary audit. The Audit Reports of Statutory Auditors and supplementary audit conducted by the C&AG indicated that the quality of accounts needs to be improved substantially. The details of aggregate money value of the comments of Statutory Auditors and the C&AG are given in **Table-3.3.18:**

<sup>92</sup> UPAI.

<sup>93</sup> Uttarakhand Anusuchit Jan Jati Vikas Nigam Limited.

**Table-3.3.18: Impact of audit comments on Working and Non-working companies**

(₹ in crore)

Sl. No.	Particulars	2016-17		2017-18		2018-19	
		Number of accounts	Amount	Number of accounts	Amount	Number of accounts	Amount
1.	Decrease in profit	10	52.45	6	37.81	8	43.74
2.	Increase in profit	0	-	-	-	3	22.23
3.	Increase in loss	20	150.65	2	7.62	5	24.10
4.	Decrease in loss	0	-	-	-	1	0.49
5.	Non-disclosure of material facts	15	3.75	4	15.85	5	230.52
6.	Errors of classification	12	25.36	5	185.38	8	193.17

Source: Compilation from comments of the Statutory Auditors/ C&AG in respect of PSUs other than power.

During the year 2018-19, the Statutory Auditors had issued qualified certificates on 19 accounts and adverse certificate on two<sup>94</sup> accounts. Compliance to the Accounting Standards by the PSUs remained poor as the Statutory Auditors pointed out 65 instances of non-compliance to the Accounting Standards in 12 accounts.

**3.3.1.27** The State has three Statutory corporations *i.e.* Uttarakhand Peyjal Sansadhan Vikas Evam Nirman Nigam, Uttarakhand Parivahan Nigam and Uttarakhand Forest Development Corporation (UFDC). The C&AG is sole auditor in respect of all Statutory corporations.

The annual accounts for the year 2018-19 were not forwarded by any Statutory Corporation, whereas UFDC forwarded annual accounts for the year 2017-18 in January 2019.

The details of aggregate money value of the comments of C&AG in respect of Statutory corporations are given in **Table-3.3.19**:

**Table-3.3.19: Impact of audit comments on Statutory corporations**

(₹ in crore)

Sl. No.	Particulars	2016-17		2017-18		2018-19	
		Number of accounts	Amount	Number of accounts	Amount	Number of accounts	Amount
1.	Decrease in profit	5	163.16	1	25.87	1	1.33
2.	Increase in profit	-	-	-	-	0	0
3.	Increase in loss	3	48.33	-	-	2	168.46
4.	Decrease in loss	-	-	-	-	0	0
5.	Non-disclosure of material facts	3	32.67	-	-	0	0
6.	Errors of classification	5	146.07	1	7.17	2	11.06

Source: Compilation from comments of the Statutory Auditors/ C&AG in respect of Statutory corporations.

### **3.3.1.28 Follow up action on Audit Reports**

#### **Replies outstanding**

The Report of the Comptroller and Auditor General of India is the product of audit scrutiny. It is, therefore, necessary that they elicit appropriate and timely response from the executive. All Administrative Departments are required to submit replies/explanatory notes to paragraphs/Performance Audits (PA) included in the Reports of the C&AG of India within a period of three months after their presentation to the Legislature, in the prescribed format, without waiting for any questionnaires from the Committee on Public Undertakings (COPU). The status of explanatory notes

<sup>94</sup> Bridge, Ropeway, Tunnel and other Infrastructure Development Corporation of Uttarakhand Limited and State Infrastructure and Industrial Development Corporation Limited.

is given in **Table-3.3.20:**

**Table-3.3.20: Position of explanatory notes on Audit Reports related to PSUs (as on 31 March 2020)**

Year of the Audit Report (PSUs)	Date of placement of Audit Report in the State Legislature	Total Performance Audits (PAs) and Paragraphs related to other than Power Sector in the Audit Report		Number of PAs/Paragraphs for which explanatory notes were not received	
		PAs	Paragraphs	PAs	Paragraphs
2012-13	November 2014	--	01	--	01
2013-14	November 2015	--	03	--	03
2014-15	November 2016	--	03	--	03
2015-16	May 2017	--	02	--	02
2016-17	September 2018	--	02	--	02
2017-18	December 2019	--	03	--	03

Source: Compilation based on the discussion of COPU on the Audit Reports.

Explanatory notes of above audit paragraphs were pending with five departments<sup>95</sup> as of 31 March 2020.

### 3.3.1.29 Discussion of Audit Reports by COPU

The status of discussion of Performance Audits and paragraphs related to PSUs that appeared in Audit Reports (PSUs) by the COPU as on 31 March 2020 is as given in the **Table-3.3.21:**

**Table-3.3.21: Performance Audits/Paragraphs appeared in Audit Reports vis-à-vis discussed as on 31 March 2020**

Period of Audit Report	Number of Performance Audits/Paragraphs			
	Appeared in Audit Report		Paragraphs discussed	
	Performance Audit	Paragraphs	Performance Audit	Paragraphs
2012-13	--	01	--	01
2013-14	--	03	--	--
2014-15	--	03	--	--
2015-16	--	02	--	02
2016-17	--	02	--	--
2017-18	--	03	--	01

Source: Compilation based on the discussions of COPU on the Audit Reports.

The Audit Reports (PSUs) from the year ending 31 March 2002 are pending for discussion.

### 3.3.1.30 Compliance to Reports of COPU

Action Taken Notes (ATNs) on two<sup>96</sup> reports of the COPU presented to the State Legislature in December 2003 and December 2008 are yet to be received (31 March 2020) as indicated in the **Table-3.3.22:**

**Table-3.3.22: Compliance to COPU Reports**

Year of the COPU Report	Total No. of Reports of COPU	Total number of recommendation in COPU Reports	Number of recommendations where ATNs not received
2002-03	01	02	No ATNs were received.
2008-09	01	01	

Source: Compilation based on COPU Reports.

The above mentioned Reports of COPU contained recommendations in respect of paragraphs pertaining to Garhwal Mandal Vikas Nigam and Uttarakhand Peyjal Nigam Limited which appeared in the Reports of the C&AG of India for the year 1999-2000. The ATNs on recommendations made in these two COPU Reports were not received till 31 March 2020.

<sup>95</sup> Agriculture; Industries; Transport; Tourism and Forest.

<sup>96</sup> COPU Reports presented before Vidhan Sabha on 30.12.2003 and 17.12.2008.



## COMPLIANCE AUDIT

### UTTARAKHAND POWER CORPORATION LIMITED

#### 3.4 Compliance to Uttarakhand Right to Service Act 2011, Citizen Charter and Standard of Performance by Uttarakhand Power Corporation Limited

*Uttarakhand Power Corporation Limited (UPCL) did not provide enlisted services in Uttarakhand Right to Service (URTS), Act 2011, Standard of Performance (SoP) and Citizen Charter (CC) within the prescribed timeline to its consumers. Uttarakhand Electricity Regulatory Commission (UERC) imposed penalty of ₹ 18.82 crore on UPCL due to delay in providing of new service connections. UPCL could not ensure replacement of burnt/defective meters within prescribed time resulting in penalty of ₹ 6.89 crore and delay in testing of meters attracted penalty of ₹ 66.34 lakh. Further, non-compliance to the norms in respect of disconnection/reconnection by UPCL attracted penalty amounting to ₹ 3.19 crore during 2016-17 to 2018-19.*

##### 3.4.1 Introduction

Electricity is an essential requirement for all facets of our life. It has been recognized as a basic human need. The Uttarakhand Sustainable Development Goal 7 aims to ensure that every citizen has access to affordable, reliable and modern energy services by 2030.

The Uttarakhand Electricity Regulatory Commission (UERC) notified in 2007, the Standard of Performance (SoP) to ensure that the distribution licensee of the state provides quality service to its consumers. Similarly, in order to achieve the goal, Uttarakhand Government notified the Uttarakhand Right to Service Act (URTS Act), 2011. The services in respect of power sector were included in URTS Act *vide* notification in June 2016.

Uttarakhand Power Corporation Limited (UPCL) is the sole licensee for distribution of electricity in the State. It has 2.33 million consumers across the State. To achieve the standard of performance for optimising consumer satisfaction, UPCL uploaded Citizen Charter (CC) on its website on notification of services relating to Power Sector by URTS in June 2016 in addition to the SoP and URTS Act, 2011. The timelines for providing services as per the URTS Act, CC and SoP are given in **Appendix-3.4.1**.

##### 3.4.2 Objective and Scope of Audit

An audit was conducted (May 2019 to August 2019) with the objective to assess the compliance by UPCL with the provisions of the URTS Act, 2011; CC and SoP when it provides services to its consumers.

The performance of UPCL in timely providing new connections, load enhancement cases, replacement of burnt/defective meters, timely repair of defective/damaged transformers, voltage related issues, billing issues, transfer of consumer connections and conversion of services, disconnection/reconnection of power supply and power

supply failure were examined. Records of 12<sup>97</sup> out of 41 electricity distribution divisions (EDDs) of UPCL pertaining to the period from 2016-17 to 2018-19 were scrutinised during May 2019 to August 2019. The divisions which were selected by adopting stratified sampling method are given in **Appendix-3.4.2**.

An Entry Conference was held (May 2019) with the Management to discuss the objectives of the audit and the Exit Conference was held (March 2020) with the MD, UPCL wherein the audit findings were discussed. No representative from Power Department attended the meeting. The Government/Management had not furnished reply to paragraph issued on 07 February 2020, however response offered by the Management in Exit conference have been suitably incorporated.

#### **3.4.3 Audit criteria**

The audit objectives have been benchmarked against criteria derived from:

- Standard of Performance Regulation, 2007 of UERC;
- Uttarakhand Right to Service Act, 2011 as amended from time to time; and
- Citizen Charter of UPCL.

#### **3.4.4 Organizational Structure**

UPCL was incorporated on 12 February 2001 under the Companies Act, 1956. The management of UPCL is vested with a Board of Directors comprising of a Chairman *i.e.* Secretary (Power), GoU; a Managing Director, five whole time Directors and eight part time/independent Directors appointed by the State Government. The day-to-day operations are carried out by the Managing Director, who is the Chief Executive of the UPCL with the assistance of whole time Directors. The executing units of UPCL are divisions, each, headed by an Executive Engineer (EE). The Organization chart of UPCL is at **Appendix-3.4.3**.

#### **3.4.5 Audit findings**

Audit findings are discussed below:

##### **3.4.5.1 Delay in providing new service connections**

CC provides that the UPCL shall be under obligation to provide a new connection within 30 days from the date of application for connection. The UPCL was also liable to pay penalty of ₹ 10 per thousand rupee deposited by the consumer for each day of default in case of delay. The penalty is payable to UERC.

Scrutiny of the records (May 2019 to August 2019) revealed that in the selected 12 divisions, out of 1,53,995 connections provided, 5,091 connections were provided after the due date as per CC during 2016-17 to 2018-19. The range of delay of the cases of new service connections is given in the **Table-3.4.1**:

**Table-3.4.1: Range of delay in providing new service connections**

Range of delay	1 to 30 days	31 to 90 days	91 to 180 days	181 to 365 days	Beyond 365 days
Number of cases	2,554	1,354	746	325	112

<sup>97</sup> EDDs Almora, Bhagwanpur, Dehradun (South), Haldwani (Rural), Jwalapur, Kashipur, Kotdwar, Pithoragarh, Roorkee (Rural), Rudrapur, Sitarganj and Tehri.

The delay in providing new service connections is not only in violation of above norms but also is in contravention of the 2030 vision of Uttarakhand, which envisaged 24x7 power for all, and the commitment of Government of Uttarakhand to provide quality life to its citizen by providing them an opportunity for higher electricity consumption. Also, default in providing connections penalty is payable to affected consumers.

The delay in providing new service connections affected UPCL on two counts. On one hand, it failed to provide quality service to consumers and on the other hand, it had to bear a penalty of ₹ 18.82 crore imposed<sup>98</sup> by UERC in April 2019 due to non-compliance with the above rule which increased the loss of the UPCL further.

The main reasons for delay in providing new connections were non-availability of resources including material required for the timely provision of new connections. Further, the distribution divisions and test divisions of UPCL were jointly responsible for providing new connections in time. The reasons for delay are discussed in detail in *paragraph 3.4.5.4*.

The Executive Engineer Uttarakhand Jal Sansthan, Kotdwar (Consumer) requested for providing new connections for the pumping station at Nainidanda, Kotdwar. The Division prepared the estimate of ₹ 2.41 crore and raised (20 December 2017) the demand note. The consumer deposited (02 January 2018) ₹ 2.20 crore against the demand but the connection was provided on 25 February 2019, after a delay of more than one year. This delay in providing connection also deprived general public from supply of safe water.

The Management while accepting (March 2020) the audit observation attributed the delay to several factors like lack of awareness among staff of UPCL, issue of right of way, shortage of human resources, non-availability of consumer at premises, lack of IT conversant staff and issue of network connectivity.

The reasons cited by the Management were controllable and the Management should have planned accordingly to avoid delay in providing new connections as per the URTS Act and Citizen Charter.

#### **3.4.5.2 Commercial Issues**

The performance of UPCL in complying with the norms for rectifying the following commercial problems was examined (May 2019 to August 2019) at the sampled divisions:

- Replacement of Burnt Meters;
- Replacement of Defective Meters;
- Testing of Meters; and
- Conversion of services.

##### **(a) Replacement of burnt meters**

As per CC in case the meter of the consumer is burnt, the utility has to ensure that the supply of the consumer is restored within six hours and the burnt meter is replaced

---

<sup>98</sup> Upto 2018-19.

within three days failing which penalty at the rate of ₹ 50 for each day of default is leviable by UERC on UPCL for payment to affected consumers.

Audit noticed (May 2019 to August 2019) that in the 12 sampled divisions, 9,131 complaints regarding burnt meters were received, out of which 8,508 complaints (93.17 per cent) were rectified with delays ranging from one to 1,058 days. The range of delay of the cases is given in the **Table-3.4.2:**

**Table-3.4.2: Range of delay in replacement of burnt meters**

Range of delay	1 to 30 days	31 to 90 days	91 to 180 days	181 to 365 days	Beyond 365 days
Number of cases	4,644	2,665	838	302	59

Non-replacement of burnt meters on time may result in misuse of power till the installation of a new meter.

It was also noticed (May 2019 to August 2019) that the rate of the non-compliance was in the range of 90.45 to 95.60 per cent thereby attracting a penalty of ₹ 2.06 crore during 2016-17 to 2018-19 as detailed in **Appendix-3.4.4.**

**(b) Testing of meters**

The testing of meters is required when the consumer or the utility feels that the meter installed on the premises of the consumer is not recording the precise consumption of power. Testing of meter is required to be done within 30 days of the complaint being registered failing which a penalty of ₹ 25 for each day of default as per CC and SoP was leviable.

Audit noticed (May 2019 to August 2019) that in the 12 sampled divisions during 2016-17 to 2018-19, a total number of 11,443 complaints were registered and in 5,142 cases (44.94 per cent) were rectified with a delay ranging from one to 1,156 days in the compliance of the norms. The range of delay was between 42.72 and 48.33 per cent. Range of delay of the cases is given in the **Table-3.4.3:**

**Table-3.4.3: Range of delay in testing of meters**

Range of delay	1 to 30 days	31 to 90 days	91 to 180 days	181 to 365 days	Beyond 365 days
Number of cases	2,769	1,548	567	215	43

Testing of meters is also required as in case of a three phase meter (used by consumer having a load above 4 KW) if only one phase is defective, it records only two-third of the total power consumption. On the other hand, in cases where the consumer feels that meter is recording excess consumption, any delay in meter testing by UPCL causes dissatisfaction to consumer besides extra burden of higher electricity bills.

Non adherence with the norm, therefore, not only resulted in consumer dissatisfaction but also attracted penalty of ₹ 66.34 lakh (**Appendix-3.4.5**).

UPCL accepted (March 2020) the delay in replacement of burnt meters and defective meters and attributed the delay in testing due to lack of manpower and IT conversant staff. It added that the engineers of the divisions were overburdened and some of the Junior Engineers (JEs) were not conversant with the IT and technical systems.

Reply of the management is not convincing as UPCL was aware about the limitation of its manpower while adopting the CC and it could have either trained its manpower or outsourced the work so that meter related issues could be resolved in allocated time.

**(c) Replacement of defective meters**

The URTS Act provides that problems relating to defective meters of the consumers should be rectified within 45 days. Non-compliance of this provision attracts penalty at the rate of ₹ 50 for each day of default as per SoP. Further, UPCL is forced to do billing on assessment basis instead of on actual consumption of electricity when defective meters are not replaced in time.

It was noticed (May 2019 to August 2019) in Audit:

- In the 12 sampled divisions, of the 45,761 complaints reviewed, 13,698 complaints (29.93 per cent) were rectified with delay ranging from one to 1,203 days after considering the prescribed period of 45 days during 2016-17 to 2018-19. Range of delay of the cases is given in the **Table-3.4.4:**

**Table-3.4.4: Range of delay in replacement of defective meters**

Range of delay	1 to 30 days	31 to 90 days	91 to 180 days	181 to 365 days	Beyond 365 days
Number of cases	6,149	4,289	1,996	972	292

- Due to the absence of actual meter reading, billing was done on assessment<sup>99</sup> basis instead of on actual consumption. However, the loss could not be quantified as actual consumption could not be ascertained in respect of those consumers whose meters were defective.
- The rate of non-compliance in respect of replacement of defective meters was in the range of 25.13 per cent to 36.19 per cent. Also, due to non-compliance of the norm, UPCL attracted a penalty of ₹ 4.83 crore. (**Appendix-3.4.6**).
- Delay in replacement of defective meters also left scope for drawal of power not being billed by the concerned consumers and recurring loss to the UPCL as metering in such cases is done on previous three billing cycles.

**(d) Conversion of service**

As per the URTS Act and SoP, a consumer has right to change the name of the consumers due to change in the ownership/occupancy of the property. Transfer of the consumer's name must be done within 2 billing cycles *i.e.* 60 days. Non-compliance of the same attracts a penalty at the rate of ₹ 50 for each day of default.

Audit analysis (May 2019 to August 2019) in 12 sampled divisions showed that out of 8,972 cases, 712 cases of conversion requests were not acted upon in time during 2016-17 to 2018-19 and the delay ranged from one to 743 days. The range of delay in cases is given in the **Table-3.4.5:**

**Table-3.4.5: Range of delay in conversion of service**

Range of delay	1 to 30 days	31 to 90 days	91 to 180 days	181 to 365 days	Beyond 365 days
Number of cases	314	230	116	38	14

Non-adherence to the norms led to inconvenience to the consumers whose request for conversion services was not resolved within prescribed time and also attracted penalty amounting to ₹ 23.78 lakh (**Appendix-3.4.7**).

<sup>99</sup> The consumer is billed on the basis of average consumption of past three billing cycles immediately preceding the date of meter being found/reported defective.

**(e) Disconnection/Reconnection of supply**

In cases where consumers want disconnection of power, UPCL must carry out special readings and prepare final bill, including all arrears up to the date of billing, within five days of receiving such request. Also, in case of request of reconnection, if the consumer requests for reconnection of supply within a period of six months after disconnection, the UPCL shall reconnect the consumer's installations within five days of payment of past dues and reconnection charges. Further, in case of delay in disconnection/reconnection within prescribed time, ₹ 50 for each day of default were to be levied.

Audit noticed (May 2019 to August 2019) in 12 sampled divisions, 18,036 cases related to disconnection/reconnection were registered. Of these 9,474 cases (52.52 per cent) were rectified with delays of up to 1,444 days. The range of delay in cases is given in the **Table-3.4.6:**

**Table-3.4.6: Range of delay in disconnection/reconnection of supply**

Range of delay	1 to 30 days	31 to 90 days	91 to 180 days	181 to 365 days	Beyond 365 days
Number of cases	5,800	2,069	758	442	405

Non-compliance to norms led to inconvenience to the consumers whose request for disconnection/reconnection was not resolved within prescribed time. The delay also attracted penalty amounting to ₹ 3.19 crore during 2016-17 to 2018-19 (**Appendix-3.4.8**).

UPCL accepted (March 2020) the audit observation and stated that delay in providing above services was lack of technical manpower. It further stated that the present procedure of disconnection/reconnection was complicated and required more time. UPCL had requested UERC to simplify the procedure for disconnection/reconnection.

The reply is not convincing as the Management should have taken measures to augment its resources to comply with the provisions of URTS Act, SoP and CC.

**3.4.5.3 Failure in Supply of Power**

One of the reasons of the consumer dissatisfaction is the failure of supply of power. It is caused by the scheduled and unscheduled maintenance (shutdown) and tripping (breakdown) of the feeders, fuse blow outs, voltage related and other local isolated faults, etc. A scheduled maintenance is required for repair and upgradation of the lines and distribution system for improving the overall quality network and unscheduled maintenance is required for repair of fault in the distribution network.

