Report of the
Comptroller and Auditor General of India
on
Public Sector Undertakings

for the year ended 31 March 2014

Government of Uttar Pradesh
Report No. 4 of the year 2015

Table of contents

Preface

This report deals with the results of audit of Government Companies and Statutory Corporations for the year ended 31 March 2014.

The accounts of Government Companies (including companies deemed to be government companies as per provisions of Companies Act) are audited by the Comptroller and Auditor General of India (CAG) under the provisions of section 619 of the companies Act 1956. The accounts certified by the Statutory Auditors (Chartered Accountants) appointed by the Comptroller and Auditor General under the Companies Act are subject to supplementary audit by officers of the CAG and the CAG gives his comments or supplements the reports of the Statutory Auditors. In addition, these Companies are also subject to test audit by the CAG.

Reports in relations to the accounts of a Government Company or Corporation are submitted to the Government by CAG for laying before State Legislature under the provisions of Section 19-A of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

The instances mentioned in this Report are those, which came to notice in the course of test audit for the period 2013-14 as well as those which came to notice in earlier years, but could not be reported in the previous Audit Reports; matters relating to the period subsequent to 2013-14 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

1. Overview of State Public Sector Undertakings

Audit of Government companies is governed by Section 619 of the Companies Act, 1956. The Accounts of Government companies are audited by Statutory Auditors appointed by Comptroller and Auditor General of India. These Accounts are also subject to supplementary audit conducted by Comptroller and Auditor General of India. Audit of Statutory corporations is governed by their respective legislations. As on 31 March 2014, the State of Uttar Pradesh had 87 working PSUs (80 companies and seven Statutory corporations) and 39 non-working PSUs (all companies). The working PSUs registered a turnover of ₹ 65,683.38 crore and incurred overall aggregate loss of ₹ 12,223.08 crore as per their latest finalised accounts.

(Paragraphs 1.1, 1.2, 1.5 and 1.6)

Investments in PSUs

As on 31 March 2014, the Investment (Capital and Long Term Loans) in 126 PSUs was ₹ 1,56,906.28 crore. It grew by 296.53 *per cent* from ₹ 52,915.82 crore in 2008-09 to ₹ 1,56,906.28 crore in 2013-14 mainly because of increase in Investment in Power Sector which accounted for 95.76 *per cent* of the total Investment in 2013-14. The Government contributed ₹ 8338.29 crore towards Equity, Loans and Grants/Subsidies to State PSUs during 2013-14.

(Paragraphs 1.7, 1.8, 1.9 and 1.11)

Performance of PSUs

As per the latest finalised accounts, out of 87 working PSUs, 28 PSUs earned Profit of ₹ 1,315.03 crore and 27 PSUs incurred Loss of ₹ 13,538.11 crore. Seven working PSUs had not submitted their first Accounts whereas 25 PSUs earned no profit/loss. Heavy losses were incurred by Uttar Pradesh Power Corporation Limited (₹ 3,479.32 crore), Dakshinanchal Vidyut Vitran Nigam Limited (₹ 3,364.06 crore), Purvanchal Vidyut Vitran Nigam Limited (₹ 2,532.84 crore), Paschimanchal Vidyut Vitran Nigam Limited (₹ 1,303.35 crore) and Madhyanchal Vidyut Vitran Nigam Limited (₹ 2,033 crore).

(Paragraph 1.14)

This Audit Report shows that the working PSUs in the State incurred controllable losses of ₹ 339.80 crore and made infructuous investments of ₹ 47 lakh.

(Paragraph 1.15)

Arrears in Accounts and winding up of Non-working PSUs

Out of 87 working PSUs, only four PSUs finalised the accounts for the year 2013-14 while 83 PSUs had arrear of 274 accounts as of September 2014 with the extent of arrears ranging from one year to 18 years. Out of 39 non-working PSUs (all companies), 13 have gone into the process of liquidation and the remaining 26 had arrear of accounts for one year to 31 years. Government needs to expedite closing down of the non-working PSUs.