URTS Act and SoP imposes a responsibility on UPCL to take corrective measures within the prescribed time for restoring the supply of power. In case, power supply is not restored within the prescribed time, SoP and CC also provide that UPCL should pay compensation to each of the affected consumers (**Appendix-3.4.1**). As UPCL did not maintain data/records of all the consumers who were affected by a disruption in power supply, Audit could not work out the amount of compensation payable to them. The audit observations are, therefore, restricted to number of complaints recorded by UPCL. The compliance of UPCL with norms in respect of those consumers who made the complaint is discussed below:

**(a) Blow out Fuse or tripping in Main Circuit Breaker**

The Low Tension (LT) side of a Distribution Transformer is attached to a protective device like Main Circuit Breaker (MCB) and High Tension (HT) side with a Fuse Set. The basic objective of the MCB and Fuse Set is to protect the Distribution Transformer from any fault arising in the associated LT or HT portion line of the transformer. The foremost reason of the MCB tripping is the fault in LT line or cables. Other reasons include faults arising due to breaking of LT line or consumer cable. In case of blow out of fuse or where MCB has tripped, the same should be restored within four hours in urban areas and in eight hours in rural areas failing which penalty at the rate of ₹ 10 for each hour of default period was to be levied/paid as per SoP. Audit noticed (May 2019 to August 2019) in 12 sampled divisions, out of 307 fuse blow out/MCB tripped cases, 52 cases (16.94 per cent) were rectified with a delay of upto 330 hours (14 days). The range of delay is given in the **Table-3.4.7**:

**Table-3.4.7: Range of delay in rectification of fuse blown out/MCB tripping**

Range of delay	Upto 01 day	Upto 01 to 02 days	Upto 02 to 07 days	Above 07 days
Number of cases	38	08	05	01

This problem is easily rectifiable as it does not require any additional equipment to be installed. The problem can be solved by tagging of appropriate fuse wire<sup>100</sup>. The undue delay of rectification of fuse wire shows UPCL's inefficiency in resolving such problems. Further, it also attracted a penalty of ₹ 14,860 during 2016-17 to 2018-19 (**Appendix-3.4.9**).

**(b) Break of Service line**

Service line is the line/conductor which connects the meter at the premises of the consumer with the nearest pole or transformer. The service line can break due to multiple reasons like strong wind, rain, accident, etc. The fault which arises due to snapping of the service line of the pole may affect a consumer connected to it or bunch of consumers connected with the service line. In case the service line is broken, the same should be restored within six hours in urban areas and 12 hours in rural areas failing which a penalty at the rate of ₹ 10 for each hour of default as per SoP was to be levied/paid.

Audit noticed (May 2019 to August 2019) that 26,852 cases were registered during 2016-17 to 2018-19 for rectification in 12 sampled divisions. Out of these, 3,090 cases (11.51 per cent) were rectified after a delay of one to 1,273 hours. Range of delay of the cases is given in the **Table-3.4.8**:

**Table-3.4.8: Range of delay in rectification of broken service lines**

Range of delay	Upto 01 day	01 to 02 days	02 to 07 days	07 to 14 days	14 to 28 days	Above 28 days
Number of cases	2,214	374	407	63	24	08

Two divisions namely Dehradun (South) and Jwalapur (Haridwar) have densely populated areas which are prone to such incidence; hence, maximum number of service line broken cases were noticed in these two divisions during the above period.

<sup>100</sup> In case of blown fuse, a small fuse wire on LT/HT side is to be replaced and this work requires deployment of two line men.

Also, power failure and delay in rectification results in loss of revenue to UPCL. The delay also attracted penalty of ₹ 10.43 lakh (*Appendix-3.4.10*) which is required to be paid to affected consumers.

**(c) Voltage related and local problems**

The problems which affect only an individual customer or a limited number of consumers are called local problems. These local problems occur mostly due to loosening of neutral wire and lengthy LT lines. Also, problems related to voltage fluctuations may affect the working of the electronic equipment of the households. These are resolved by attending faults on complaints and installation of new transformers and reducing the length of LT line. According to URTS Act, these problems must be rectified within four hours failing which a penalty at the rate of ₹ 50 for each day of default as per SoP and CC is leviable.

Audit noticed (May 2019 to August 2019) that in 12 sampled divisions, out of 5,469 cases, 947 cases (17.31 per cent) were rectified after the prescribed time. Range of delay of the cases is given in the **Table-3.4.9:**

**Table-3.4.9: Range of delay in rectification of voltage and local related problems**

Range of delay	Upto 01 day	01 to 02 days	02 to 07 days	07 to 14 days	14 to 28 days	Above 28 days
Number of cases	623	119	101	58	30	16

Non-compliance to the norms led to inconvenience to the consumers whose request for voltage related and local problems was not resolved within the prescribed time. The UPCL also attracted penalty amounting to ₹ 1.30 lakh during 2016-17 to 2018-19 (*Appendix-3.4.11*).

**(d) Fault in distribution line/system**

The LT line of the distribution network is called the distribution line and faults may arise due to lightning, heating of jumper, strong winds, rain and accidents. The faults in distribution line have to be restored within 12 hours failing which a penalty at the rate of ₹ 10 for each hour of default as per SoP is leviable.

Audit noticed (May 2019 to August 2019) that in 12 sampled divisions, 12,640 cases were registered for restoring of distribution line, out of which, 341 cases (2.70 per cent) were rectified after the prescribed time. Range of delay of the cases is given in the **Table-3.4.10:**

**Table-3.4.10: Range of delay in rectification of fault in distribution lines/system**

Range of delay	Upto 01 day	01 to 02 days	02 to 07 days	07 to 14 days	14 to 28 days	Above 28 days
Number of cases	284	35	16	02	02	02

Non-compliance to the norms led to inconvenience to the consumers whose request for fault in distribution line/system was not resolved within prescribed time. UPCL also attracted penalty amounting to ₹ 98,780 during 2016-17 to 2018-19 (*Appendix-3.4.12*).

**(e) HT Mains failed**

The HT line of the distribution network carries power at a voltage level of 11KV and above. Any fault in HT affects all the 11 KV/LT consumers connected from it. Faults



on HT line may arise because of short circuit of line, major storms, lightning, breaking of jumper<sup>101</sup> and natural calamities. It can be rectified by identifying the appropriate reasons. For rectification of fault in HT Mains, the restoration time permitted is 12 hours failing which penalty at the rate of ₹ 200 for each day of default as per SoP was to be levied/paid to consumers.

Audit noticed (May 2019 to August 2019) in five out of 12 sampled divisions, 39 complaints related to failure of HT Mains were registered. Out of these, 13 complaints (33.33 *per cent*) were rectified after a delay up to 19 hours.

The cases related to HT mains failure can be prevented by taking protective measures like hot spot scanning to identify heating jumpers and pin insulators. Non-compliance to the norms of restoration caused inconvenience to the consumers. The UPCL also attracted penalty amounting to ₹ 1,158.29 during 2016-17 to 2018-19 (*Appendix-3.4.13*).

UPCL accepted the audit observations and stated (March 2020) that for resolving such problems, technical staff was required to visit the site and due to shortage of technical staff and difficult terrain, the delay occurred.

#### **3.4.5.4 Reasons for non-compliance**

URTS Act, CC and SoP guarantee a standard of performance which a consumer is entitled to receive and these prescribe the maximum time limit within which services should be delivered to any consumer. For providing the services enlisted in the above enumerated Act, the utility should maintain a certain level of infrastructure and equip its divisions with adequate manpower, machinery and tools. The reasons behind non-compliance with the prescribed norms for service delivery are discussed below:

##### **(a) Tough Terrain and lack of planning**

The State of Uttarakhand is spread over 53,484 square kilometres of which 46,035 square kilometres (86.07 *per cent*) are hilly. For providing quality services in such a terrain within the time limit prescribed in URTS Act, CC and SoP, detailed planning is required.

Audit noticed (May 2019 to August 2019) that UPCL did not have any plan in place for standardising the time required for ensuring timely execution of work particularly in remote hilly locations where it is often difficult to carry<sup>102</sup> equipment/material to the site and carry out repairs. It was further noticed that UPCL had only two store divisions located at Dehradun and Haldwani and it lacked store divisions at remote locations. UPCL also failed to formulate a documented policy in respect of procedures to be adopted for assessing the requirement of resources for the compliance of above norms.

Management stated (March 2020) that there are 12 sub-centres of two store divisions at different locations in the State for timely supply of required materials to distribution divisions.

<sup>101</sup> Jumper is interconnection of line meeting at pole.

<sup>102</sup> There are areas where transformers have to be carried on head load.

Reply of the management is not convincing as despite having 12 sub-centres in the State, the required material for carrying out repairs, such as replacement of damaged transformers, wires, burnt/defective meters were not available in time at these 12 sub centres.

**(b) Inadequate availability of meter and cable**

Meters to record energy consumption and cables are the primary items required for providing a new connection; replacement of the defective or burnt meter and for resolving supply and voltage related issues. Any shortage in these items may result in deficiency in providing consumer services. The status of the meter availability *vis-à-vis* requirement during 2016-17 to 2018-19 is given in the **Table-3.4.11:**

**Table-3.4.11: Status of availability of meters and cables**

2016-17							
Name of material	Unit	Opening Balance	Received during the year	Issued during the year	Closing balance	Pending requirement	Shortfall
1P 10-60 meter	Nos	1,54,027	2,22,036	2,21,932	1,54,131	2,29,253	75,122
3P 10-60 meter	Nos	10,661	--	10,539	122	27,996	27,874
PVC Cable 2X4/2X6 Sq.mm	Mtr	1,85,085	1,99,900	3,84,985	-	11,06,157	11,06,157
LT PVC Cable 4X6/4X10 Sq.mm	Mtr	70,687	1,60,657	89,652	1,41,692	2,37,444	95,752
2017-18							
Name of material	Unit	Opening Balance	Received during the year	Issued during the year	Closing balance	Pending requirement	Shortfall
1P 10-60 meter	Nos	1,54,131	1,05,000	2,39,736	19,395	2,13,836	1,94,441
3P 10-60 meter	Nos	122	17,500	16,789	833	26,631	25,798
PVC Cable 2X4/2X6 Sq.mm	Mtr	0	10,00,644	8,06,599	1,94,045	8,33,230	6,39,185
LT PVC Cable 4X6/4X10 Sq.mm	Mtr	1,41,692	80,337	1,18,798	1,03,231	1,99,447	96,216
2018-19							
Name of material	Unit	Opening Balance	Received during the year	Issued during the year	Closing balance	Pending requirement	Shortfall
1P 10-60 meter	Nos	19,395	5,23,876	3,74,417	1,68,854	62,417	-
3P 10-60 meter	Nos	833	23,000	20,291	3,542	17,743	14,201
PVC Cable 2X4/2X6 Sq.mm	Mtr	1,94,045	11,69,922	8,54,659	5,09,308	15,90,551	10,81,243
LT PVC Cable 4X6/4X10 Sq.mm	Mtr	1,03,231	60,079	1,26,757	36,553	3,06,751	2,70,198

Source: Information provided by UPCL.

It can be seen from above that UPCL could not meet shortfall of 2,69,563 single phase meters during 2016-17 and 2017-18; and 67,873 three phase meters during 2016-17 to 2018-19. Similarly, in case of PVC cables it was observed that during 2016-17 to 2018-19, UPCL had shortfall of 28,26,585 square meter cable. The non-availability of the material affects timely providing new connections and in providing quality service to the consumers.

**(c) Non adherence to the yardstick for creation of maintenance divisions**

Yardstick for creation of maintenance division was approved<sup>103</sup> by erstwhile UPSEB and the same was adopted by UPCL. The yard stick provides that if the total number of the consumers surpasses 25,000, a new division should be created. This norm not only reduces the span of the control for an Executive Engineer but also ensures efficient management of the division.

<sup>103</sup> Vide B.O. No. 197-AFA/SEB.XI 954/59 dated 20-12-1972.

Audit observed (May 2019 to August 2019) that UPCL failed to adhere to the said norm and in all the sampled divisions, the total number of the consumers was in the range of 46,134 consumers<sup>104</sup> to 1,28,625 consumers<sup>105</sup> which was much more than that specified in the norm. Division wise consumers are detailed in **Appendix-3.4.14**. Large size of the divisions makes it difficult for the Executive Engineer to exercise effective control, monitoring and take remedial measures within prescribed time.

Management accepted (March 2020) the audit observation and stated that creation of new divisions would be considered.

**(d) Lack of skilled manpower at Divisions**

For the compliance of SoP, URTS Act and CC, availability of adequate and trained manpower is of utmost importance. Analysis of the manpower position of the sampled division revealed that there was a wide gap in the sanctioned man power *vis-à-vis* person in position. Against 1,143 numbers of sanctioned posts of EE, JE, AE, TG-I, TG-II and draftsman, only 411 persons (35.64 *per cent*) were available as on 30 October 2019 (**Appendix-3.4.15**).

Management while accepting (March 2020) the audit observation stated that a proposal for selection and filling up posts had been forwarded to Government of Uttarakhand.

**(e) Coordination issues between distribution and test divisions**

There are test and distribution divisions which have to synchronize their activities for resolving meter related problems of the consumers. Distribution division is the division with which the consumer is directly connected with while the Test division is responsible for the replacement of the defective meters and other meter related issues. Hence, in meter related issues, distribution divisions and test divisions are jointly responsible for resolving the problems. Any coordination issue between the test and distribution divisions of UPCL may cause delay in resolving the meter related issues of consumers. This delay reflects on the part of distribution divisions.

As per practice in UPCL, the electricity bill is generated by the meter reader of distribution division and status of meter is indicated if any complaint of damaged meter is there. After completion of generation of electricity bills by meter readers of all the consumers for a particular month same is uploaded in the system. Based on uploaded data an exception report of the consumers with defective meter is generated by the distribution division. This exception report is available on Management Information System (MIS) which can be seen/downloaded by concerned officials of test divisions. Thus, there is considerable time lag in generation of the exception report and reporting of defective meters by consumers causing delay in replacement of defective meters.

It was observed (May 2019 to August 2019) that UPCL lacked an appropriate management system which could enable the test divisions to timely address the complaints of consumers.

---

<sup>104</sup> EDD Bhagwanpur.

<sup>105</sup> EDD Rudrapur.

Management accepted the findings and stated (March 2020) that efforts were being made to resolve the coordination issue between the distribution and test divisions.

#### **3.4.6 Conclusions**

UPCL did not provide enlisted services in URTS Act, SoP and CC within the prescribed timeline to its consumers. Considerable delay was noticed in providing new service connection/replacement of burnt/defective meters, testing of meters, conversion of services, disconnection/reconnection of supplies, fuse blown out and MCB tripped, voltage related and local problems and HT mains failed and service line broken. The delay in addressing consumer problems resulted in poor quality of service and non-reliable power supply. These delays were attributed to the paucity of material like meter and cable, poor synchronisation between test and distribution divisions in resolving the meter related issues, non-manageable size of the divisions and lack of skilled manpower.

#### **3.4.7 Recommendations**

**The State Government/UPCL may consider:**

- preparation of an action plan for meeting the requirements of its consumers keeping in view the hilly/snow bound terrain of the State. It may also consider approaching the UERC for rationalising the time allowed for different services keeping in view the tough/snow bound terrain in the State;
- equipping its divisions with adequate manpower, material and machinery to provide quality service to all consumers;
- creating an appropriate management system for better coordination between functional divisions;
- restructuring its divisions to ensure better control and monitoring for providing quality services to consumers in time as per norms; and
- maintaining the data of all the affected consumers so that the penalty amount may be calculated and paid to them in time.

The matter was reported to the Government (March 2020), their reply was awaited (December 2020).

#### **3.5 Loss due to non-installation of Lightning Arrestors**

***The Company failed to install lightning arrestors on the distribution transformers resulting in their damage and it had to spend ₹1.21 crore for their replacement.***

As per Clause 74 (Protection against lightning) of Central Electricity Authority (CEA) (Measures relating to Safety and Electric supply) Regulation, 2010<sup>106</sup>, the owner of every overhead line, sub-station or generating station which is exposed to lightning shall adopt efficient means {Lightning Arrestor (LA)<sup>107</sup>} for diverting to earth any electrical surges due to lightning which may result in injuries. These regulations came

---

<sup>106</sup> Notified on 20 September 2010.

<sup>107</sup> It is a device which has the property of diverting to earth any atmospheric electrical surge of excessively high amplitude applied to its terminals and is capable of interrupting flow of current if present and restoring itself thereafter to its original operating conditions.

in force on 24 September 2010 and were applicable in Uttarakhand from the same date.

Scrutiny of records (January 2018 to January 2019) of six divisions<sup>108</sup> of Uttarakhand Power Corporation Limited (UPCL) revealed that they failed to install the LA on the distribution transformers in compliance of the above safety regulations. It was observed that during the period between January 2017 and March 2018, 404 distribution transformers<sup>109</sup> of UPCL were damaged on account of lightning which could have been avoided had the lightning arrestors been installed. UPCL spent ₹ 1.21 crore<sup>110</sup> for replacement of the damaged transformers.

On this being pointed out, all the Divisions accepted (January, June, November 2018 and January 2019) the observation. Five divisions<sup>111</sup> stated that the LAs would be installed. However, New Tehri Division stated that the LAs were installed in maximum distribution transformers and due to lightning, the LAs were damaged. The reply of the New Tehri Division was not acceptable as considering the mandatory provisions relating to installation of LA and the weather conditions prevalent in the State, UPCL should have ensured installation as well as working of the LA on each transformer. The non-installation of LA not only adversely affected the company financially but also compromised the quality of the power supply.

The matter was referred to the Government (October 2019); their reply was awaited (December 2020).

### **POWER TRANSMISSION CORPORATION OF UTTARAKHAND LIMITED**

#### **3.6 Undue benefit to contractors**

***Power Transmission Corporation of Uttarakhand Limited failed to deduct one per cent of construction cost as Labour Cess from 16 contractors in 23 works amounting to ₹ 17.95 lakh.***

The Government of Uttarakhand (GoU) issued (November 2010) orders directing all its Companies/Corporation to collect one *per cent* labour cess from the bills of contractors and credit the proceeds into account of the Labour Commissioner/Secretary, Building and Other Construction Labour Welfare Board (UBOCLWB) within 30 days.

Audit scrutiny of the records of three Divisions<sup>112</sup> of PTCUL (November 2017 and November 2018) revealed that they had executed works against 23 agreements

<sup>108</sup> EDD (Electricity Distribution Division), New Tehri; EDD, Ranikhet; EDD, Gopeshwar; EDD, Champawat; EDD, Uttarkashi and EDD, Kotdwar.

<sup>109</sup> EDD, New Tehri-114 transformers; EDD, Ranikhet-44 transformers; EDD, Gopeshwar-82 transformers; EDD, Champawat-29 transformers; EDD, Uttarkashi-10 transformers and EDD, Kotdwar-125 transformers.

<sup>110</sup> (EDD, New Tehri: ₹ 26.86 lakh+EDD, Ranikhet: ₹ 8.22 lakh+EDD, Gopeshwar: ₹ 22.22 lakh +EDD, Champawat: ₹ 18.74 lakh+EDD, Uttarkashi: ₹ 10.11 lakh+EDD, Kotdwar: ₹ 34.81 lakh) = ₹ 120.96 lakh (say ₹ 1.21 crore).

<sup>111</sup> EDD, Ranikhet; EDD, Gopeshwar; EDD, Champawat; EDD, Uttarkashi and EDD, Kotdwar.

<sup>112</sup> Division 1-Executive Engineer, 220 KV O & M PTCUL, Haridwar, Division 2-Executive Engineer, O & M Civil Division PTCUL, Roorkee Division 3-Executive Engineer 132 KV O & M Division, PTCUL, Kashipur.

(*Appendix-3.6.1*) which were entered into at PTCUL Headquarters. However, there was no clause in these agreements for deduction of labour cess equal to one *per cent* from contractor bills, though the agreements contained a clause about deduction of legal taxes/statutory taxes. Despite this, divisions made a payment of ₹ 17.95 crore against the bills submitted by contractors without deducting the labour cess of ₹ 17.95 lakh<sup>113</sup>.

All the Divisions stated (November 2017 and November 2018) that labour cess could not be deducted from the bills of contractors as registration regarding labour cess was not done. The same was done in compliance of the instructions issued (October 2016) by PTCUL. The reply of the divisions is not convincing as GoU had already issued (November 2010) notification for deduction of labour cess which was a statutory obligation. This non-compliance by PTCUL was an undue favour to the contractors to the extent of ₹ 17.95 lakh.

The matter was referred to the Government (February 2019); their reply was awaited (December 2020).

### **3.7 Idle Expenditure**

***Lack of planning in Construction of bays at sub-station of Power Transmission Corporation of Uttarakhand Limited resulted in an idle expenditure of ₹3.07 crore as six out of 30 bays could not be put to use since commissioning of the sub-station.***

The Central Vigilance Commission guidelines for improvement in award and execution of electrical, mechanical and other allied contracts provide that “Gross over-designing cannot be justified on the basis of unpredictable long-term futuristic demands. This kind of over-designing, particularly in sub-stations, not only results in unjustified one-time extra expenditure but also results in avoidable recurring expenditure in terms of maintenance costs and higher standing losses”.

Power Transmission Corporation of Uttarakhand Limited (PTCUL) entered into an agreement (November 2009) for construction of 220/132/33 KV sub-station at Mahuakheraganj, Kashipur on turnkey basis at a cost of ₹ 74.99 crore<sup>114</sup> through Rural Electrification Corporation loan funding. The sub-station had 30 bays<sup>115</sup> and was energised on 25 November 2011 at a total cost of ₹ 78.79 crore<sup>116</sup>.

Scrutiny of records (September 2018) of Executive Engineer (EE), PTCUL and further information collected (March 2019 and July 2019) from the EE, UPCL and PTCUL, Kashipur revealed that the sub-station was running under load against the

---

<sup>113</sup> ₹ 12.82 lakh (Executive Engineer, 220 KV O&M PTCUL, Haridwar) + ₹ 4.04 lakh (Executive Engineer, O&M Civil Division PTCUL, Roorkee) + ₹ 1.09 lakh (Executive Engineer 132 KV O & M Division, PTCUL, Kashipur).

<sup>114</sup> ₹ 65.43 crore for supply of material and ₹ 9.56 crore for erection.

<sup>115</sup> Number of 220 KV bays-07, 132 KV bays -10 and 33 KV bays-13. A bay of a substation is a part of a substation containing extra-high (or high) voltage switching devices and connections of a power line, a power transformer, *etc.*, to the substation busbar system (s) as well as protection, control, and measurement devices for the power line, the power transformer, *etc.*

<sup>116</sup> Payment to contractor: ₹ 71.56 crore + Interest during construction (IDC): ₹ 1.76 crore + A&G and employee cost: ₹ 5.47 crore.

installed capacity<sup>117</sup>. It was observed that out of 30 bays of the sub-station, six bays<sup>118</sup> costing ₹ 3.07 crore<sup>119</sup> could not be put to use till date (July 2019) since the energisation of the sub-station as the Uttarakhand Power Corporation Limited (UPCL) was not able to construct new feeders to use these bays as the approach road of the sub-station was only 12-15 feet wide and narrow space at location created Right of Way problem.

The Management accepting the facts stated (September 2018) that they were trying best to utilise the spare bays. They added (July 2019) that two of 132 KV bays might be utilised in near future. The reply was not convincing as the six spare bays could not be put to use since energisation as the width of the approach road to sub-station was not sufficient to construct any additional feeders for their utilisation. Further, it was not necessary to construct all the bays together and new bays could have been constructed as and when required after working out the logistics.

The construction of excess bays by PTCUL, therefore, resulted in an idle expenditure of ₹ 3.07 crore.

The matter was referred to the Government (August 2019); their reply was awaited (December 2020).

### 3.8 Avoidable liability of Commitment Charges

***Asian Development Bank (ADB) withdrew/terminated its loan as the Power Transmission Corporation of Uttarakhand Limited failed to utilise the loan in time which resulted in a burden of ₹2.28 crore in the form of commitment charges payable to ADB.***

The Twelfth Finance Commission recommended that External Assistance may be transferred to States on the same terms and conditions as attached to such assistance by the external funding agencies. Also, Forest Conservation (FC) Act 1980 states that the work should not be started on non-forest land till approval of the Central Government for release of forest land under the Act has been given. Further, for reduction in project implementation period, the Ministry of Power (MoP), Government of India (GoI) constituted a Task Force on transmission projects (February 2005). The task force suggested and recommended (July 2005) the following remedial actions to accelerate the completion of Transmission systems:

- Undertake various preparatory activities such as surveys, design & testing, processing for forest & other statutory clearances, tendering activities *etc.*, in advance/parallel to project appraisal and approval phase and go ahead with construction activities, once Transmission Line Project sanction/approval is received; Government of India (GoI), Ministry of Power (MoP) recommended (May 2007) the proposal of Government of Uttarakhand (GoU) and Power Transmission Corporation

<sup>117</sup> The total rated capacity/ load bearing capacity of the substation is 1,224.68 ampere against which sub-station has run upto maximum 447.24 ampere since its energisation (November 2011) to March 2019.

<sup>118</sup> Three 132 KV and three 33 KV.

<sup>119</sup> ₹ 68.57 lakh (Cost of one 132 KV bay) x 3 + ₹ 33.91 lakh (Cost of one 33 KV bay) x 3 = ₹ 3.07 crore.

of Uttarakhand Limited (PTCUL) for construction of power evacuation system for 5,406 MW in the State at an estimated cost of ₹ 2,446.74 crore to Department of Economic Affairs, Government of India for assistance of Asian Development Bank (ADB). The project included construction of a 400 KV DC Srinagar-Kashipur line and 400/220 KV Pipalkoti Gas Insulated Sub-station. Both works were funded by ADB and a loan agreement<sup>120</sup> of one hundred fifty million dollars (\$ 150,000,000) was signed (June 2013) between GoI and ADB. The agreement for the project was also signed between ADB and GoU on the same date. As per agreement, the loan closing date was 30 March 2016 and the commitment charges on the loan at the rate of 0.15 *per cent* annually was leviable on the undisbursed amount.

Audit noticed (November 2017) that out of loan amount of \$150 million PTCUL withdrew only ₹ 45.10 crore<sup>121</sup> (\$7.3 million) on 02 December 2014. The remaining amount was not utilised as PTCUL failed to plan its activities as per the recommendations of the Task Force. Also, the progress of both the projects was slow due to delay in award of contract, forest clearance issues and non-performance by the contractor. The work of Pipalkoti Sub-station could not be awarded<sup>122</sup> till the closure date of loan. In the case of 400 KV DC Srinagar-Kashipur line, the agreement was terminated (October 2017) due to poor performance of the contractor. There was non-initiation of the work; non-availability of the representative of the contractor; non-submission of employees/workers details; non-finalization of L-2 network<sup>123</sup>; non-establishment of site office; non-deployment of skilled man-power; non-completion of route survey; non-optimization of tower location; non-submission of digitized Maps, *etc.* Contractor also failed to prepare the case for diversion of forest land in accordance with Forest Conservation Act, 1980.

It was observed that the Company did not follow the guidelines given by the Task Force Committee for timely completion of the projects. Also, the provisions of the FC Act 1980 were not adhered to as the work was awarded before securing the statutory forest clearance.

Eventually, ADB withdrew its loan (February 2017) after extending the loan period by nine months. As the loan could not be utilised, a liability of ₹ 2.28 crore<sup>124</sup> on account of commitment charges on the loan of ADB was created.

---

<sup>120</sup> No. 2924-IND Uttarakhand Power.

<sup>121</sup> Total amount of ₹ 53.06 crore (₹ 45.10 crore from ADB loan + ₹ 7.96 crore from internal resources) was given by PTCUL to contractor as mobilization advance.

<sup>122</sup> Though, land was allotted to PTCUL in July 2009 by GoU for construction of substation but the possession could not be taken due to local agitation. Further, PTCUL intimated (February 2020) that as per decision taken in the 38<sup>th</sup> Standing Committee Meeting (30 May 2016) of the northern region, the substation at Pipalkoti would not be required till September 2018. PTCUL further added that the substation is now required to be constructed by December 2022 for evacuation of power of THDC. However, it was noticed that neither PTCUL revised its DPR for the project which was prepared in 2012-13 nor any action like floating of tender was initiated till date (March 2020).

<sup>123</sup> L2 network is a project network prepared keeping in view of work completion schedule and indicates major and critical activities covered under the contract.


<sup>124</sup> The liability of the payment of commitment charges of ₹ 2.28 crore was confirmed by Aid Accounts and Audit Division, Ministry of Finance, GoI and the same was accepted by PTCUL.



The matter was referred (March 2018) to the GoU for comments and soliciting information regarding creation of liability/payment of commitment charges. In response, a meeting was called (5 July 2019) by the State Government in which Secretary (Finance), GoU agreed with the audit observation and directed (5 July 2019) the management of PTCUL to deposit the amount of commitment charges immediately in the account of the State Exchequer. Further, Additional Secretary (Finance), GoU has requested (February 2020) the Secretary (Power), GoU to direct/instruct the management of PTCUL for depositing the commitment charges (₹ 2.28 crore) in the account of the State Government. However, PTCUL is yet to deposit the same (December 2020).


The matter was referred to the Government (March 2020); their reply was awaited (December 2020).

**Dehradun**  
**The 03 February 2021**

  
(S. ALOK)  
**Principal Accountant General (Audit)**  
**Uttarakhand**

**Countersigned**

**New Delhi**  
**The 10 February 2021**

  
(GIRISH CHANDRA MURMU)  
**Comptroller and Auditor General of India**



# APPENDICES



**Appendix-1.1.1**  
(Reference: Paragraph 1.1.9.1; Page 4)

**Position regarding receipt of ATNs on the paragraphs included in the ARs**

Audit Reports	Year	Department (s)	ATNs pending as of 31 <sup>st</sup> March 2019	Date of presentation in the State Legislature	Due date for receipt of ATNs
Civil/Social, General and Economic Sectors (Non-PSUs)	2000-01	Environment Deptt.	01	23.06.2003	22.09.2003
		<b>Total</b>	<b>01</b>		
	2001-02	Finance Deptt	01	12.01.2005	11.04.2005
		<b>Total</b>	<b>01</b>		
	2002-03	Irrigation	01	05.10.2005	04.01.2006
		Financial & Social Welfare	01		
	<b>Total</b>	<b>02</b>			
	2003-04	Irrigation	01	19.04.2006	18.07.2006
		Panchayati Raj	01		
	<b>Total</b>	<b>02</b>			
	2004-05	Medical Health & Family Welfare	01	27.06.2007	26.09.2007
		P W D	01		
	<b>Total</b>	<b>02</b>			
	2005-06	Medical Deptt	01	07.03.2008	06.06.2008
		Food & Civil Supplies	01		
		Sports & Youth Welfare	01		
		Rural Development	01		
	<b>Total</b>	<b>04</b>			
	2006-07	Pay Jal Deptt.	01	13.07.2009	12.10.2009
		Information Deptt.	02		
		Civil Aviation Deptt.	01		
	<b>Total</b>	<b>04</b>			
	2007-08	Urban Development	01	22.09.2010	21.12.2010
		Technical Education	01		
		Information & Public Relations	01		
	<b>Total</b>	<b>03</b>			
	2008-09	Uttarakhand Pay Jal Nigam	02	29.03.2011	28.06.2011
		Revenue Deptt.	01		
		Rural Engg. Services	01		
		P P P	01		
<b>Total</b>	<b>05</b>				
2009-10	Tourism	01	11.12.2012	10.03.2013	
	Election	01			
<b>Total</b>	<b>02</b>				
2010-11	P W D	02	18.09.2013	17.12.2013	
	Uttarakhand Pay Jal Nigam	01			
	Police Deptt.	01			
	AYUSH	01			
<b>Total</b>	<b>05</b>				
2011-12	Election Deptt.	01	27.11.2014	26.02.2015	
	Department of Labour	01			
	Women Empowerment & Child Development	01			
	Social Welfare Deptt.	02			
	Deptt. of Higher Education	01			
	P W D	01			
Horticulture Deptt.	01				
<b>Total</b>	<b>08</b>				
2012-13	Medical Health & Family Welfare Deptt	02	03.11.2015	02.02.2016	
	Home Deptt.	01			
	Medical Education Deptt.	02			
	P W D	01			
	Technical Education Deptt.	01			
<b>Total</b>	<b>07</b>				
2013-14	Drinking Water And Sanitation Deptt.	01			
	Dairy Development Deptt.	01			
	Higher Education Deptt.	01			
	Medical Education Deptt.	01			
	Home Deptt.	01			
	Medical Health & Family Welfare Deptt.	02			
	P W D	01			
	Chief Minister Office	01			
Pay Jal Deptt.	01				

**Audit Report (Social, General, Revenue and Economic Sectors) for the year ended 31 March 2019**

		Sericulture Deptt.	01		
		Urban Development Deptt.	01		
		Uttarakhand Renewal Energy Development Agency	01		
		<b>Total</b>	<b>13</b>		
	2014-15	Education Deptt.	01	07.11.2016	06.02.2017
		Elementary Education Deptt.	01		
		Agriculture Deptt.	01		
		Civil Aviation Deptt.	01		
		Culture Deptt.	01		
		Medical, Health & Family Welfare Deptt.	01		
		Home Deptt.	01		
		Industrial Development Deptt.	01		
		Rural Development Deptt.	01		
		P W D	03		
		Revenue Deptt. (CLR)	01		
		<b>Total</b>	<b>13</b>		
	2015-16	Home Deptt.	01	02.05.2017	01.08.2017
		AYUSH Deptt.	01		
		Food Safety and Standards	01		
		Higher Education Deptt.	01		
		Horticulture Deptt.	01		
		Land Revenue Deptt.	01		
		Social Welfare Deptt.	01		
		Tourism Deptt.	01		
		Urban Development Deptt.	01		
		Women Empowerment and Child Development Deptt.	02		
		<b>Total</b>	<b>11</b>		
	2016-17	Pay Jal Deptt.	03	20-09-2018	19-12-2018
		Department of Energy	01		
		Medical, Health & Family Welfare Deptt.	01		
		P W D	04		
		Uttarakhand Peyjal Sansadhan Vikas Evam Nirman Nigam	01		
		Urban Development Department	01		
		<b>Total</b>	<b>11</b>		
		<b>G. Total</b>	<b>94</b>		
<b>State Finances</b>	2000-01	Finance and Misc. Departments	All Chapters	23.06.2003	22.09.2003
	2001-02	Finance and Misc. Departments	All Chapters	19.07.2004	18.10.2004
	2002-03	Finance and Misc. Departments	All Chapters	12.01.2005	11.04.2005
	2003-04	Finance and Misc. Departments	All Chapters	05.10.2005	04.01.2006
	2004-05	Finance and Misc. Departments	All Chapters	19.04.2006	18.07.2006
	2005-06	Finance and Misc. Departments	All Chapters	27.06.2007	26.09.2007
	2006-07	Finance and Misc. Departments	All Chapters	07.03.2008	06.06.2008
	2007-08	Finance and Misc. Departments	All Chapters	13.07.2009	12.10.2009
	2008-09	Finance and Misc. Departments	All Chapters	22.09.2010	21.12.2010
	2009-10	Finance and Misc. Departments	All Chapters	29.03.2011	28.06.2011
	2010-11	Finance and Misc. Departments	All Chapters	11.12.2012	10.03.2013
	2011-12	Finance and Misc. Departments	All Chapters	18.09.2013	17.12.2013
	2012-13	Finance and Misc. Departments	All Chapters	27.11.2014	26.02.2015
	2013-14	Finance and Misc. Departments	All Chapters	03.11.2015	02.06.2016
	2014-15	Finance and Misc. Departments	All Chapters	07.11.2016	06.02.2017
	2015-16	Finance and Misc. Departments	All Chapters	02.05.2017	01.08.2017
2016-17	Finance and Misc. Departments	All Chapters	26.03.2018	25.06.2018	
<b>Hydropower Development Through Private Sector Participation</b>	2008-09	Miscellaneous Departments	All Chapters	22.09.2010	21.12.2010
<b>Nainital District</b>	2011-12	Miscellaneous Departments	All Chapters	18.09.2013	17.12.2013
<b>Natural Disaster in Uttarakhand, June 2013</b>	2013-14	Miscellaneous Departments	All Chapters	03.11.2015	02.02.2016
<b>Reconstruction of Infrastructure Post 2013 Disaster in Uttarakhand</b>	2016-17	Miscellaneous Departments	All Chapters	22.02.2019	21.05.2019

**Appendix-1.4.1**  
(Reference: Paragraph 1.4; Page 17)

**Details of non-recovery of damages on delayed submission of Performance Security by the contractors**

Sl. No.	Agreement No.	Date of Agreement	Name of work	Name of contractor	Contract Price (in ₹)	Date/Amount of Bank Guarantee (BG) submitted (in ₹)	Amount of contract price against which BG is submitted (in ₹)	Delay in submission of BG (in days)	Total recoverable amount of Damage (in ₹) (0.01% of Col. 8 x Col. 9)
1	2	3	4	5	6	7	8	9	10
1.	04/CE-NH&B/16	19-08-2016	Treatment of Landslide Hazard Zones of Saknidhar (km.-277.75 to 277.95), Devprayag Sinking Zone (km.-297.01 to 297.30), Srinagar River Bank Protection (km.-329.400 to 330.100).	M/s Bharat Construction, Dehradun	56,50,00,000	19-08-2016 60,95,000	12,19,00,000	0	0
						08-09-2016 2,21,55,000	44,31,00,000	10	4,43,100
2.	05/CE-NH&B/16	22-10-2016	Construction of 4 lane ROB in km.-161.00 on NH-72 (New NH-07) at Ajabpur	M/s Brahmaputra Infrastructure Ltd. New Delhi	49,80,00,000	23-11-2016 1,00,00,000	20,00,00,000	22	4,40,000
						10-11-2016 1,49,00,000	29,80,00,000	09	2,68,200
3.	11/CE-NH&B/17	10-07-2017	Widening and strengthening of existing single/2 lane to 2 lane with earthen shoulder configuration from km. 57.975 to km. 68.600 (Fata to Sitapur) of NH-109 (New No. 107) under EPC mode.	M/s Singla Construction Ltd. Chandigarh	58,90,00,000	30-11-2017 2,94,50,000	58,90,00,000	133	78,33,700
4.	13/CE-NH&B/17	27-01-2018	Reconstruction with geometric improvement of existing single / intermediate lane to 2 lane with paved shoulder configuration from km.-338.100 (Design km. 333.400) to km. 368.000 (Design km. 360.579) excluding existing km. 349.800 to km. 355.495 of NH-58 under EPC mode.	M/s R.C.C. Developers Ltd. Meerut	84,00,00,000	13-02-2018 4,20,00,000	84,00,00,000	07	5,88,000
5.	14/CE-NH&B/17	27-01-2018	Reconstruction with geometric improvement of existing single/intermediate lane to 2 lane with earthen shoulder configuration from existing km. 16.545 to km. 33.130 & Km. 41.260 to km. 57.975 (Design km. 18.700 to km. 35.130 & Km. 47.700 to km. 63.700) excluding Khat village from km. 53.425 to 55.530 for NH-109 under EPC mode.	M/s SCIW-R G Build well Engineer, Rajnagar, Ghaziabad	2,95,19,95,490	08-02-2018 14,75,99,775	2,95,19,95,490	02	5,90,400
6.	16/CE-NH&B/17	14-12-2018	Rehabilitation and up-gradation to 2 lane with paved shoulder configuration from km.-172.900 to km.-194.150 (Design chainage km.-49.300 to km.-70.300) on Dharasu to Yamunotri Road of NH-134 (old NH-94) under EPC mode.	M/s JSP Project Pvt. Ltd, Malviya Nagar, New Delhi	2,16,89,00,000	10-01-2019 10,84,45,000	2,16,89,00,000	17	36,87,130
<b>Total</b>								<b>1,38,50,530</b>	<b>Say ₹1.39 crore</b>

**Note:** The Agreement no.-11/CE-NH&B/17 dated 10-07-2017 (Sl.No.-3) should have been terminated with encashment of Bid Security on expiry of 60 days (30 days plus additional 30 days) as per T&C of the contract but no such action was taken by the CE-NH; hence, the calculation of damages was made until actual date of submission of the PS (30-11-2017).