(Paragraphs 1.19, 1.20 and 1.26)

Quality of Accounts

The quality of accounts of PSUs needs improvement. Of the 36 accounts finalised by 33 working companies during October 2013 to September 2014, the Statutory Auditors have given qualified certificates for 33 accounts, adverse certificates for two accounts and disclaimer for one account. There were 104 instances of non-compliance with Accounting Standards. Five accounts of five Statutory corporations were finalised during October 2013 to September 2014. Of these, three accounts where Comptroller and Auditor General of India is sole auditor, qualified certificates were issued. For remaining two accounts, Statutory Auditors had given qualified certificates for one account and adverse certificate for one account.

(Paragraphs 1.27, 1.28 and 1.30)

2. Performance Audit relating to Government Companies

2.1 Performance Audit on Collection and Disposal of Forest Produce by Uttar Pradesh Forest Corporation

Introduction

Uttar Pradesh Forest Corporation (Corporation) was established in November 1974 under the Uttar Pradesh Forest Corporation Act, 1974 (Act) as local authority for better preservation, development of forest and scientific exploitation of forest produce within the State. The main activities of the Corporation comprise production/collection and disposal of forest produce (timber, firewood, *tendu* leaves, bamboo, medicinal herbs-*jari buti* and baib grass).

(Paragraph 2.1.1)

Audit findings pertaining to activities of the Corporation are discussed below:-

Round Timber

- The logging work of 378 to 1,177 lots were not started within the logging years. Consequently, it resulted in payment of royalty at higher rates on 3,604 un-worked lots and 2,124 lots were returned to Department during 2009-10 to 2013-14 for allotment in subsequent years.

(Paragraph 2.1.8)

- The Corporation adopted Quarter Girth formula for calculating volume of logs produced wherein the volume was worked out at 78.60 *per cent* of the actual volume. It further failed to ensure higher realisations due to non-fixation of separate floor prices for green and dry timber.

(Paragraphs 2.1.9 and 2.1.10)

- In six Divisions, the actual production fell short against the required production by 15,920 cum which resulted in loss of revenue amounting to ₹ 15.81 crore.

(Paragraph 2.1.11)

- The Corporation failed to realise best prices due to revision of floor prices at the rates below the increase in the average sale price over previous logging year and lost the opportunity to earn additional revenue due to delay in revision of the floor prices.

(Paragraphs 2.1.15 and 2.1.16)

Tendu Leaves

- Payments were made to *tendu* leave collectors after one to seven months from their collection. Payment of collection charges of ₹ 91.34 lakh for 13,467 standard bags pertaining to Karwi and Renukoot Divisions for the years 2009-10 to 2013-14 were not made so far.

(Paragraph 2.1.20)

- The Corporation did not fix any norm for rain affected *tendu* leaves. Failure in protecting *tendu* leaves from rain and deterioration in the quality resulted in loss of ₹ 2.15 crore against 24,907 standard bags affected by rain during the years 2011-12 and 2013-14.

(Paragraph 2.1.22)

- Out of 20 units where *tendu* culture was done in Renukoot Division for season 2012 and 2013, the production and weight per standard bag of *tendu* leaves declined in five units each as compared to the corresponding averages for the last three years. The average weight per standard bag of the units of the Karwi Division where *tendu* culture was done remained lower than that of their respective control units in 11 out of 27 units for the seasons 2011 to 2013.

(Paragraph 2.1.24)

- The Corporation failed to dispose-off complete stock of *tendu* leaves during the respective years of production and suffered a loss of ₹ 4.49 crore.

(Paragraph 2.1.26)

- The Corporation made short payment of royalty to the State Government of ₹ 201.52 crore on *tendu* leaves during the period 2010-11 to 2013-14.

(Paragraph 2.1.27)

Internal control and monitoring

- Internal control system of the Corporation was not effective as it failed to ensure production of logs up to the prescribed minimum girth, detect the difference in measurement of boot and bottom girth of first log, ensure maintenance of the prescribed records of production and handover of the sites to the Department after completion of felling within the stipulated time.

(Paragraph 2.1.28)

2.2 Performance Audit on the Working of Power Distribution Companies

Introduction

The business of distribution of power in Uttar Pradesh is carried out by five Power Distribution Companies (DISCOMs) i.e. Madhyanchal Vidyut Vitran Nigam Limited (MVVNL), Dakshinanchal Vidyut Vitran Nigam Limited (DVVNL), Purvanchal Vidyut Vitran Nigam Limited (PuVVNL), Paschimanchal Vidyut Vitran Nigam Limited (PVVNL) and Kanpur Electricity Supply Company Limited (KESCO). These DISCOMs work under the functional control of Uttar Pradesh Power Corporation Limited (UPPCL) and administrative control of Energy Department, Government of Uttar Pradesh. UPPCL procures the power on behalf of the DISCOMs and make available the power to the DISCOMs for distribution to the consumers. UPPCL could meet 75 *per cent* power demand in 2009-10 and 71 *per cent* in 2013-14.