**Appendix-2.2.1**  
(Reference: Paragraph 2.2; Page 32)

**Statement showing non recovery of five times of royalty from the contractors during 2017-18**

Sl. No.	Name of the auditee entity	Number of executive/ construction agencies (information provided by the department)	One time royalty deducted from the bills of the contractors (not having Form MM-11) (Amount in ₹)	Five times of the royalty to be recovered from Contractors (Amount in ₹)
1.	2.	3.	4.	5. (5 x amount in column 4)
1.	District Mining Officer, Haldwani (Nainital)	12	3,61,08,012	18,05,40,060
2.	District Mining Officer, New Tehri	16	8,91,32,323	44,56,61,615
3.	District Mining Officer, Rudrapur	06	3,05,18,727	15,25,93,635
4.	District Mining Officer, Haridwar	05	1,20,56,071	6,02,80,355
5.	District Mining Officer, Uttarkashi	11	4,56,64,101	22,83,20,505
6.	District Mining Officer, Rudraprayag	09	3,43,59,104	17,17,95,520
7.	District Mining Officer, Dehradun	16	6,04,17,029	30,20,85,145
8.	District Mining Officer, Pithoragarh	15	8,73,43,238	43,67,16,190
9.	District Mining Officer, Pauri	14	7,85,96,124	39,29,80,620
<b>Total</b>		<b>104</b>	<b>₹47,41,94,729</b>	<b>₹237,09,73,645</b>



**Appendix-2.4.1**  
(Reference: Paragraph 2.4; Page 35)

**List of dealers**

Sl. No.	Name of dealer	Turnover in the respective Assessment Year (in ₹)	Assessment Year/Date of Assessment	Month	Tax Payable (in ₹)	Tax paid (in ₹)	Prescribed date for payment of tax	Actual date of payment of tax	Minimum Rate of Penalty (in per cent)	Minimum Penalty (in ₹)	Delay in payment of tax
1.	M/s A.S.P. Ceiling Products Ltd., Kichcha, (Udham Singh Nagar) (Tin 05007290448)	State 11,21,17,125	2013-14 18.10.17	July 2013	17,59,558	17,59,558	25.08.2013	30.09.2013	10%	1,75,956	1 month 6 days
		Central 14,61,38,268		September 2013	10,30,917 (CST) 1,26,397 (VAT) 11,57,314 (Total)	11,57,314	25.10.2013	29.10.2013	10%	1,15,731	4 days
		<b>Total 25,82,55,393</b>		November 2013	94,828 (CST) 7,05,172 (VAT) 8,00,000 (Total)	8,00,000	25.12.2013	10.01.2014	10%	80,000	16 days
				December 2013	1,31,513 (CST) 6,68,487 (VAT) 8,00,000 (Total)	8,00,000	25.01.2014	03.02.2014	10%	80,000	9 days
				January 2014	1,27,920 (CST) 3,72,080 (VAT) 5,00,000 (Total)	5,00,000	25.02.2014	06.03.2014	10%	50,000	10 days
					11,55,988	11,55,988	25.02.2014	08.03.2014	10%	1,15,599	12 days
				March 2014	3,56,354 (CST) 11,43,646 (VAT) 15,00,000 (Total)	15,00,000	25.04.2014	24.05.2014	10%	1,50,000	29 days
<b>Total (i)</b>										<b>7,67,286</b>	
2.	M/s Bankey Bihari Ispat Private Ltd., Kichcha (Tin 05004558249)	State 64,60,50,515	2013-14 18.10.17	2013-14 Q1 (April-June)	9,00,000	9,00,000	25.07.2013	22.12.2013	10%	90,000	4 months 28 days
		Central 22,93,36,295		June	7,40,454	7,40,454	25.07.2013	24.12.2013	10%	74,045	5 months
		<b>Total 87,53,86,810</b>		July	7,00,000	7,00,000	25.08.2013	13.01.2014	10%	70,000	4 months 19 days
					3,00,000	3,00,000	25.08.2013	27.01.2014	10%	30,000	5 months 2 days
					3,65,350	3,65,350	25.08.2013	29.01.2014	10%	36,535	5 months 4 days
				August	2,50,000	2,50,000	25.09.2013	12.04.2014	10%	25,000	6 months 18 days
					6,59,263	6,59,263	25.09.2013	15.04.2014	10%	65,926	6 months 21 days
				2013-14 Q2 (July-Sep)	9,00,000	9,00,000	25.10.2013	24.03.2014	10%	90,000	5 months
					8,00,000	8,00,000	25.01.2014	02.06.2014	10%	80,000	4 months 8 days
				2013-14 Q3 (Oct-Dec)	9,00,000	9,00,000	25.01.2014	03.06.2014	10%	90,000	4 months 9 days
					10,00,000	10,00,000	25.01.2014	04.06.2014	10%	1,00,000	4 months 10 days
					4,04,259	4,04,259	25.01.2014	28.06.2014	10%	40,426	5 months 3 days
				2013-14 Q4 (Jan-March)	15,00,000	15,00,000	25.04.2014	30.06.2014	10%	1,50,000	2 months 5 days
					5,95,351	5,95,351	25.04.2014	01.07.2014	10%	59,535	2 months 6 days
<b>Total (ii)</b>										<b>10,01,467</b>	
3.	M/s Bankey Bihari Ispat Private Ltd., Kichcha (Tin 05004558249)	State 68,55,36,258	2014-15 23.03.18	Q1 (April-June)	3,00,000	3,00,000	20.07.2014	14.09.2014	10%	30,000	1 month 25 days
		Central 23,24,59,519			7,00,000	7,00,000	20.07.2014	15.09.2014	10%	70,000	1 month 26 days
		<b>Total 91,79,95,777</b>		Q2 (July-Sep)	7,00,000	7,00,000	20.10.2014	12.12.2014	10%	70,000	1 month 22 days
					5,00,000	5,00,000	20.10.2014	13.12.2014	10%	50,000	1 month 23 days
				October	8,50,000	8,50,000	20.11.2014	22.01.2015	10%	85,000	2 months 02 days
					5,50,000	5,50,000	20.11.2014	23.01.2015	10%	55,000	2 months 03 days
<b>Total (iii)</b>										<b>3,60,000</b>	

**Audit Report (Social, General, Revenue and Economic Sectors) for the year ended 31 March 2019**

Sl. No.	Name of dealer	Turnover in the respective Assessment Year (in ₹)	Assessment Year/Date of Assessment	Month	Tax Payable (in ₹)	Tax paid (in ₹)	Prescribed date for payment of tax	Actual date of payment of tax	Minimum Rate of Penalty (in per cent)	Minimum Penalty (in ₹)	Delay in payment of tax
4.	M/s Guru Nanak Stone Industries, Kichcha (Tin 05005586061)	State 2,02,53,953	2015-16 09.03.18	Q4 (Jan-March)	3,060 (CST) 11,81,770 (VAT) 11,84,830 (Total)	11,84,830	20.04.2016	22.04.2016	5%	59,242	02 days
		Central 1,52,880									
		<b>Total 2,04,06,833</b>									
<b>Total (iv)</b>										<b>59,242</b>	
5.	M/s Guru Nanak Rice Mill, Kichcha (Tin No.05004446796)	State 6,57,81,371	2013-14 18.10.17	July 2013	21,377 (CST)	21,377 (CST)	25.08.2013	30.08.2013	10%	2,138	05 days
		Central 4,05,66,282		August 2013	1,00,101 (CST)	1,00,101 (CST)	25.09.2013	28.09.2013	10%	10,010	03 days
		<b>Total 10,63,47,653</b>		<b>Total (v)</b>							
										<b>12,148</b>	
6.	M/s J.K. Cement Ltd., Kichcha (Tin 05004456981)	State 18,18,86,792	2014-15 18.04.17	April 2014	17,92,017	17,92,017	20.05.2014	25.05.2014	10%	1,79,202	05 days
		Central Nil		May 2014	21,42,672	21,42,672	20.06.2014	25.06.2014	10%	2,14,267	05 days
		<b>Total 18,18,86,792</b>		June 2014	21,93,251	21,93,251	20.07.2014	24.07.2014	10%	2,19,325	04 days
				July 2014	16,92,561	16,92,561	20.08.2014	25.08.2014	10%	1,69,256	05 days
				August 2014	18,86,067	18,86,067	20.09.2014	25.09.2014	10%	1,88,607	05 days
				October 2014	21,19,232	21,19,232	20.11.2014	25.11.2014	10%	2,11,923	05 days
				November 2014	21,09,504	21,09,504	20.12.2014	24.12.2014	10%	2,10,950	04 days
				December 2014	21,56,224	21,56,224	20.01.2015	22.01.2015	10%	2,15,622	02 days
				January 2015	19,09,378	19,09,378	20.02.2015	25.02.2015	10%	1,90,938	05 days
				February 2015	21,92,810	21,92,810	20.03.2015	25.03.2015	10%	2,19,281	05 days
<b>Total (vi)</b>										<b>20,19,371</b>	
7.	M/s J.K. Cement Ltd., Kichcha (Tin 05004456981)	State 52,72,91,819	2015-16 02.06.17	April 2015	22,28,856	22,28,856	20.05.2015	25.05.2015	5%	1,11,443	05 days
		Central Nil		May 2015	24,40,529	24,40,529	20.06.2015	25.06.2015	5%	1,22,026	05 days
		<b>Total 52,72,91,819</b>		June 2015	22,50,113	22,50,113	20.07.2015	23.07.2015	5%	1,12,506	03 days
				July 2015	18,58,478	18,58,478	20.08.2015	25.08.2015	5%	92,924	05 days
				August 2015	57,07,861	57,07,861	20.09.2015	24.09.2015	5%	2,85,393	04 days
				September 2015	53,57,465	53,57,465	20.10.2015	24.10.2015	5%	2,67,873	04 days
				October 2015	87,07,688	87,07,688	20.11.2015	24.11.2015	5%	4,35,384	04 days
				November 2015	79,94,751	79,94,751	20.12.2015	23.12.2015	5%	3,99,738	03 days
				January 2016	94,79,600	94,79,600	20.02.2016	25.02.2016	5%	4,73,980	05 days
				February 2016	83,34,260	83,34,260	20.03.2016	22.03.2016	5%	4,16,713	02 days
	March 2016	77,28,171	77,28,171	20.04.2016	25.04.2016	5%	3,86,409	05 days			
<b>Total (vii)</b>										<b>31,04,389</b>	
8.	M/s Guru Nanak Motors, Kichcha (Tin 05006096863)	State 3,25,43,888	2015-16 (Deemed assessment)	April 2015	3,22,865	3,22,865	20.05.2015	29.05.2015	5%	16,143	09 days
		Central Nil		May 2015	10,54,532	10,54,532	20.06.2015	25.06.2015	5%	52,727	05 days
		<b>Total 3,25,43,888</b>		June 2015	8,66,117	8,66,117	20.07.2015	25.07.2015	5%	43,306	05 days
				July 2015	7,52,001	7,52,001	20.08.2015	25.08.2015	5%	37,600	05 days
				September 2015	8,13,528	8,13,528	20.10.2015	29.10.2015	5%	40,676	09 days
				October 2015	9,03,997	9,03,997	20.11.2015	30.11.2015	5%	45,200	10 days
				November 2015	10,83,900	10,83,900	20.12.2015	29.12.2015	5%	54,195	09 days
				January 2016	5,94,779	5,94,779	20.02.2016	25.02.2016	5%	29,739	05 days
<b>Total (viii)</b>										<b>3,19,586</b>	
<b>Grand Total (i + ii + iii + iv + v + vi + vii + viii)</b>										<b>76,43,489</b>	

**Appendix-2.8.1**  
(Reference: Paragraph 2.8; Page 39)

**Statement showing non-levy of penalty due to delay in deposit of TDS**

Sl. No.	Month of deduction of TDS	Due date of deposit of TDS	Date of deposit TDS	Delay in deposit of TDS (in days)	Amount of TDS deducted	Two times penalty on delayed deposited tax (in ₹)
1.	2.	3.	4.	5.	6.	7 (6 x 2 times)
<b>M/s Alaknanda hydro power company limited, Dehradun</b>						
<b>Assessment Year-2013-14, Assessment Month-May 2017</b>						
1.	April 13	31/05/2013	13/06/2013	13	2,81,169	5,62,338
2.	May 13	30/06/2013	17/07/2013	17	3,53,741	7,07,482
3.	August 13	30/09/2013	23/10/2013	23	1,27,666	2,55,332
4.	October 13	30/11/2013	02/01/2014	33	2,16,317	4,32,634
5.	December 13	31/01/2014	19/02/2014	19	11,78,674	23,57,348
8.	March 14	30/04/2014	20/06/2014	51	31,50,427	63,00,854
<b>Total-A</b>					<b>53,07,994</b>	<b>1,06,15,988</b>
<b>M/s Lanco Infratech limited, Dehradun</b>						
<b>Assessment Year-2012-13, Assessment Month-June 2017</b>						
1.	February 13	31/03/2013	25/04/2013	25	1,33,848	2,67,696
<b>Assessment Year-2013-14, Assessment Month-June 2017</b>						
2.	July 13	31/08/2013	24/10/2013	54	7,15,946	14,31,892
<b>Total-B</b>					<b>8,49,794</b>	<b>16,99,588</b>
<b>Grand total (A+B)</b>					<b>61,57,788</b>	<b>1,23,15,576</b> <b>Say ₹ 1.23 crore</b>

**Appendix-2.9.1**

(Reference: Paragraph 2.9; Page 40)

**Details of penalty to be imposed on firm on purchasing of such goods during 2012-13, 2013-14 and 2014-15 on Concessional Form 'C' for which it was not registered**

Sl. No.	Form 'C' No.	Date of issue of form 'C'	Goods purchased	Cost of the purchased goods	Rate of tax in percentage	Tax payable (in ₹)	Penalty (one and half times of tax payable)
<b>Assessment Year: 2012-13</b>							
1.	0045771	16/06/2012	Spare parts	9,430.00	13.5	1,273.05	1,909.58
2.	0045772	16/06/2012	Spare parts	9,440.00	13.5	1,274.40	1,911.60
3.	0045773	16/06/2012	Spare parts	2,18,688.00	13.5	29,522.88	44,284.32
4.	0045777	28/07/2012	Spare parts	59,335.00	13.5	8,010.23	12,015.34
5.	0045778	28/07/2012	Spare parts	38,947.00	13.5	5,257.85	7,886.77
6.	0045779	28/07/2012	Spare parts	18,65,000.00	13.5	251,775.00	3,77,662.50
7.	0045780	28/07/2012	Spare parts	62,730.00	13.5	8,468.55	12,702.83
8.	0045782	31/10/2012	Spare parts	39,410.00	13.5	5,320.35	7,980.53
9.	0045783	12/11/2012	Spare parts	1,24,627.00	13.5	16,824.65	25,236.97
10.	0045785	16/02/2013	Spare parts	18,65,000.00	13.5	251,775.00	3,77,662.50
11.	0045786	16/02/2013	Spare parts	3,44,810.00	13.5	46,549.35	69,824.03
12.	0045789	11/03/2013	Spare parts	3,74,965.00	13.5	50,620.28	75,930.41
<b>Total (Assessment Year: 2012-13)</b>				<b>50,12,382.00</b>		<b>6,76,671.59</b>	<b>10,15,007.38</b>
<b>Assessment Year: 2013-14</b>							
1.	0045794	01/04/2013	DG Set 125 KVA	5,52,328.00	13.5	74,564.28	1,11,846.42
2.	0045796	27/09/2013	Tools & Dies	70,795.00	5	3,539.75	5,309.63
3.	0045797	27/09/2013	Tools & Dies	5,263.00	5	263.15	394.73
4.	0045798	27/09/2013	Machine	8,21,294.00	13.5	1,10,874.69	1,66,312.04
5.	0045801	24/10/2013	Machine spares	5,263.00	13.5	710.51	1,065.76
6.	0045802	24/10/2013	Machine spares	5,263.00	13.5	710.51	1,065.76
7.	0045803	24/10/2013	Machine spares	16,055.00	13.5	2,167.43	3,251.14
8.	0045805	15/01/2014	Machine spares	17,633.00	13.5	2,380.46	3,570.68
9.	0045806	15/01/2014	Machine spares	9,547.00	13.5	1,288.85	1,933.27
10.	0045807	15/01/2014	Machine spares	24,879.00	13.5	3,358.67	5,038.00
11.	0045808	15/01/2014	Machine spares	42,109.00	13.5	5,684.72	8,527.07
12.	0045809	12/02/2014	Machine spares	1,24,644.00	13.5	16,826.94	25,240.41
<b>Total (Assessment Year: 2013-14)</b>				<b>16,95,073.00</b>		<b>2,22,369.96</b>	<b>3,33,554.91</b>

Sl. No.	Form 'C' No.	Date of issue of form 'C'	Goods purchased	Cost of the purchased goods	Rate of tax in percentage	Tax payable (₹)	Penalty (one and half times of tax payable)
<b>Assessment Year: 2014-15</b>							
1.	0075348	27/10/2014	Machine Parts	58,140.00	13.5	7,848.90	11,773.35
2.	0075352	27/10/2014	Machine Parts	20,828.00	13.5	2,811.78	4,217.67
3.	0075355	27/10/2014	Machine Parts	63,822.00	13.5	8,615.97	12,923.96
4.	0075356	27/10/2014	Machine Parts	1,47,367.00	13.5	19,894.55	29,841.82
5.	0075360	11/12/2014	Machine Parts	69,360.00	13.5	9,363.60	14,045.40
6.	076477	19/12/2014	Machine Parts	7,85,636.00	13.5	1,06,060.86	1,59,091.29
7.	076478	19/12/2014	Machine Parts	11,09,942.00	13.5	1,49,842.17	2,24,763.26
8.	UKC111437272440	28/11/2014	Sewing Machine	1,73,400.00	5	8,670.00	13,005.00
<b>Total (Assessment Year: 2014-15)</b>				<b>24,28,495.00</b>		<b>3,13,107.83</b>	<b>4,69,661.75</b>
<b>Grant Total</b>				<b>91,35,950.00</b>		<b>12,12,149.38</b>	<b>18,18,224.04</b> <b>Say ₹18.18 lakh</b>

**Appendix-3.2.1**

(Reference: Paragraph 3.2.1.8; Page 49 and Paragraph 3.2.1.9; Page 50)

**Summarised financial results of Power Sector Undertakings for the latest year for which accounts were finalised**

(₹ in crore)

Sl. No.	Activity & Name of the Power Sector Undertaking	Period of Accounts	Net Profit/loss before interest & tax	Net profit/loss after interest & tax	Turn Over	Paid up capital <sup>3</sup>	Capital Employed	Net Worth <sup>*</sup>	Accumulated Profit/Loss
1	2	3	4	5	6	7	8	9	10
<b>A.</b>	Generation								
1.	Uttarakhand Jal Vidhyut Nigam Limited	2018-19	92.51	26.24	755.12	1,190.99	3,564.62	2,130.85	939.86
2.	Kishau Corporation Limited		Initial accounts yet to be received			0.01	0.01	0.01	-
<b>B.</b>	Transmission								
1.	Power Transmission Corporation of Uttarakhand Limited	2018-19	112.48	62.46	317.35	520.88	1,349.57	723.22	202.34
<b>C.</b>	Distribution								
1.	Uttarakhand Power Corporation Limited	2018-19	-433.93	-553.23	6,218.61	1,428.91	-844.91	-1693.04	-3,121.95
	<b>Grand Total</b>		<b>-228.94</b>	<b>-464.53</b>	<b>7291.08</b>	<b>3,140.79</b>	<b>4,069.29</b>	<b>1,161.04</b>	<b>-1,979.75</b>

\*Net worth is the sum total of the paid-up capital and free reserves and surplus minus accumulated losses and deferred revenue expenditure.

Note 1: Net profit/ Loss after interest and tax are without considering Other Comprehensive Income incase of IND AS compliant Power Sector PSUs.

Note 2: Kishau Corporation Limited is incorporated on 16 January 2017 and it had not commenced any commercial activities till 31 March 2019.

Note3: Paid capital includes share application money pending allotment.

**Appendix-3.2.2**  
(Reference: Paragraph 3.2.1.10; Page 52)

**Statement showing State Government funds infused in the four power sector undertakings since inception till 31 March 2019**

(₹ in crore)

Year	UJVNL			PTCUL			UPCL			Kishau Corporation Ltd.			Total		
	Equity	Interest Free Loan (IFL)	IFL converted into equity	Equity	Interest Free Loan (IFL)	IFL converted into equity	Equity	Interest Free Loan (IFL)	IFL converted into equity	Equity	Interest Free Loan (IFL)	IFL converted into equity	Equity	Interest Free Loan (IFL)	IFL converted into equity
2000-01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2001-02	5.00	0.00	0.00	0.00	0.00	0.00	5.00	0.00	0.00	0.00	0.00	0.00	10.00	0.00	0.00
2002-03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2003-04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2004-05	139.36	0.00	0.00	29.3	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	168.66	0.00	0.00
2005-06	227.78	0.00	0.00	13.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	241.64	0.00	0.00
2006-07	97.42	0.00	0.00	22.56	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	119.98	0.00	0.00
2007-08	190.25	0.00	0.00	38.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	229.2	0.00	0.00
2008-09	52.33	0.00	0.00	19.7	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	72.03	0.00	0.00
2009-10	73.07	0.00	0.00	49.81	0.00	0.00	572.00	0.00	0.00	0.00	0.00	0.00	694.88	0.00	0.00
2010-11	16.59	0.00	0.00	15.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	31.71	0.00	0.00
2011-12	3.67	0.00	0.00	38.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	41.78	0.00	0.00
2012-13	68.11	0.00	0.00	56.33	0.00	0.00	391.91	0.00	0.00	0.00	0.00	0.00	516.35	0.00	0.00
2013-14	202.21	0.00	0.00	16.6	0.00	0.00	39.99	0.00	0.00	0.00	0.00	0.00	258.8	0.00	0.00
2014-15	8.10	0.00	0.00	95.15	0.00	0.00	68.00	0.00	0.00	0.00	0.00	0.00	171.25	0.00	0.00
2015-16	21.80	0.00	0.00	25.56	0.00	0.00	161.13	0.00	0.00	0.00	0.00	0.00	208.49	0.00	0.00
2016-17	47.00	0.00	0.00	37.00	0.00	0.00	46.00	0.00	0.00	0.01	0.00	0.00	130.01	0.00	0.00
2017-18	15.17	0.00	0.00	15.83	0.00	0.00	22.00	0.00	0.00	0.00	0.00	0.00	53.00	0.00	0.00
2018-19	23.13	0.00	0.00	47.00	0.00	0.00	122.88	0.00	0.00	0.00	0.00	0.00	193.01	0.00	0.00
<b>Total</b>	<b>1,190.99</b>	<b>0.00</b>	<b>0.00</b>	<b>520.88</b>	<b>0.00</b>	<b>0.00</b>	<b>1,428.91</b>	<b>0.00</b>	<b>0.00</b>	<b>0.01</b>	<b>0.00</b>	<b>0.00</b>	<b>3,140.79</b>	<b>0.00</b>	<b>0.00</b>

Note: Kishau Corporation Limited is incorporated on 16 January 2017 and it had not commenced any commercial activities till 31 March 2019. The paid up capital of Kishau Corporation Limited was ₹0.01 lakh and the same was not included in the total equity of the power sector PSUs.