The important audit findings in respect of three DISCOMs selected for Performance Audit are detailed below:

Madhyanchal Vidyut Vitran Nigam Limited (MVVNL)

- Against the required capacity addition of 4878 MVA, MVVNL planned and added transformers with a capacity of 1500 MVA and 1138 MVA respectively during 2009-14 leading to shortage of 3740 MVA (77 *per cent*) as of March 2014. Resultantly, the existing transformers of MVVNL were running overloaded and posing a threat to entire distribution system.

(Paragraph 2.2.7)

- MVVNL had incurred excess expenditure of ₹ 10.26 crore due to award of higher package rate for repair of Distribution Transformers (DTs) and made excess payment of ₹ 6.83 crore on account of VAT on repair of DTs.

(Paragraphs 2.2.10 and 2.2.11)

- Operational efficiencies were adversely affected due to non-conversion of Low Tension(LT) into High Tension(HT) system, non-installation of capacitor banks at the Sub Stations(SS) and allowance of excess load loss to the private repairer firms in the contracts for repair of DTs. During 2009-14, Technical and Commercial (T&C) losses exceeded the limit allowed by Uttar Pradesh Electricity Regulatory Commission (UPERC) in three years valuing at ₹ 258.20 crore.

(Paragraph 2.2.13 to 2.2.16)

- MVVNL did not adhere to the applicable provisions for billing resulting in short billing of the consumers by ₹ 3.04 crore.

(Paragraph 2.2.18)

Dakshinanchal Vidyut Vitran Nigam Limited (DVVNL)

- Against the required capacity addition of 6262 MVA, DVVNL added transformers with a capacity of 2152 MVA during 2009-14 leading to shortage of 4110 MVA (66 *per cent*) as of March 2014. Resultantly, the existing transformers of DVVNL were running overloaded and posing a threat to entire distribution system.

(Paragraph 2.2.27)

- DVVNL had incurred excess expenditure of ₹ 12.62 crore due to award of underground cable laying works at higher rates, award of higher package rate for repair of DTs and made excess payment of ₹ 4.52 crore on account of Value Added Tax (VAT) on repair of DTs.

(Paragraphs 2.2.29 to 2.2.31)

- Operational efficiencies were adversely affected due to non-installation of capacitor banks at the SSs and allowance of excess load loss to the private repairer firms in the contracts for repair of DTs. During 2009-14, T&C losses exceeded the limit allowed by UPERC in two years valuing at ₹ 879.17 crore.

(Paragraph 2.2.32 to 2.2.34)

• DVVNL did not adhere to the applicable provisions for billing resulting in excess billing of consumers by ₹ 12.42 crore and short billing by ₹ 98.17 crore.

(Paragraph 2.2.35)

• DVVNL unduly retained subsidy of ₹ 25.58 crore and mis-utilised the subsidy of ₹ 3.38 crore received from GoI for release of connections to private tube well consumers during 2013-14 under Bundelkhand Drought Mitigation Scheme.

(Paragraphs 2.2.41 and 2.2.42)

Purvanchal Vidyut Vitran Nigam Limited (PuVVNL)

• Against the required capacity addition of 8715 MVA, PuVVNL planned and added transformers with a capacity of 1678 MVA and 1355 MVA respectively during 2009-14 leading to shortage of 7360 MVA (84 *per cent*) as of March 2014. Resultantly, the existing transformers of PuVVNL were running overloaded and posing a threat to entire distribution system.

(Paragraph 2.2.46)

• PuVVNL had incurred excess expenditure of ₹ 3.34 crore due to award of higher package rate for repair of DTs and made excess payment of ₹ 6.13 crore on account of VAT on repair of DTs.

(Paragraphs 2.2.48 and 2.2.49)

• Operational efficiencies were adversely affected due to non-conversion of LT into HT system and non-installation of capacitor banks at the SSs. During 2009-14, T&C losses exceeded the limit allowed by UPERC in three years valuing at ₹ 309.46 crore.