**Appendix-3.3.1**  
(Reference: Paragraph 3.3.1.3; Page 62)

**Statement showing position of equity and outstanding loans relating to State PSUs (other than Power Sector) as on 31 March 2019**

(₹ in crore)

Sl. No.	Sector & Name of the PSU	Name of the Department	Month and year of incorporation	Equity				Long term loans outstanding at close of the year 2018-19			
				GoU	GoI	Others	Total	GoU	GoI	Others	Total
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)
<b>A Social Sector</b>											
<b>I-Working Government Companies</b>											
1.	Uttarakhand Bahuddeshiya Vitta Evam Vikas Nigam Limited	Social Welfare	October 2001	17.46	5.99	0.00	23.45	0.00	0.00	1.46	1.46
2.	Uttarakhand Purv Saini Kalyan Nigam Limited	Public welfare	March 2004	1.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00
3.	Uttarakhand Alpsankhyak Kalyan Tatha Wakf Vikas Nigam (Initial accounts not received)	Development of economically weaker section of Minority (Finance)	January 2005	7.55	0.00	0.00	7.55	0.00	0.00	1.00	1.00
<b>Total A-I</b>				<b>26.01</b>	<b>5.99</b>	<b>0.00</b>	<b>32.00</b>	<b>0.00</b>	<b>0.00</b>	<b>2.46</b>	<b>2.46</b>
<b>II-Non-working Government Companies</b>											
1.	Garhwal Anusuchit Janjati Vikas Nigam Limited (Subsidiary of Garhwal Mandal Vikas Nigam Limited)	Development of economically weaker section of Minority (Finance)	June 1974	0.20	0.00	0.30	0.50	1.17	0.04	0.00	1.21
2.	Kumaun Anusuchit Janjati Vikas Nigam Limited (Subsidiary of Kumaun Mandal Vikas Nigam Limited)	Development of economically weaker section of Minority (Finance)	June 1975	0.22	0.00	0.28	0.50	0.00	0.00	0.00	0.00
<b>Total A-II</b>				<b>0.42</b>	<b>0.00</b>	<b>0.58</b>	<b>1.00</b>	<b>1.17</b>	<b>0.04</b>	<b>0.00</b>	<b>1.21</b>
<b>Total A (I+II)</b>				<b>26.43</b>	<b>5.99</b>	<b>0.58</b>	<b>33.00</b>	<b>1.17</b>	<b>0.04</b>	<b>2.46</b>	<b>3.67</b>
<b>B Competitive Environment sector</b>											
<b>I -Working Government Companies</b>											
1.	Uttarakhand Seed & Tarai Development Corporation Ltd.	Agricultural	February 1969	1.2	0.84	2.04	4.08	12.50	0	0	12.50
2.	State Infrastructure and Industrial Development Corporation of Uttarakhand Limited	Industrial and Infrastructure Development	July 2002	26	0	2.5	28.5	0	0	180.75	180.75



3.	Bridge, Ropeway, Tunnel and other Infrastructure Development Corporation of Uttarakhand Limited earlier known as Uttarakhand State Infrastructure Development Corporation Limited	Industrial and Infrastructure Development	March 2008	4.00	0.00	0.00	4.00	3.00	0.00	0.00	3.00
4.	Doiwala Sugar Company Limited	Sugar and Cane	December 2001	6.00	0.00	0.00	6.00	127.99	5.31	3.15	136.45
5.	Kichha Sugar Company Limited	Sugar and Cane	February 1972	17.54	0	0.45	17.99	119.32	0	0	119.32
6.	Uttarakhand Project Development and Construction Corporation Limited	Irrigation	December 2010	1.07	0	0	1.07	0	0	0	0
7.	Kumaun Mandal Vikas Nigam Limited	Tourism	March 1971	13.42	0.00	0.00	13.42	28.07	0.00	0.00	28.07
8.	Garhwal Mandal Vikas Nigam Limited	Tourism	March 1976	6.64	0.00	0.00	6.64	0.42	0.00	0.23	0.65
9.	Ecotourism Development Corporation of Uttarakhand (Initial accounts not received)	Tourism	March 2017	0.05	0	0	0.05	0.00	0.00	6.00	6.00
<b>Total B-I</b>				<b>75.92</b>	<b>0.84</b>	<b>4.99</b>	<b>81.75</b>	<b>291.30</b>	<b>5.31</b>	<b>190.13</b>	<b>486.74</b>
<b>II-Statutory Corporation</b>											
1.	Uttarakhand Peyjal Sansadhan Vikas Evam Nirman Nigam	water supply and sewerage	November 2002	0	0	0	0	21.02	54.45	0	75.47
2.	Uttarakhand Parivahan Nigam	Transport	October 2003	229.36	9.24	0	238.6	0.74	1.93	50.96	53.63
<b>Total B-II</b>				<b>229.36</b>	<b>9.24</b>	<b>0</b>	<b>238.60</b>	<b>21.76</b>	<b>56.38</b>	<b>50.96</b>	<b>129.10</b>
<b>Total B (I+II)</b>				<b>305.28</b>	<b>10.08</b>	<b>4.99</b>	<b>320.35</b>	<b>313.06</b>	<b>61.69</b>	<b>241.09</b>	<b>615.84</b>
<b>C Others</b>											
<b>I-Working Government Company</b>											
1.	Uttar Pradesh Hill Electronics Corporation Limited	Electronics	June 1985	8.95	0.00	0.00	8.95	0.00	0.00	0.00	0.00
2.	Uttarakhand Metro Rail, Urban Infrastructure & Building Construction Corporation Limited (Initial accounts not received)	Urban Development	March 2017	0.10	0.00	0.00	0.10	0.00	0.00	0.00	0.00
3.	Dehradun Smart City Limited	Urban Development	September 2017	0.05	0.00	0.05	0.10	0.00	0.00	0.00	0.00
<b>Total C-I</b>				<b>9.10</b>	<b>0.00</b>	<b>0.05</b>	<b>9.15</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>II-Non-working Government Company</b>											
1.	Trans cables Limited (Subsidiary of Kumaun Mandal Vikas Nigam limited)	Electronics	November 1973	0.00	0.00	1.63	1.63	2.75	0.00	0.00	2.75
2.	Uttar Pradesh Digitals Limited (Subsidiary of Kumaun Mandal Vikas Nigam Limited)	Electronics	March 1978	0.00	0.00	0.35	0.35	1.40	18.52	0.00	19.92
3.	UPAI	Agricultural	April 1977	0.17	0.00	0.00	0.17	0.00	0.00	0.00	0.00
4.	Uttar Pradesh Hill Phones Limited (Subsidiary of Uttar Pradesh Hill Electronics Corporation Limited) (Not available )	Electronics	July 1987	0.00	0.00	0.03	0.03	0.00	0.00	0.00	0.00

**Audit Report (Social, General, Revenue and Economic Sectors) for the year ended 31 March 2019**

5.	Uttar Pradesh Hill Quartz Limited (Subsidiary of Uttar Pradesh Hill Electronics Corporation limited) (Not available)	Electronics	July 1989	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6.	Kumtron Limited (Subsidiary of Uttar Pradesh Hill Electronics Corporation Limited)	Electronics	April 1987	0.00	0.00	0.18	0.18	0.00	0.00	0.00	0.00
<b>Total C-II</b>				<b>0.17</b>	<b>0.00</b>	<b>2.19</b>	<b>2.36</b>	<b>4.15</b>	<b>18.52</b>	<b>0.00</b>	<b>22.67</b>
<b>III -Statutory Corporation</b>											
1.	Uttarakhand Forest Development Corporation	Forest	May 2001	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total C-III</b>				<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total C (I+II+III)</b>				<b>9.27</b>	<b>0.00</b>	<b>2.24</b>	<b>11.51</b>	<b>4.15</b>	<b>18.52</b>	<b>0.00</b>	<b>22.67</b>
<b>Grand Total (A+B+C)</b>				<b>340.98</b>	<b>16.07</b>	<b>7.81</b>	<b>364.86</b>	<b>318.38</b>	<b>80.25</b>	<b>243.55</b>	<b>642.18</b>

## Appendix-3.3.2

(Reference: Paragraph 3.3.1.8; Page 65)

## Statement showing position of State Government Investment (Loans and grant/subsidy) in working PSUs (other than Power Sector) during the period for which accounts are in arrears

(₹ in crore)

Sl. No.	Name of PSU	Period upto which accounts finalised	Period for which accounts are in arrears	Paid up capital as per latest accounts finalised	Investment made by State Government during the period for which accounts are in arrears		
					Loans	Grant/Subsidy	Total
<b>A -Working Government Companies</b>							
1.	Uttarakhand Seeds & Tarai Development Corporation Limited	2015-16	2016-17 to 2018-19	4.08	0.00	0.00	0.00
2.	Uttarakhand Bahuddeshiya Vitta Evam Vikas Nigam Limited	2008-09	2009-10to 2018-19	8.43	0.00	48.30	48.30
3.	State Infrastructure and Industrial Development Corporation of Uttarakhand Limited	2016-17	2017-18 to 2018-19	28.50	0.00	0.00	0.00
4.	Bridge, Ropeway, Tunnel And Other Infrastructure Development Corporation Of Uttarakhand Limited (BRIDCUL) (formerly Uttarakhand State Infrastructure Development Corporation)	2016-17	2017-18to2018-19	4.00	0.00	0.00	0.00
5.	Uttar Pradesh Hill Electronics Corporation Limited	2013-14	2014-15 to 2018-19	8.95	0.00	21.09	21.09
6.	Kichha Sugar Company Limited	2017-18	2018-19	17.99	3.00	67.94	70.94
7.	Doiwala Sugar Company Limited	2017-18	2018-19	6.00	0.00	55.29	55.29
8.	Uttaranchal Project Development and Construction Corporation Limited	2017-18	2018-19	1.07	0.00	0.20	0.20
9.	Kumaun Mandal Vikas Nigam Limited	2005-06	2006-07 to 2018-19	13.42	9.81	0.00	9.81
10.	Garhwal Mandal Vikas Nigam Limited	2011-12	2012-13to 2018-19	6.80	0.00	0.00	0.00
11.	Uttarakhand Purva Sainik Kalyan Nigam Limited	2017-18	2018-19	1.00	0.00	0.00	0.00
12.	Uttarakhand Alpsankhyak Kalyan Tatha Wakf Vikas Nigam	First accounts not received	2004-05 to 2018-19	0.00	0.00	38.25	38.25
13.	Uttarakhand Metro Rail, Urban Infrastructure and Building Construction Corporation Limited	2017-18	2018-19	0.10	0.00	5.00	5.00
14.	Ecotourism Development Corporation of Uttarakhand Limited	First accounts not received	2017-18 and 2018-19	0.00	0.00	0.00	0.00
<b>Total A</b>				<b>100.34</b>	<b>12.81</b>	<b>236.07</b>	<b>248.88</b>
<b>B -Working Statutory Corporations</b>							
1.	Uttarakhand Peyjal Sansadhan Vikas Evam Nirman Nigam	2017-18	2018-19	0.00	0.00	956.78	956.78
2.	Uttarakhand Parivahan Nigam	2015-16	2016-17 to 2018-19	238.60	0.00	0.00	0.00
3	Uttarakhand Forest Development Corporation	2017-18	2018-19	0.00	0.00	0.00	0.00
<b>Total B</b>				<b>238.60</b>	<b>0.00</b>	<b>956.78</b>	<b>956.78</b>
<b>Total (A+B)</b>				<b>338.94</b>	<b>12.81</b>	<b>1,192.85</b>	<b>1,205.66</b>

**Appendix-3.3.3**

(Reference: Paragraph 3.3.1.12, 3.3.1.13 & 3.3.1.18; Page 67, 68 & 72)

**Summarised financial results of State PSUs (other than Power Sector) for the latest year for which accounts were finalised**

(₹ in crore)

Sl. No.	Sector, Type & Name of the PSU	Period of accounts	Year in which finalised	Net profit/ loss before dividend, interest & tax	Net profit/ loss after dividend, interest & tax	Turn over	Paid up capital	Capital employed	Net Worth	Accumulated Profit/ loss
1	2	3	4	5	6	7	8	9	10	11
<b>A-Social Sector</b>										
<b>I-Working Government Companies</b>										
1.	Uttarakhand Bahuddeshiya Vitta Evam Vikas Nigam Limited	2008-09	2018-19	1.00	0.86	1.03	8.43	14.19	10.96	2.53
2.	Uttarakhand Purv Sainik Kalyan Nigam Limited	2017-18	2018-19	8.60	8.60	359.99	1.00	54.82	54.82	53.82
3.	Uttarakhand Alpsankhyak Kalyan Tatha Wakf Vikas Nigam	Initial accounts not received		0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total A-I</b>				<b>9.60</b>	<b>9.46</b>	<b>361.02</b>	<b>9.43</b>	<b>69.01</b>	<b>65.78</b>	<b>56.35</b>
<b>II-Non-working Government Companies</b>										
4.	Garhwal Anusuchit Janjati Vikas Nigam Limited (Subsidiary of Garhwal Mandal Vikas Nigam Limited)	2000-01	2019-20	-0.26	-0.29	0.14	0.50	-0.38	-1.45	-1.95
5.	Kumaun Anusuchit Janjati Vikas Nigam Limited (Subsidiary of Kumaun Mandal Vikas Nigam Limited)	1986-87	2002-03	-0.02	-0.02	0.10	0.50	0.89	0.46	-0.04
<b>Total A-II</b>				<b>-0.28</b>	<b>-0.31</b>	<b>0.24</b>	<b>1.00</b>	<b>0.51</b>	<b>-0.99</b>	<b>-1.99</b>
<b>Total A (I+II)</b>				<b>9.32</b>	<b>9.15</b>	<b>361.26</b>	<b>10.43</b>	<b>69.52</b>	<b>64.79</b>	<b>54.36</b>
<b>B-Competitive Environment Sector</b>										
<b>I-Working Government Companies</b>										
6.	Uttarakhand Seed & Tarai Development Corporation Ltd.	2015-16	2018-19	-12.31	-15.62	102.43	4.08	-2.63	-5.13	-9.21
7.	State Infrastructure and Industrial Development Corporation of Uttarakhand Limited	2015-16	2019-20	9.89	6.45	19.24	28.50	515.76	415.76	387.26
8.	Bridge, Ropeway, Tunnel and other Infrastructure Development Corporation of Uttarakhand Limited earlier known as Uttarakhand State Infrastructure Development Corporation Limited	2016-17	2019-20	1.94	1.44	36.45	4.00	13.13	8.13	4.13
9.	Doiwala Sugar Company Limited	2017-18	2018-19	-23.48	-46.29	97.17	6.00	-215.22	-357.17	-363.17
10.	Kichha Sugar Company Limited	2017-18	2019-20	-32.36	-50.71	115.13	17.99	-180.68	-297.00	-314.99
11.	Uttarakhand Project Development and Construction Corporation Limited	2017-18	2018-19	0.01	0.01	3.62	1.07	0.85	0.85	-0.22
12.	Kumaun Mandal Vikas Nigam Limited	2005-06	2016-17	-0.30	-1.51	100.49	13.42	13.18	12.75	-0.67
13.	Garhwal Mandal Vikas Nigam Limited	2011-12	2019-20	-1.30	-1.54	147.25	6.80	58.51	50.27	43.47
14.	Ecotourism Development Corporation of Uttarakhand (Initial accounts not received)	Initial accounts not received		0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total B-I</b>				<b>-57.91</b>	<b>-107.77</b>	<b>621.78</b>	<b>81.86</b>	<b>202.90</b>	<b>-171.54</b>	<b>-253.40</b>

<b>II- Statutory Corporation</b>										
15.	Uttarakhand Peyjal Sansadhan Vikas Evam Nirman Nigam	2017-18	2018-19	9.21	-0.91	86.03	0.00	-157.39	-232.85	-232.85
16.	Uttarakhand Parivahan Nigam	2015-16	2017-18	-11.99	-11.99	309.12	238.60	-186.38	-189.05	-427.65
<b>Total B-II</b>				<b>-2.78</b>	<b>-12.90</b>	<b>395.15</b>	<b>238.60</b>	<b>-343.77</b>	<b>-421.90</b>	<b>-660.50</b>
<b>Total B (I+II)</b>				<b>-60.69</b>	<b>-120.67</b>	<b>1016.93</b>	<b>320.46</b>	<b>-140.87</b>	<b>-593.44</b>	<b>-913.90</b>
<b>C Others</b>										
<b>I-Working Government Company</b>										
17.	Uttar Pradesh Hill Electronics Corporation Limited	2013-14	2017-18	-2.21	-2.21	1.32	8.95	-15.98	-15.98	-24.93
18.	Uttarakhand Metro Rail, Urban Infrastructure & Building Construction Corporation Limited (Initial accounts not receive)	2017-18	2019-20	-0.04	-0.04	0.00	0.10	0.06	0.06	-0.04
19.	Dehradun Smart City Limited	2018-19	2019-20	0.00	0.00	0.00	0.10	0.10	0.10	0.00
<b>Total C-I</b>				<b>-2.25</b>	<b>-2.25</b>	<b>1.32</b>	<b>9.15</b>	<b>-15.82</b>	<b>-15.82</b>	<b>-24.97</b>
<b>II-Non-working Government Companies</b>										
20.	Trans cables Limited (Subsidiary of Kumaun Mandal Vikas Nigam limited)	1999-00	2002-03	-0.84	-0.84	2.80	1.63	-1.42	-4.17	-5.80
21.	Uttar Pradesh Digitals Limited (Subsidiary of Kumaun Mandal Vikas Nigam Limited)	1996-97	1997-98	-1.19	-1.19	0.00	0.35	13.32	-6.60	-6.95
22.	UPAI*	1988-89	1999-00	0.00	0.00	0.00	0.17	0.12	0.12	-0.05
23.	Uttar Pradesh Hill Phones Limited (Subsidiary of Uttar Pradesh Hill Electronics Corporation Limited)	Not available		0.00	0.00	0.00	0.00	0.00	0.00	0.00
24.	Uttar Pradesh Hill Quartz Limited (Subsidiary of Uttar Pradesh Hill Electronics Corporation limited) (Not available)	Not available		0.00	0.00	0.00	0.00	0.00	0.00	0.00
25.	Kumtron Limited (Subsidiary of Uttar Pradesh Hill Electronics Corporation Limited)	1989-90	1990-91	-0.02	-0.02	0.00	0.18	0.16	0.16	-0.02
<b>Total C-II</b>				<b>-2.05</b>	<b>-2.05</b>	<b>2.80</b>	<b>2.33</b>	<b>12.18</b>	<b>-10.49</b>	<b>-12.82</b>
<b>III-Statutory Corporation</b>										
26.	Uttarakhand Forest Development Corporation	2017-18	2018-19	-7.14	-7.46	601.69	0.00	350.40	350.40	350.40
<b>Total C-III</b>				<b>-7.14</b>	<b>-7.46</b>	<b>601.69</b>	<b>0.00</b>	<b>350.40</b>	<b>350.40</b>	<b>350.40</b>
<b>Total C (I + II+III)</b>				<b>-11.44</b>	<b>-11.76</b>	<b>605.81</b>	<b>11.48</b>	<b>346.76</b>	<b>324.09</b>	<b>312.61</b>
<b>Grand Total (A+B+C)</b>				<b>-62.81</b>	<b>-123.28</b>	<b>1984.00</b>	<b>342.37</b>	<b>275.41</b>	<b>-204.56</b>	<b>-546.93</b>
<b>(i) Working Government Companies</b>				<b>-50.56</b>	<b>-100.56</b>	<b>984.12</b>	<b>100.44</b>	<b>256.09</b>	<b>-121.58</b>	<b>-222.02</b>
<b>(ii) Statutory Corporations</b>				<b>-9.92</b>	<b>-20.36</b>	<b>996.84</b>	<b>238.60</b>	<b>6.63</b>	<b>-71.50</b>	<b>-310.10</b>
<b>(iii) Working PSUs (i+ii)</b>				<b>-60.48</b>	<b>-120.92</b>	<b>1980.96</b>	<b>339.04</b>	<b>262.72</b>	<b>-193.08</b>	<b>-532.12</b>
<b>(iv) Non-working Government Companies</b>				<b>-2.33</b>	<b>-2.36</b>	<b>3.04</b>	<b>3.33</b>	<b>12.69</b>	<b>-11.48</b>	<b>-14.81</b>
<b>Grand Total (iii+iv)</b>				<b>-62.81</b>	<b>-123.28</b>	<b>1984.00</b>	<b>342.37</b>	<b>275.41</b>	<b>-204.56</b>	<b>-546.93</b>

**Annexure-3.3.4**

(Reference: Paragraph 3.3.1.16; Page 71)

**Year wise details of investment by the State Government for the period from 2001-02 to 2018-19**

(₹ in crore)

A - Social Sector (1 & 2) & Competitive Sector 3									
Sl. No.	1.			2.			3.		
Year	Uttarakhand Bahuddeshiya Vitta Evam Vikas Nigam Limited			Uttarakhand Purv Sainik Kalyan Nigam Limited			Uttarakhand Seed & Tarai Development Corporation Ltd		
	Equity	IFL	Grant/Subsidy	Equity	IFL	Grant/Subsidy	Equity	IFL	Grant/Subsidy
2000-01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2001-02	2.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2002-03	1.10	0.00	0.00	0.00	0.00	0.00	1.20	0.00	0.00
2003-04	1.68	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2004-05	0.71	0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00
2005-06	0.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2006-07	4.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2007-08	1.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2008-09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2009-10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2010-11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2011-12	1.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2012-13	1.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2013-14	1.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2014-15	0.71	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2015-16	0.40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2016-17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2017-18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2018-19	1.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>17.46</b>	<b>0.00</b>	<b>0.00</b>	<b>1.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1.20</b>	<b>0.00</b>	<b>0.00</b>
B - Competitive sector 4 to 6									
Sl. No.	4.			5.			6.		
Year	State Infrastructure and Industrial Development Corporation of Uttarakhand Limited			Uttarakhand Parivahan Nigam			Garhwal Mandal Vikas Nigam		
	Equity	IFL	Grant/ Subsidy	Equity	IFL	Grant/ Subsidy	Equity	IFL	Grant/Subsidy
2000-01	0.00	0.00	0.00	0.00	0.00	0.00	6.79	0.00	0.00
2001-02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2002-03	16.00	0.00	0.00	0.00	1.93	0.00	0.00	0.00	0.00
2003-04	10.00	0.00	0.00	3.00	0.00	0.00	0.00	0.00	0.00
2004-05	0.00	0.00	0.00	25.00	0.00	0.00	0.00	0.00	0.00
2005-06	0.00	0.00	0.00	20.00	4.25	0.00	0.00	0.00	0.00
2006-07	0.00	0.00	0.00	20.00	0.00	0.00	0.00	0.00	0.00
2007-08	0.00	0.00	0.00	1.00	19.50	0.00	0.00	0.00	0.00
2008-09	0.00	0.00	0.00	1.50	0.00	0.00	0.00	0.00	0.00
2009-10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

2010-11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2011-12	0.00	0.00	0.00	0.00	100.11	0.00	0.00	0.00	0.00
2012-13	0.00	0.00	0.00	0.00	25.00	0.00	0.00	0.00	0.00
2013-14	0.00	0.00	0.00	0.00	10.00	0.00	0.00	0.00	0.00
2014-15	0.00	0.00	0.00	158.86	1.00	0.00	0.00	0.00	0.00
2015-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2016-17	0.00	0.00	0.00	0.00	0.00	0.00	-0.15	0.00	0.00
2017-18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2018-19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>26.00</b>	<b>0.00</b>	<b>0.00</b>	<b>229.36</b>	<b>161.79</b>	<b>0.00</b>	<b>6.64</b>	<b>0.00</b>	<b>0.00</b>
<b>B -Competitive Sector 7 to 9</b>									
<b>Sl. No.</b>	<b>7.</b>			<b>8.</b>			<b>9.</b>		
<b>Year</b>	<b>Uttarakhand Peyjal Sansadhan Vikas Evam Nirman Nigam</b>			<b>Bridge, Ropeway, Tunnel and other Infrastructure Development Corporation of Uttarakhand Limited earlier known as Uttarakhand State Infrastructure Development Corporation Limited</b>			<b>Doiwala Sugar Company Limited</b>		
	<b>Equity</b>	<b>IFL</b>	<b>Grant/ Subsidy</b>	<b>Equity</b>	<b>IFL</b>	<b>Grant/ Subsidy</b>	<b>Equity</b>	<b>IFL</b>	<b>Grant/ Subsidy</b>
2000-01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2001-02	0.00	0.00	0.00	0.00	0.00	0.00	6.00	0.00	0.00
2002-03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2003-04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2004-05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2005-06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2006-07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2007-08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2008-09	0.00	0.00	0.00	0.05	0.00	0.00	0.00	0.00	0.00
2009-10	0.00	0.00	0.00	2.95	0.00	0.00	0.00	0.00	0.00
2010-11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2011-12	0.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00	0.00
2012-13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2013-14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2014-15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2015-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.74
2016-17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.67
2017-18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	29.95
2018-19	0.00	0.00	98.00	0.00	0.00	0.00	0.00	0.00	55.06
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>98.00</b>	<b>4.00</b>	<b>0.00</b>	<b>0.00</b>	<b>6.00</b>	<b>0.00</b>	<b>99.42</b>
<b>B - Competitive 10 to 12</b>									
<b>Sl. No.</b>	<b>10.</b>			<b>11.</b>			<b>12.</b>		
<b>Year</b>	<b>Kichha Sugar Company Limited</b>			<b>Uttarakhand Project Development and Construction Corporation Limited</b>			<b>Kumaun Mandal Vikas Nigam Limited</b>		
	<b>Equity</b>	<b>IFL</b>	<b>Grant/Subsidy</b>	<b>Equity</b>	<b>IFL</b>	<b>Grant/Subsidy</b>	<b>Equity</b>	<b>IFL</b>	<b>Grant/Subsidy</b>
2000-01	17.54	0.00	0.00	0.00	0.00	0.00	13.42	0.00	0.00
2001-02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

**Audit Report (Social, General, Revenue and Economic Sectors) for the year ended 31 March 2019**

2002-03	0.00	1.00	0.00	0.00	0.00	0.00	0.00	0.79	0.00
2003-04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2004-05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2005-06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.47	0.00
2006-07	0.00	-0.25	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2007-08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3.92	0.00
2008-09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.49	0.00
2009-10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2010-11	0.00	0.00	0.00	0.07	0.00	0.00	0.00	0.00	0.00
2011-12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.41	0.00
2012-13	0.00	0.00	0.00	0.95	0.00	0.00	0.00	0.00	0.00
2013-14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2014-15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2015-16	0.00	8.00	10.46	0.05	0.00	0.00	0.00	0.00	0.00
2016-17	0.00	0.00	7.29	0.00	0.00	0.00	0.00	0.00	0.00
2017-18	0.00	0.00	26.22	0.00	0.00	0.00	0.00	0.00	0.00
2018-19	0.00	0.00	67.94	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total</b>	<b>17.54</b>	<b>8.75</b>	<b>111.91</b>	<b>1.07</b>	<b>0.00</b>	<b>0.00</b>	<b>13.42</b>	<b>16.08</b>	<b>0.00</b>
<b>C – Others Sector 13 to 15</b>									
<b>Sl. No.</b>	<b>13.</b>			<b>14.</b>			<b>15.</b>		
<b>Year</b>	<b>Uttar Pradesh Hill Electronics Corporation Limited</b>			<b>Uttarakhand Forest Development Corporation</b>			<b>Uttarakhand Metro Rail, Urban Infrastructure and Building Construction Limited</b>		
	<b>Equity</b>	<b>IFL</b>	<b>Grant/Subsidy</b>	<b>Equity</b>	<b>IFL</b>	<b>Grant/Subsidy</b>	<b>Equity</b>	<b>IFL</b>	<b>Grant/Subsidy</b>
2000-01	8.95	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2001-02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2002-03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2003-04	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2004-05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2005-06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2006-07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2007-08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2008-09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2009-10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2010-11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2011-12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2012-13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2013-14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2014-15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2015-16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2016-17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2017-18	0.00	0.00	0.00	0.00	0.00	0.00	0.10	0.00	5.00
2018-19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5.00
<b>Total</b>	<b>8.95</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.10</b>	<b>0.00</b>	<b>10.00</b>



A – Other Sector 16			
Sl. No.	16.		
Year	Dehradun Smart City		
	Equity	IFL	Grant/ Subsidy
2000-01	0.00	0.00	0.00
2001-02	0.00	0.00	0.00
2002-03	0.00	0.00	0.00
2003-04	0.00	0.00	0.00
2004-05	0.00	0.00	0.00
2005-06	0.00	0.00	0.00
2006-07	0.00	0.00	0.00
2007-08	0.00	0.00	0.00
2008-09	0.00	0.00	0.00
2009-10	0.00	0.00	0.00
2010-11	0.00	0.00	0.00
2011-12	0.00	0.00	0.00
2012-13	0.00	0.00	0.00
2013-14	0.00	0.00	0.00
2014-15	0.00	0.00	0.00
2015-16	0.00	0.00	0.00
2016-17	0.00	0.00	0.00
2017-18	0.05	0.00	0.00
2018-19	0.00	0.00	6.00
<b>Total</b>	<b>0.05</b>	<b>0.00</b>	<b>6.00</b>

**Annexure-3.3.5**  
(Reference: Paragraph 3.3.1.16; Page 71)

Year wise details of investment by the State Government and present value (PV) of Government investment for the period from 2001-02 to 2018-19

(₹ in crore)

Year	Present value of total investment at the beginning of the year	Equity infused by the State Government during the year	Interest Free loans given by the State Government during the year	Interest free loan converted into Equity during the year	Grants/subsidies given by State Government for operational and administrative expenditure	Disinvestment by the State Government during the year at face value	Total Investment during the year	Total investment at the end of the year	Average rate of interest on government borrowings (in percentage)	Present value of total investment at the end of the year	Minimum expected return to recover cost of funds for the year	Total earning for the year
A	B	C	D	E	F	G	H=C+D-E+F-G	I=B+H	J	K=I*(1+J/100)	L=I*J/100	M
<b>OB</b>		46.70	0.00	0.00	0.00	0.00	46.70	<b>46.70</b>	<b>0.00</b>	<b>46.70</b>		
2001-02	46.70	8.20	0.00	0.00	0.00	0.00	8.20	54.90	8.36	59.49	4.59	-3.37
2002-03	59.49	18.30	3.72	0.00	0.00	0.00	22.02	81.51	10.40	89.99	8.48	-3.6
2003-04	89.99	14.68	0.00	0.00	0.00	0.00	14.68	104.67	8.51	113.57	8.91	-13.6
2004-05	113.57	26.71	0.00	0.00	0.00	0.00	26.71	140.28	9.10	153.05	12.77	-8.66
2005-06	153.05	20.76	9.72	0.00	0.00	0.00	30.48	183.53	7.47	197.24	13.71	-10.05
2006-07	197.24	24.22	-0.25	0.00	0.00	0.00	23.97	221.21	7.79	238.44	17.23	2.02
2007-08	238.44	2.22	23.42	0.00	0.00	0.00	25.64	264.08	7.99	285.18	21.10	11.51
2008-09	285.18	1.55	5.49	0.00	0.00	0.00	7.04	292.22	7.75	314.87	22.65	37.29
2009-10	314.87	2.95	0.00	0.00	0.00	0.00	2.95	317.82	7.64	342.10	24.28	37.29
2010-11	342.10	0.07	0.00	0.00	0.00	0.00	0.07	342.17	7.34	367.29	25.12	24.10
2011-12	367.29	2.22	100.52	0.00	0.00	0.00	102.74	470.03	7.83	506.83	36.80	-41.03
2012-13	506.83	2.06	25.00	0.00	0.00	0.00	27.06	533.89	8.50	579.27	45.38	-63.06
2013-14	579.27	1.11	10.00	0.00	0.00	0.00	11.11	590.38	7.57	635.07	44.69	-49.83
2014-15	635.07	159.57	1.00	0.00	0.00	0.00	160.57	795.64	7.73	857.14	61.50	-45.07
2015-16	857.14	0.45	8.00	0.00	19.20	0.00	27.65	884.79	8.19	957.26	72.46	-60.88
2016-17	957.26	-0.15	0.00	0.00	12.96	0.00	12.81	970.07	8.91	1056.50	86.43	-30.54
2017-18	1056.50	0.15	0.00	0.00	61.17	0.00	61.32	1117.82	8.27	1210.27	92.44	-102.29
2018-19	1210.27	1.02	0.00	0.00	232.00	0.00	233.02	1443.29	8.15	1560.91	117.63	-120.92
<b>Total</b>		<b>332.79</b>	<b>186.62</b>	<b>0.00</b>	<b>325.33</b>	<b>0.00</b>	<b>844.74</b>					

Note: The State Government had not converted Interest free loan into Equity. Grants/subsidies were given to Doiwala Sugar Company Limited, Kichha Sugar Company Limited for the year 2015-16 to 2018-19 and Dehradun Smart City Limited for the year 2018-19 for operational and administrative expenditure by the State Government during 2000-01 to 2018-19. Moreover, no disinvestment was made by the State Government during the same period.

## Appendix-3.4.1

(Reference: Paragraph 3.4.1; Page 79 &amp; Paragraph 3.4.5.3; Page 84)

## Statement showing the details of timelines for providing a service under URTS Act, SoP and CC

Sl. No.	Electricity Services	As per Right to Service Act Uttarakhand	Time bound limit		Compensation payable to Individual consumer if the Event affects more than one Consumer as per SoP and CC
			As per citizen charter of UPCL	As per SoP-UERC	
1.	To issue application form for the new connection for which the electricity connection is feasible from the existing network a. Urban Distribution Central Office b. Rural Area	NA	Within 5 working days from submission complete relevant documents	NA	NA
2.	To provide new connections from the existing network after the deposit of the amount as per the application form a. Urban Distribution (Sub-Division/Division) Central Office b. Rural Distribution (Sub-Division/Division) Central Office	Within 15 days No provision of penalty	Within 30 working days Otherwise licensee shall pay a penalty of ₹ 10 per day per ₹ 1000 subject to a maximum of ₹ 1000 only	NA	NA
3.	For release of temporary connection upto 10 KW where requisite amount has been deposited & requires no extension in the existing network arrangement - a. Urban Distribution (Sub-Division/Division) Central Office b. Rural Distribution (Sub-Division/Division) Central Office	Within 15 days	Within 30 days	Within 30 working days	NA
4.	For issue of application form for load enhancement cases where complete relevant documents have been submitted & requires no extension in the existing network arrangement a. Urban Distribution (Sub-Division/Division) Central Office b. Rural Distribution (Sub-Division/Division) Central Office	NA	Within 5 working days	Within 5 working days	NA
5.	On deposit of the requisite amount after the supplementary agreement for load enhancement	Within 30 working days	Within 30 working days otherwise licensee shall pay a penalty of ₹ 500 per connection.	Within 30 working days otherwise licensee shall pay a penalty of ₹ 500 per connection.	NA
6.	First Bill	NA	Within four billing cycles Non-compliance attracts penalty @ ₹ 10 per cent of the billing amount subject to maximum of ₹ 250	Within four billing cycles Non-compliance attracts penalty @ ₹ 10 per cent of the billing amount subject to maximum of ₹ 250	NA

**Audit Report (Social, General, Revenue and Economic Sectors) for the year ended 31 March 2019**

7.	In case bills are raised even after disconnection on consumer's request.	NA	Non-compliance attracts penalty @ ₹ 250 per case	Non-compliance attracts penalty @ ₹ 250 per case	NA
8.	Change of consumer's name due to change in ownership/occupancy for property	NA	Within two billing cycle of acceptance of application. Non-compliance attracts penalty @ ₹ 50 for each day of default	Within two billing cycle of acceptance of application. Non-compliance attracts penalty @ ₹ 50 for each day of default	NA
9.	Transfer of consumer's name to legal heir	NA	Within two billing cycle of acceptance of application. Non-compliance attracts penalty @ ₹ 50 for each day of default.	Within two billing cycle of acceptance of application. Non-compliance attracts penalty @ ₹ 50 for each day of default.	NA
10.	Load reduction	NA	Within 30 days after receipt of the application. Non-compliance attracts penalty @ ₹ 50 for each day of default.	Within 30 days after receipt of the application. Non-compliance attracts penalty @ ₹ 50 for each day of default.	NA
11.	Change of category	NA	Within 10 days after receipt of the application. Non-compliance attracts penalty @ ₹ 50 for each day of default.	Within 10 days after receipt of the application. Non-compliance attracts penalty @ ₹ 50 for each day of default.	NA
12.	Consumer wanting disconnection	NA	Within 5 days of receiving such request. Non-compliance attracts penalty @ ₹ 50 for each day of default.	Within 5 days of receiving such request. Non-compliance attracts penalty @ ₹ 50 for each day of default.	NA
13.	Request for reconnection	NA	Within 5 days of receiving such request. Non-compliance attracts penalty @ ₹ 50 for each day of default.	Within 5 days of receiving such request. Non-compliance attracts penalty @ ₹ 50 for each day of default.	NA
14.	Testing of meter	45 days (30 days for checking and 15 days for replacement)	Within 30 days of receipt of complaint. Non-compliance attracts penalty @ ₹25 for each day of default.	Within 30 days of receipt of complaint. Non-compliance attracts penalty @ ₹25 for each day of default.	NA
15.	Replacement of burnt meter	3 days	Within 6 hours restoration of supply by bypassing the burnt meter. Meter to be replaced within 3 days .Non-compliance attracts penalty @ ₹50 for each day of default.	Within 6 hours restoration of supply by bypassing the burnt meter. Meter to be replaced within 3 days .Non-compliance attracts penalty @ ₹50 for each day of default.	NA
16.	Replacement of defective meter	45 working days (30 days for checking and 15 days for replacement)	45 working days (30 days for checking and 15 days for replacement) Non-compliance attracts penalty @ ₹ 25 per day	45 working days (30 days for checking and 15 days for replacement) Non-compliance attracts penalty @ ₹ 25 per day	NA

17.	<b>Fuse blown out or MCB tripped (in case fuse or MCB belongs to Licensee i.e. pole or feeder pillar fuse)</b>	NA	Within 4 hours for Urban areas and within 8 hours for rural areas. Non-compliance attracts penalty @ ₹10 each hour of default	Within 4 hours for Urban areas and within 8 hours for rural areas. Non-compliance attracts penalty @ ₹10 each hour of default	₹5 for each hour of default to each consumer affected
18.	<b>Service line broken Service line snapped from the pole</b>	NA	Within 6 hours for Urban areas and within 12 hours for rural areas. Non-compliance attracts penalty @ ₹ 10 each hour of default	Within 6 hours for Urban areas and within 12 hours for rural areas. Non-compliance attracts penalty @ ₹ 10 per hours	
19.	<b>Fault in distribution line/system</b>	NA	Restoration of normal power supply within 12 hours. Non-compliance attracts penalty @ ₹10 each hour of default	Within 6 hours for Urban areas and within 12 hours for rural areas. Non-compliance attracts penalty @ ₹ 10 each hour of default	
20.	<b>Distribution transformer failed/burnt</b>	NA	Replacement of failed transformer within 48 hours. Non-compliance attracts penalty @ ₹ 100 for each day of default	Restoration of normal power supply within 12 hours. Non-compliance attracts penalty @ ₹100 each hour of default	₹ 50 for each day of default to each consumer affected
21.	<b>HT mains failed</b>	NA	Rectification of fault within 12 hours. Non-compliance attracts penalty @ ₹ 200 for each day of default	Rectification of fault within 12 hours. Non-compliance attracts penalty @ ₹ 200 for each day of default	₹ 100 for each day of default to each consumer affected
22.	<b>Problem in grid (33 kV or 66 kV) substation</b>	NA	Restoration of supply within 48 hours. Non-compliance attracts penalty @ ₹200 for each day of default	Restoration of supply within 48 hours. Non-compliance attracts penalty @ ₹200 for each day of default	
23.	<b>Failure of Power Transformer</b>	NA	Rectification to be completed within 15 days. Non-compliance attracts penalty @ ₹500 for each day of default	Rectification to be completed within 15 days. Non-compliance attracts penalty @ ₹500 for each day of default	₹ 250 for each day of default to each consumer affected
24.	<b>Local problem</b>	Within 4 hours	Within 4 hours. Non-compliance attracts penalty @ ₹50 for each day of default	Within 4 hours. Non-compliance attracts penalty @ ₹50 for each day of default	₹25 for each day of default to each consumer affected
25.	<b>Tap of transformer</b>	03 days	Within 03 days. Non-compliance attracts penalty @ ₹ 50 for each day of default	Within 03 days. Non-compliance attracts penalty @ ₹ 50 for each day of default	
26.	<b>Repair of distribution line/transformer/capacitor</b>	30 days	Within 30 days. Non-compliance attracts penalty @ ₹ 100 for each day of default	Within 30 days. Non-compliance attracts penalty @ ₹ 100 for each day of default	₹ 50 for each day of default to each consumer affected
27.	<b>Installation &amp; UP-gradation of HT/LT System</b>	Within 90 days	Within 90 days. Non-compliance attracts penalty @ ₹100 for each day of default	Within 90 days. Non-compliance attracts penalty @ ₹100 for each day of default	

\*If apparatus of more than one consumer in close neighborhood are affected.

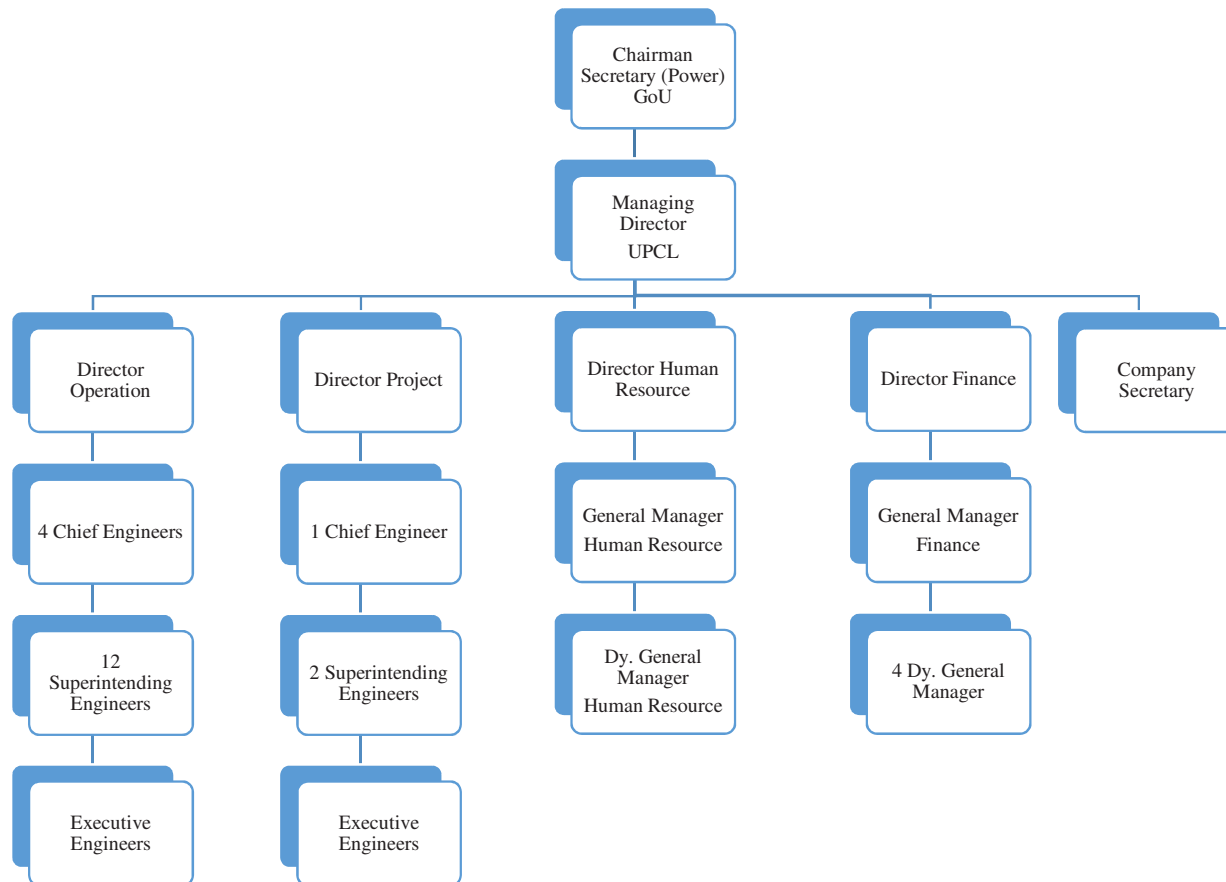
**Appendix-3.4.2**  
(Reference: Paragraph 3.4.2; Page 80)

**Statement showing details of divisions selected based on Stratified Sampling Method**

Sl. No.	Name of Division	Category of Division like Urban, Rural and Industrial	Number of Consumers
<b>Garhwal Zone</b>			
1.	EDD (S), Dehradun	Urban	82,392
2.	EDD, Tehri	Hill/Rural	86,317
3.	EDD, Kotdwar	Industrial	98,063
<b>Haridwar Zone</b>			
4.	EDD, Jwalapur	Urban	77,449
5.	EDD (R), Roorkee	Rural	51,799
6.	EDD, Bhagwanpur	Industrial	40,140
<b>Kumaun Zone</b>			
7.	EDD (R), Haldwani	Industrial	73,057
8.	EDD, Almora	Urban/Hill	65,527
9.	EDD, Kashipur	Urban	55,106
<b>Rudrapur Zone</b>			
10.	EDD, Pithoragarh	Hill/Rural	69,741
11.	EDD, Rudrapur	Industrial	1,12,942
12.	EDD, Sitarganj	Urban	94,725

**Appendix-3.4.3**  
*(Reference Paragraph 3.4.4; Page 80)*

**Organisational Structure of Uttarakhand Power Corporation Limited**



**Appendix-3.4.4**

(Reference: Paragraph 3.4.5.2 (a); Page 82)

**Statement showing Replacement of burnt meters for the period 2016-19**

(Amount in ₹)

Name of Unit	2016-17			2017-18			2018-19		
	No. of Cases	Time Taken (in days)	Amount	No. of Cases	Time Taken (in days)	Amount	No. of Cases	Time Taken (in days)	Amount
Almora	7	20 to 893	1,58,400	8	14 to 1058	1,30,750	7	7 to 185	33,500
Bhagwanpur	64	4 to 309	3,25,750	248	1 to 706	7,03,400	311	1 to 143	6,43,700
Dehradun South	870	1 to 292	11,58,800	804	1 to 311	18,84,300	860	1 to 510	26,70,800
Haldwani (R)	156	1 to 99	97,300	159	1 to 64	92,300	183	1 to 134	82,900
Jwalapur	324	1 to 468	7,00,150	319	1 to 258	4,03,500	395	1 to 241	6,49,400
Kashipur	122	1 to 411	1,65,750	130	1 to 233	1,11,300	181	1 to 21	53,950
Kotdwar	104	1 to 456	2,26,750	83	1 to 496	2,13,400	103	1 to 271	1,26,900
Pithoragarh	00	0 0	00	5	4 to 236	26,100	11	10 to 413	58,450
Roorkee Rural	174	1 to 518	8,39,150	317	1 to 1090	8,43,900	403	2 to 308	9,33,200
Rudrapur	353	4 to 539	18,63,750	537	1 to 266	9,71,600	688	1 to 285	20,78,750
Sitarganj	48	1 to 622	3,23,850	90	1 to 262	1,60,650	129	1 to 141	2,93,700
Tehri	83	1 to 563	5,83,950	93	1 to 466	4,99,750	139	1 to 194	5,02,700
<b>Total</b>	<b>2,305</b>		<b>64,43,600</b>	<b>2,793</b>		<b>60,40,950</b>	<b>3,410</b>		<b>81,27,950</b>
<b>Total complaints received</b>	<b>2,476</b>	-	-	<b>3,088</b>	-	-	<b>3,567</b>	-	-



**Appendix-3.4.5**  
(Reference: Paragraph 3.4.5.2 (b); Page 82)

**Statement showing Testing of Meters for the period 2016-19**

(Amount in ₹)

Name of Unit	2016-17			2017-18			2018-19		
	No. of Cases	Time Taken (in days)	Amount	No. of Cases	Time Taken (in days)	Amount	No. of Cases	Time Taken (in days)	Amount
Almora	40	4 to 271	69,150	54	1 to 1017	2,54,675	34	2 to 205	45,250
Bhagwanpur	36	1 to 277	53,900	31	4 to 427	62,800	29	1 to 42	8,950
Dehradun South	440	1 to 1156	3,57,400	727	1 to 272	10,33,525	597	1 to 374	10,17,925
Haldwani (Rural)	92	1 to 371	55,225	131	1 to 569	81,255	150	1 to 1081	1,07,300
Jwalapur	280	1 to 386	3,00,825	255	1 to 597	2,49,750	246	1 to 358	1,66,800
Kashipur	00	00	00	30	2 to 93	20,500	129	1 to 306	1,00,875
Kotdwar	93	1 to 425	61,200	58	1 to 679	95,300	21	3 to 612	50,025
Pithoragarh	50	1 to 262	64,175	62	4 to 259	98,075	14	1 to 81	8,350
Roorkee (Rural)	143	1 to 411	2,62,075	115	1 to 906	1,97,675	90	1 to 632	1,00,200
Rudrapur	174	1 to 453	2,95,525	298	1 to 128	1,77,550	197	1 to 492	2,35,925
Sitarganj	31	5 to 104	24,500	18	1 to 614	31,375	6	4 to 266	11,200
Tehri	179	1 to 620	4,11,825	142	3 to 599	2,96,125	150	1 to 510	2,27,125
<b>Total</b>	<b>1,558</b>	<b>-</b>	<b>19,55,800</b>	<b>1,921</b>	<b>-</b>	<b>25,98,605</b>	<b>1,663</b>	<b>-</b>	<b>20,79,925</b>
<b>Total complaints received</b>	<b>3,505</b>	<b>-</b>	<b>-</b>	<b>4,497</b>	<b>-</b>	<b>-</b>	<b>3,441</b>	<b>-</b>	<b>-</b>

**Appendix-3.4.6**  
(Reference: Paragraph 3.4.5.2 (c); Page 83)

**Statement showing Replacement of Defective Meters for the period 2016-19**

(Amount in ₹)

Name of Unit	2016-17			2017-18			2018-19		
	No. of Cases	Time Taken (in days)	Amount	No. of Cases	Time Taken (in days)	Amount	No. of Cases	Time Taken (in days)	Amount
Almora	20	7 to 676	2,05,350	19	9 to 948	2,42,550	10	4 to 304	45,100
Bhagwanpur	170	2 to 383	8,84,550	184	1 to 486	6,79,100	351	1 to 153	5,54,000
Dehradun South	1,242	1 to 244	18,24,850	1,932	1 to 464	49,44,600	1,918	1 to 565	79,13,750
Haldwani (R)	129	1 to 268	1,83,000	161	1 to 160	2,39,050	215	1 to 141	2,44,900
Jwalapur	445	1 to 347	15,37,000	222	1 to 291	3,18,650	628	1 to 271	11,99,300
Kashipur	54	1 to 406	1,50,850	7	4 to 26	4,400	13	1 to 35	9,100
Kotdwar	151	1 to 354	3,78,500	257	1 to 800	7,59,250	119	1 to 147	1,82,150
Pithoragarh	9	6 to 340	52,450	33	12 to 626	5,24,150	9	5 to 187	32,600
Roorkee Rural	1,160	1 to 522	67,39,500	459	1 to 543	15,22,150	580	1 to 364	17,06,900
Rudrapur	779	1 to 566	30,72,200	256	1 to 838	4,94,400	851	1 to 311	17,43,600
Sitarganj	26	2 to 632	2,04,200	68	1 to 666	2,56,050	286	1 to 194	3,21,800
Tehri	210	1 to 987	30,72,700	320	1 to 1203	41,25,350	405	1 to 555	19,11,400
<b>Total</b>	<b>4,395</b>		<b>1,83,05,150</b>	<b>3,918</b>		<b>1,41,09,700</b>	<b>5,385</b>		<b>1,58,64,600</b>
<b>Total complaints received</b>	<b>12,143</b>	<b>-</b>	<b>-</b>	<b>15,589</b>	<b>-</b>	<b>-</b>	<b>18,029</b>	<b>-</b>	<b>-</b>

**Appendix-3.4.7**  
(Reference: Paragraph 3.4.5.2 (d); Page 83)

**Statement showing Conversion of Service for the period 2016-19**

(Amount in ₹)

Name of Unit	2016-17			2017-18			2018-19		
	No. of Cases	Time Taken (in days)	Amount	No. of Cases	Time Taken (in days)	Amount	No. of Cases	Time Taken (in days)	Amount
Almora	35	2 to 604	1,84,500	4	14 to 295	19,450	18	1 to 161	40,600
Bhagwanpur	1	92	4,600	4	12 to 72	7,700	6	6 to 108	12,400
Dehradun (South)	0	0	0	34	1 to 262	1,21,950	72	2 to 235	2,13,150
Haldwani (Rural)	23	4 to 502	1,06,750	26	1 to 557	1,51,900	41	1 to 205	1,06,850
Jwalapur	21	1 to 303	54,500	44	1 to 191	90,950	21	5 to 81	31,150
Kashipur	40	2 to 571	1,11,850	34	1 to 341	1,22,300	25	8 to 257	67,900
Kotdwar	51	2 to 377	1,97,450	38	1 to 693	2,25,500	27	1 to 93	48,800
Pithoragarh	12	3 to 288	30,350	4	14 to 295	19,450	10	4 to 162	16,850
Roorkee (Rural)	3	6 to 146	12,050	2	3 to 47	2,500	0	0	0
Rudrapur	23	2 to 467	88,800	0	0	0	25	1 to 161	55,600
Sitarganj	7	7 to 142	18,800	3	10 to 66	6,250	2	13 to 51	3,200
Tehri	20	1 to 305	78,300	10	3 to 743	76,600	26	1 to 228	49,200
<b>Total</b>	<b>236</b>	<b>-</b>	<b>8,87,950</b>	<b>203</b>	<b>-</b>	<b>8,44,550</b>	<b>273</b>	<b>-</b>	<b>6,45,700</b>
<b>Total complaints received</b>	<b>2,932</b>	<b>-</b>	<b>-</b>	<b>3,027</b>	<b>-</b>	<b>-</b>	<b>3,013</b>	<b>-</b>	<b>-</b>

**Appendix-3.4.8**  
(Reference: Paragraph 3.4.5.2 (e); Page 84)

**Statement showing Disconnection/Reconnection of power supply for the period 2016-19**

(Amount in ₹)

Name of Unit	2016-17			2017-18			2018-19		
	No. of Cases	Time Taken	Amount	No. of Cases	Time Taken	Amount	No. of Cases	Time Taken	Amount
Almora	81	1 to 760	6,88,600	56	1 to 199	1,64,800	85	1 to 421	61,650
Bhagwanpur	100	1 to 577	5,58,100	133	1 to 699	5,70,150	167	1 to 277	3,07,700
Dehradun (South)	874	1 to 926	19,88,350	790	1 to 1090	18,84,000	613	1 to 305	6,72,000
Haldwani (Rural)	425	1 to 500	16,85,700	301	1 to 635	10,97,150	239	1 to 993	8,14,500
Jwalapur	232	1 to 602	8,51,550	201	1 to 1048	10,71,050	89	1 to 348	1,77,500
Kashipur	135	1 to 638	4,61,650	172	1 to 219	3,09,700	148	1 to 381	2,67,700
Kotdwar	302	1 to 363	6,83,450	419	1 to 766	14,66,450	514	1 to 441	6,88,350
Pithoragarh	188	1 to 489	6,94,150	113	1 to 422	2,13,000	177	1 to 146	2,02,200
Rudrapur	595	1 to 1101	20,41,900	363	1 to 103	3,75,250	501	1 to 303	5,30,700
Roorkee (Rural)	112	2 to 1444	20,92,150	154	1 to 1090	30,87,750	225	1 to 1433	30,99,500
Sitarganj	12	1 to 679	81,350	70	1 to 1072	9,00,450	40	1 to 111	67,100
Tehri	192	1 to 490	4,03,600	286	1 to 1097	13,03,050	370	1 to 176	3,64,650
<b>Total</b>	<b>3,248</b>		<b>1,22,30,550</b>	<b>3,058</b>		<b>1,24,42,800</b>	<b>3,168</b>		<b>72,53,550</b>
<b>Total complaints received</b>	<b>5,744</b>	<b>-</b>	<b>-</b>	<b>6,522</b>	<b>-</b>	<b>-</b>	<b>5,770</b>	<b>-</b>	<b>-</b>

**Appendix-3.4.9**  
(Reference: Paragraph 3.4.5.3 (a); Page 85)

**Statement showing Fuse Blown or MCB trip for the period 2016-19**

(Amount in ₹)

Sl. No.	Name of the division	2016-17			2017-18			2018-19		
		No. of cases	Time taken (in hours)	Amount	No. of cases	Time taken (in hours)	Amount	No. of cases	Time taken (in hours)	Amount
1.	Kotdwar	0	0	0	0	0	0	0	0	0
2.	Pithoragarh	0	0	0	0	0	0	0	0	0
3.	Roorkee (Rural)	1	54	540	0	0	0	0	0	0
4.	Rudrapur	0	0	0	3	5 to 12	250	4	14 to 45	1,030
5.	Sitarganj	0	0	0	0	0	0	1	6	60
6.	Tehri	1	330	3,300	6	4 to 75	2,030	3	9 to 83	1,080
7.	Almora	0	0	0	0	0	0	0	0	0
8.	Bhagwanpur	0	0	0	0	0	0	0	0	0
9.	Dehradun (South)	6	12 to 39	1,450	6	1 to 19	440	4	3 to 15	390
10.	Haldwani (Rural)	0	0	0	4	8 to 134	1,760	2	11 to 16	270
11.	Jwalapur (Haridwar)	0	0	0	4	2 to 44	560	6	3 to 64	1,530
12.	Kashipur	0	0	0	1	17	170	0	0	0
<b>Total</b>		<b>08</b>	<b>-</b>	<b>5,290</b>	<b>24</b>		<b>5,210</b>	<b>20</b>		<b>4,360</b>
<b>Total complaints received</b>		<b>19</b>	<b>-</b>	<b>-</b>	<b>161</b>	<b>-</b>	<b>-</b>	<b>127</b>	<b>-</b>	<b>-</b>

**Appendix-3.4.10**

(Reference: Paragraph 3.4.5.3 (b); Page 86)

**Statement showing Service line broken for the period 2016-17 to 2018-19**

(Amount in ₹)

Sl. No.	Name of the division	2016-17			2017-18			2018-19		
		No. of cases	Time taken (in hours)	Amount	No. of cases	Time taken (in hours)	Amount	No. of cases	Time taken (in hours)	Amount
1.	Kotdwar	43	2 to 336	16,950	29	1 to 159	6,760	23	1 to 68	4,280
2.	Pithoragarh	21	1 to 261	9,480	9	1 to 159	3,230	6	11 to 336	9,450
3.	Roorkee (Rural)	58	1 to 423	38,830	50	1 to 139	14,000	43	1 to 205	15,210
4.	Rudrapur	51	1 to 480	37,260	56	1 to 128	11,930	44	1 to 70	9,270
5.	Sitarganj	5	5 to 303	5,710	5	4 to 41	890	8	1 to 66	2,180
6.	Tehri	17	3 to 278	6,370	22	1 to 135	5,760	19	1 to 67	3,590
7.	Almora	28	1 to 160	11,920	13	1 to 159	5,500	19	1 to 67	3,590
8.	Bhagwanpur	22	1 to 311	14,200	15	1 to 121	3,270	34	1 to 762	15,220
9.	Dehradun (South)	861	1 to 409	2,14,720	343	1 to 425	70,310	214	1 to 783	39,230
10.	Haldwani (Rural)	46	1 to 344	23,640	49	1 to 135	10,050	38	1 to 87	7,400
11.	Jwalapur (Haridwar)	369	1 to 739	2,37,840	180	1 to 299	53,440	249	1 to 1143	77,550
12.	Kashipur	31	1 to 619	26,200	35	1 to 111	7,170	35	1 to 1273	21,030
	<b>Total</b>	<b>1,552</b>		<b>6,43,120</b>	<b>806</b>		<b>1,92,310</b>	<b>732</b>		<b>2,08,000</b>
	<b>Total complaint received</b>	<b>4,977</b>	<b>-</b>	<b>-</b>	<b>9,680</b>	<b>-</b>	<b>-</b>	<b>12,195</b>	<b>-</b>	<b>-</b>

**Appendix-3.4.11**  
(Reference: Paragraph 3.4.5.3 (c); Page 86)

**Statement showing Voltage related and local problem for the period 2016-19**

(Amount in ₹)

Name of Unit	2016-17			2017-18			2018-19		
	No. of Cases	Time Taken (in hours)	Amount	No. of Cases	Time Taken (in hours)	Amount	No. of Cases	Time Taken (in hours)	Amount
Almora	11	1 to 809	1,945.80	2	1 to 16	35.41	6	2 to 66	279.17
Bhagwanpur	2	6 to 13	39.58	4	2 to 356	941.65	1	25	52.08
Dehradun (South)	208	1 to 1571	33,464.04	83	1 to 377	9,891.49	60	1 to 1170	5,849.94
Haldwani (Rural)	36	2 to 1758	12,503.99	25	1 to 278	1,922.90	31	1 to 200	2,962.48
Jwalapur	103	1 to 1551	17,433.10	49	1 to 693	4,658.25	75	1 to 504	5,337.48
Kashipur	20	1 to 926	6,912.40	8	1 to 28	254.17	13	1 to 92	320.82
Kotdwar	18	1 to 381	1,964.56	13	1 to 284	900.00	12	1 to 31	274.99
Pithoragarh	21	4 to 723	5,726.98	9	1 to 254	1,239.58	4	4 to 165	399.98
Roorkee (Rural)	5	7 to 581	2,606.21	5	9 to 25	197.92	3	1 to 20	54.17
Rudrapur	31	1 to 717	3,927.02	23	1 to 759	3,895.79	36	1 to 204	2,056.23
Sitarganj	6	1 to 136	602.07	2	1 to 8	18.75	3	7 to 185	435.41
Tehri	8	1 to 187	1,104.15	4	1 to 24	102.08	7	1 to 26	162.50
<b>Total</b>	<b>469</b>		<b>88,229.90</b>	<b>227</b>		<b>24,057.99</b>	<b>251</b>		<b>18,185.25</b>
<b>Total complaint received</b>	<b>1,040</b>	<b>-</b>	<b>-</b>	<b>1,712</b>	<b>-</b>	<b>-</b>	<b>2,717</b>	<b>-</b>	<b>-</b>

**Appendix-3.4.12**  
(Reference: Paragraph 3.4.5.3 (d); Page 86)

**Statement showing Fault in distribution line for the period 2016-17 to 2018-19**

(Amount in ₹)

Sl. No.	Name of the division	2016-17			2017-18			2018-19		
		No. of cases	Time taken (in hours)	Amount	No. of cases	Time taken (in hours)	Amount	No. of cases	Time taken (in hours)	Amount
1.	Kotdwar	3	9 to 36	660	6	4 to 37	870	16	1 to 76	3,190
2.	Pithoragarh	3	11 to 16	390	2	1 to 14	150	7	1 to 34	840
3.	Roorkee (Rural)	1	548	5,480	3	37 to 109	2,100	8	1 to 36	980
4.	Rudrapur	3	14 to 473	6,980	18	2 to 15	1,380	28	2 to 227	7,110
5.	Sitarganj	1	211	2,110	2	2 to 14	160	0	0	0
6.	Tehri	9	1 to 34	1,070	4	6 to 27	550	12	3 to 83	3,340
7.	Almora	2	11 to 40	510	0	0	0	7	1 to 42	940
8.	Bhagwanpur	1	9	90	3	7 to 12	280	14	2 to 60	1,940
9.	Dehradun (South)	16	2 to 233	11,560	19	1 to 75	3,150	19	2 to 1116	13,990
10.	Haldwani (Rural)	0	0	0	10	1 to 38	860	30	1 to 59	4,950
11.	Jwalapur (Haridwar)	2	16 to 114	1,300	24	1 to 37	2,430	61	1 to 62	10,150
12.	Kashipur	1	9	90	1	2	20	5	2 to 884	9,160
<b>Total</b>		<b>42</b>		<b>30,240</b>	<b>92</b>		<b>11,950</b>	<b>207</b>		<b>56,590</b>
<b>Total complaints received</b>		<b>129</b>	<b>-</b>	<b>-</b>	<b>3,550</b>	<b>-</b>	<b>-</b>	<b>8,961</b>	<b>-</b>	<b>-</b>



**Appendix-3.4.13**  
(Reference: Paragraph 3.4.5.3 (e); Page 87)

**Statement showing HT main failed for the period 2016-17 to 2018-19**

(Amount in ₹)

Sl. No.	Name of the division	2016-17			2017-18			2018-19		
		No. of cases	Time taken (in hours)	Amount	No. of cases	Time taken (in hours)	Amount	No. of cases	Time taken (in hours)	Amount
1.	Kotdwar	0	0	0	0	0	0	0	0	0
2.	Pithoragarh	0	0	0	0	0	0	0	0	0
3.	Roorkee (Rural)	0	0	0	0	0	0	0	0	0
4.	Rudrapur	0	0	0	0	0	0	0	0	0
5.	Sitarganj	0	0	0	0	0	0	0	0	0
6.	New Tehri	0	0	0	3	1 to 19	249.99	4	10 to 17	424.99
7.	Almora	0	0	0	2	8 to 9	141.66	0	0	0
8.	Bhagwanpur	0	0	0	0	0	0	1	8	66.66
9.	Dehradun (South)	0	0	0	0	0	0	0	0	0
10.	Haldwani (Rural)	0	0	0	0	0	0	1	9	75.00
11.	Jwalapur (Haridwar)	0	0	0	0	0	0	2	11 to 13	199.99
12.	Kashipur	0	0	0	0	0	0	0	0	0
	<i>Total</i>	<i>0</i>		<i>0</i>	<i>5</i>		<i>391.65</i>	<i>8</i>		<i>766.64</i>
	<i>Total complaints received</i>	<i>0</i>	<i>-</i>	<i>-</i>	<i>10</i>	<i>-</i>	<i>-</i>	<i>29</i>	<i>-</i>	<i>-</i>

**Appendix-3.4.14**  
(Reference: Paragraph 3.4.5.4 (c); Page 89)

Statement showing Violation of the Yardstick for maintenance division for the period 2016-17 to 2018-19

2016-17

Sl. No.	Name of division	Consumer	Load (KW)
1.	EDD Dehradun (South)	77,637	2,26,000
2.	EDD Tehri	83,319	1,41,425
3.	EDD Kotdwar	96,189	1,97,993
4.	EDD(R) Roorkee	86,821	4,25,868
5.	EDD Bhagwanpur	00	00
6.	EDD Jwalapur	00	00
7.	EDD (R) Haldwani	71,254	1,78,740
8.	EDD Kashipur	51,444	2,63,576
9.	EDD, Almora	63,734	81,670
10.	EDD Rudrapur	1,00,021	5,79,673
11.	EDD Sitarganj	84,850	2,13,247
12.	EDD Pithoragarh	67,053	78,363

Note: Division at serial number 5 and 6 are not in existence in the year 2016-17.

2017-18

Sl. No.	Name of division	Consumer	Load (KW)
1.	EDD Dehradun (South)	82,392	2,42,859
2.	EDD Tehri	86,317	1,47,248
3.	EDD Kotdwar	98,063	2,02,757
4.	EDD(R) Roorkee	51,799	2,17,458
5.	EDD Bhagwanpur	40,140	2,39,629
6.	EDD Jwalapur	77,449	3,83,704
7.	EDD (R) Haldwani	73,057	1,95,380
8.	EDD Kashipur	55,106	3,00,314
9.	EDD, Almora	65,527	84,160
10.	EDD Rudrapur	1,12,942	6,13,367
11.	EDD Sitarganj	94,725	2,51,236
12.	EDD Pithoragarh	69,741	87,632

2018-19

Sl. No.	Name of division	Consumer	Load(KW)
1.	EDD Dehradun (South)	86,532	1,76,611
2.	EDD Tehri	92,474	1,53,653
3.	EDD Kotdwar	1,02,453	2,16,566
4.	EDD Roorkee (Rural)	56,352	2,19,996
5.	EDD Bhagwanpur	46,134	2,61,264
6.	EDD Jwalapur	86,839	2,60,172
7.	EDD Haldwani (Rural)	81,314	2,12,152
8.	EDD Kashipur	55,141	3,07,266
9.	EDD, Almora	69,758	88,614
10.	EDD Rudrapur	1,28,625	6,67,724
11.	EDD Sitarganj	55,256	1,87,573
12.	EDD Pithoragarh	75,609	93,722

**Appendix-3.4.15**  
(Reference: Paragraph 3.4.5.4 (d); Page 89)

**Statement showing Lack of skilled Manpower at divisions as on September 2019**

<b>Name of Division EDD New Tehri</b>			
<b>SI. No.</b>	<b>Post</b>	<b>Sanctioned Post</b>	<b>Men in Position</b>
1.	Asstt. Engineer (E&M)	5	6
2.	Asstt. Engineer (Civil)	0	0
3.	Junior Engineer (E&M)	11	6
4.	Junior Engineer (Civil)	0	0
5.	Technician Assistant	0	0
6.	Technician Grade I (E)	0	16
7.	Technician Grade I (L)	0	1
8.	Technician Grade II (E)	61	18
9.	Technician Grade II (L)	41	13
10.	Draftsman	1	0
<b>Total (A)</b>		<b>119</b>	<b>60</b>
<b>Name of Division EDD Pithoragarh</b>			
<b>Departmental</b>			
<b>SI. No.</b>	<b>Post</b>	<b>Sanctioned Post</b>	<b>Men in Position</b>
1.	Asstt. Engineer (E&M)	6	3
2.	Asstt. Engineer (Civil)	0	0
3.	Junior Engineer (E&M)	14	4
4.	Junior Engineer (Civil)	0	0
5.	Technician Assistant	0	0
6.	Technician Grade I (E)	0	3
7.	Technician Grade I (L)	0	2
8.	Technician Grade II (E)	50	9
9.	Technician Grade II (L)	40	3
10.	Draftsman	1	0
<b>Total (B)</b>		<b>111</b>	<b>24</b>
<b>Name of Division EDD Almora</b>			
<b>Departmental</b>			
<b>SI. No.</b>	<b>Post</b>	<b>Sanctioned Post</b>	<b>Men in Position</b>
1.	Asstt. Engineer (E&M)	4	3
2.	Asstt. Engineer (Civil)	0	0
3.	Junior Engineer (E&M)	9	4
4.	Junior Engineer (Civil)	0	0
5.	Technician Assistant	0	0
6.	Technician Grade I (E)	6	7
7.	Technician Grade I (L)	6	6
8.	Technician Grade II (E)	39	21
9.	Technician Grade II (L)	34	8
10.	Draftsman	1	0
<b>Total (C)</b>		<b>99</b>	<b>49</b>
<b>Name of Division EDD Sitarganj</b>			
<b>Departmental</b>			
<b>SI. No.</b>	<b>Post</b>	<b>Sanctioned Post</b>	<b>Men in Position</b>
1.	Asstt. Engineer (E&M)	5	3
2.	Asstt. Engineer (Civil)	0	0
3.	Junior Engineer (E&M)	13	3
4.	Junior Engineer (Civil)	0	0
5.	Technician Assistant	0	0
6.	Technician Grade I (E)	0	0
7.	Technician Grade I (L)	0	0
8.	Technician Grade II (E)	30	4
9.	Technician Grade II (L)	28	2
10.	Draftsman	0	0
<b>Total (D)</b>		<b>76</b>	<b>12</b>

Name of Division EDD Haldwani (Rural)		Departmental	
SI. No.	Post	Sanctioned Post	Men in Position
1.	Asstt. Engineer (E&M)	4	4
2.	Asstt. Engineer (Civil)	0	0
3.	Junior Engineer (E&M)	10	8
4.	Junior Engineer (Civil)	0	0
5.	Technician Assistant	0	0
6.	Technician Grade I (E)	0	9
7.	Technician Grade I (L)	0	1
8.	Technician Grade II (E)	19	11
9.	Technician Grade II (L)	25	13
10.	Draftsman	1	0
<b>Total (E)</b>		<b>59</b>	<b>46</b>
Name of Division EDD Rudrapur		Departmental	
SI. No.	Post	Sanctioned Post	Men in Position
1.	Asstt. Engineer (E&M)	5	6
2.	Asstt. Engineer (Civil)	0	0
3.	Junior Engineer (E&M)	13	6
4.	Junior Engineer (Civil)	0	0
5.	Technician Assistant	0	0
6.	Technician Grade I (E)	0	4
7.	Technician Grade I (L)	0	4
8.	Technician Grade II (E)	30	14
9.	Technician Grade II (L)	28	9
10.	Draftsman	1	0
<b>Total (F)</b>		<b>77</b>	<b>43</b>
Name of Division EDD Kashipur		Departmental	
SI. No.	Post	Sanctioned Post	Men in Position
1.	Asstt. Engineer (E&M)	5	2
2.	Asstt. Engineer (Civil)	0	0
3.	Junior Engineer (E&M)	13	2
4.	Junior Engineer (Civil)	0	0
5.	Technician Assistant	0	1
6.	Technician Grade I (E)	9	7
7.	Technician Grade I (L)	8	5
8.	Technician Grade II (E)	25	6
9.	Technician Grade II (L)	24	5
10.	Draftsman	1	0
<b>Total (G)</b>		<b>85</b>	<b>28</b>
Name of Division EDD Kotdwar		Departmental	
SI. No.	Post	Sanctioned Post	Men in Position
1.	Asstt. Engineer (E&M)	6	5
2.	Asstt. Engineer (Civil)	0	0
3.	Junior Engineer (E&M)	15	8
4.	Junior Engineer (Civil)	0	0
5.	Technician Assistant	0	0
6.	Technician Grade I (E)	10	4
7.	Technician Grade I (L)	10	6
8.	Technician Grade II (E)	30	16
9.	Technician Grade II (L)	38	13
10.	Draftsman	1	0
<b>Total (H)</b>		<b>110</b>	<b>52</b>
Name of Division EDD Jwalapur(Haridwar)		Departmental	
SI. No.	Post	Sanctioned Post	Men in Position
1.	Asstt. Engineer (E&M)	4	5
2.	Asstt. Engineer (Civil)	0	0
3.	Junior Engineer (E&M)	13	7
4.	Junior Engineer (Civil)	0	0
5.	Technician Assistant	0	0
6.	Technician Grade I (E)	8	7
7.	Technician Grade I (L)	8	6

8.	Technician Grade II (E)	32	1
9.	Technician Grade II (L)	24	0
10.	Draftsman	1	0
<i>Total (I)</i>		<b>90</b>	<b>26</b>
<b>Name of Division EDD Bhagwanpur</b>		<b>Departmental</b>	
<b>SI. No.</b>	<b>Post</b>	<b>Sanctioned Post</b>	<b>Men in Position</b>
1.	Asstt. Engineer (E&M)	2	2
2.	Asstt. Engineer (Civil)	0	0
3.	Junior Engineer (E&M)	5	5
4.	Junior Engineer (Civil)	0	0
5.	Technician Assistant	0	0
6.	Technician Grade I (E)	7	4
7.	Technician Grade I (L)	7	1
8.	Technician Grade II (E)	21	3
9.	Technician Grade II (L)	28	0
10.	Draftsman	1	0
<i>Total (J)</i>		<b>71</b>	<b>15</b>
<b>Name of Division EDD Roorkee (Rural)</b>		<b>Departmental</b>	
<b>SI. No.</b>	<b>Post</b>	<b>Sanctioned Post</b>	<b>Men in Position</b>
1.	Asstt. Engineer (E&M)	4	3
2.	Asstt. Engineer (Civil)	0	0
3.	Junior Engineer (E&M)	13	6
4.	Junior Engineer (Civil)	0	0
5.	Technician Assistant	0	0
6.	Technician Grade I (E)	16	8
7.	Technician Grade I (L)	16	0
8.	Technician Grade II (E)	48	2
9.	Technician Grade II (L)	64	0
10.	Draftsman	1	0
<i>Total (K)</i>		<b>162</b>	<b>19</b>
<b>Name of Division EDD South Dehradun</b>		<b>Departmental</b>	
<b>SI. No.</b>	<b>Post</b>	<b>Sanctioned Post</b>	<b>Men in Position</b>
1.	Asstt. Engineer (E&M)	5	5
2.	Asstt. Engineer (Civil)	0	0
3.	Junior Engineer (E&M)	10	7
4.	Junior Engineer (Civil)	0	0
5.	Technician Assistant	0	0
6.	Technician Grade I (E)	6	5
7.	Technician Grade I (L)	6	3
8.	Technician Grade II (E)	26	9
9.	Technician Grade II (L)	30	8
10.	Draftsman	1	0
<i>Total (L)</i>		<b>84</b>	<b>37</b>
<i>Grand Total (A to L)</i>		<b>1,143</b>	<b>411</b>

**Appendix-3.6.1**  
(Reference: Paragraph 3.6; Page 92)

**List of contracts executed by PTCUL Divisions**

**(A) Executive Engineer, 132 KV, O & M, PTCUL, Kashipur**

SL. No.	Agreement Number	Agreement Value (₹ in crore)	Executed Cost (₹ in crore)
1.	1743/CE (C&P)/PTCUL/SS-18/2016-17/LOA dated: 06.12.2016	1.09	1.09 (A)

**(B) Executive Engineer, O & M, Civil Division, PTCUL, Roorkee**

SL. No.	Agreement Number	Agreement Value (Currency in ₹)	Executed Cost (Currency in ₹)
1.	09/SE/(c)/DDN/PTCUL/2013-14 dated: 05.02.2014	11,84,493.60	13,50,679.00
2.	10/SE/(c)/DDN/PTCUL/2013-14 dated: 05.03.2014	12,15,384.30	13,62,512.00
3.	02/SE/(c)/DDN/PTCUL/2013-14 dated: 08.07.2013	11,96,947.96	13,29,349.00
4.	08/SE/(c)/DDN/PTCUL/2013-14 dated: 21.02.2014	27,80,896.80	34,38,171.00
5.	01/SE/(c)/DDN/PTCUL/2016-17 dated: 03.06.2016	8,60,560.00	4,96,160.00
6.	03/SE/(c)/DDN/PTCUL/2015-16 dated: 25.08.2015	9,61,631.83	12,01,763.00
7.	02/SE/(c)/DDN/PTCUL/2015-16 dated: 25.08.2015	19,31,632.07	24,12,903.00
8.	16/SE/(c)/DDN/PTCUL/2013-14 dated: 20.03.2016	10,37,725.58	9,56,076.00
9.	04/SE/(c)/DDN/PTCUL/2015-16 dated: 04.09.2015	15,34,270.87	17,05,883.00
10.	03/SE/(c)/DDN/PTCUL/2015-16 dated: 02.07.2015	17,55,600.00	19,24,489.00
11.	03/SE/(c)/DDN/PTCUL/2013-14 dated: 03.02.2014	27,57,964.33	43,83,445.00
12.	07/SE/(c)/DDN/PTCUL/2013-14 dated: 21.02.2014	11,44,514.80	15,26,777.00
13.	04/SE/(c)/DDN/PTCUL/2013-14 dated: 21.02.2014	12,82,216.53	15,59,965.00
14.	04/SE/(c)/DDN/PTCUL/2014-15 dated: 22.08.2014	25,41,804.16	31,89,750.00
15.	05/SE/(c)/DDN/PTCUL/2013-14 dated: 21.02.2014	17,75,959.89	24,15,321.00
16.	177/CE (c & p)/PTCUL/DDN/CIVIL/04/2013-14 dated: 15.02.2014	94,53,038.00	1,02,09,894.00
17.	03/SE/(c)/DDN/PTCUL/2014-15	9,23,843.35	9,56,846.00
<b>Total (B)</b>		<b>3,43,38,484.07</b>	<b>4,04,19,983.00</b> (₹4.04 crore)

**(C) Executive Engineer, 220 KV O & M, PTCUL, Haridwar**

SL. No.	Agreement Number	Agreement Value	Executed Cost
1.	478/CE (C&P)/PTCUL/TL-26/2014-15 dated: 11.04.2016	₹ 7.99 crore	₹ 7.96 crore
2.	512/CE (C&P)/PTCUL/TL-20/2014-15/QV dated: 27.04.2016	₹ 3.18 crore	₹ 2.55 crore
3.	CE/GZR-10/2015-16 dated: 27.06.2015	₹ 58.25 lakh	₹ 60.32 lakh
4.	1207/CE (C&P)/PTCUL/SS-06/2015-16/LOA dated: 24.06.2015	₹ 1.40 crore	₹ 121.30 lakh
5.	CE/GZR-09/2014-15 dated: 10.07.2014	₹ 40.06 lakh	₹ 49.87 lakh
<b>Total (C)</b>			<b>₹12.82 crore</b>
<b>Grand Total (A+B+C)</b>			<b>₹17.95 crore</b>
<b>Labour Cess (₹17.95 crore x 1/100)</b>			<b>₹17.95 lakh</b>



**© CONTROLLER AND  
AUDITOR GENERAL OF INDIA  
[www.cag.gov.in](http://www.cag.gov.in)**