(Paragraph 2.2.50 to 2.2.52)

3. Transaction Audit Observations

Transaction Audit Observations included in this Report highlight deficiencies in the management of Public Sector Undertakings involving significant financial implications. The irregularities pointed out are broadly of the following nature:

• There were four cases of undue favour to contractor amounting to ₹ 21.60 crore.

(Paragraphs 3.2, 3.9, 3.14 and 3.15)

• There was one case of violation of Statutory obligations amounting to ₹ 21.93 crore.

(Paragraph 3.3)

Gist of some important paragraphs is given below:

• **Uttar Pradesh Rajkiya Nirman Nigam Limited (UPRNN)** made an excess payment of ₹ 11.84 crore to the sub-contractor due to incorrect application of cost index.

(Paragraph 3.1.2)

- **UPRNN** extended undue favour to contractors resulting in avoidable expenditure of ₹ 17.51 crore on procurement of transformers at higher rate.

(Paragraph 3.2)

- **UPRNN** failed to limit employer's contribution towards Employees' Provident Fund as prescribed in the Employees' Provident Fund Scheme, 1952 resulting in excess contribution of ₹ 21.93 crore.

(Paragraph 3.3)

- **U. P. Electronics Corporation Limited** suffered loss of ₹ one crore due to short levy of institutional charges and undue benefit to supplier

(Paragraph 3.5)

- **Purvanchal Vidyut Vitran Nigam Limited** provided undue benefit of ₹ 55 lakh to UPRNN by making additional payment of VAT on awarded rate of electrical equipments, worked out on the basis of Rural Electrification and Secondary System Planning Organisation (RESPO) rates which include Value Added Tax.

(Paragraph 3.9)

- **Uttar Pradesh Jal Nigam** extended undue favour to the Contractor by allowing changes in the bid submitted and subsequently reimbursed service tax and entry tax of ₹ 2.92 crore

(Paragraph 3.14)

CHAPTER–I
Overview of Government companies and Statutory corporations

CHAPTER-I

1. Overview of Government companies and Statutory corporations

Introduction

1.1 The State Public Sector Undertakings (PSUs) consist of State Government companies and Statutory corporations. The State PSUs are established to carry out activities of commercial nature while keeping in view the welfare of people. In Uttar Pradesh, the State PSUs occupy a moderate place in the State economy. The State working PSUs registered a turnover of ₹ 65,683.38 crore for 2013-14 as per their latest finalised Accounts. The State working PSUs incurred an aggregate loss of ₹ 12,223.08 crore for 2013-14 as per their latest finalised Accounts. The State PSUs had 0.82 lakh[1] employees as of 31 March 2014. The State PSUs do not include six Departmental Undertakings[2] (DUs), which carry out commercial operations but are a part of Government departments. Audit findings of these DUs are incorporated in the Audit Report (General and Social Sector Audit) of the State.

1.2 As on 31 March 2014, there were 126 PSUs as per the details given in table no. 1.1. Of these, no company was listed on the stock exchange(s).

Table No. 1.1

Type of PSUs	Working PSUs	Non-working PSUs[3]	Total
Government companies[4]	80	39	119
Statutory corporations	7	Nil	7
Total	**87**	**39**	**126**

1.3 During the year 2013-14, one company named Lucknow Metro Rail Corporation Limited was incorporated under the Companies Act, 1956 and one company named South East UP Power Transmission Company Limited has been placed under private ownership w.e.f 16 December 2011 intimated in 2014.

Audit mandate

1.4 Audit of Government companies is governed by Section 619 of the Companies Act, 1956. According to Section 617, a Government company is one in which not less than 51 *per cent* of the paid up capital is held by Government(s). A Government company includes a subsidiary of a Government company. Further, a Company in which 51 *per cent* of the paid up capital is held in any combination by Government(s), Government companies and Corporations controlled by Government(s) is treated as if it were a Government company as per Section 619-B of the Companies Act, 1956.

1.5 The Accounts of the State Government companies (as defined in Section 617 of the Companies Act, 1956) are audited by Statutory Auditors, who are appointed by Comptroller & Auditor General of India as per the provisions of Section 619(2) of the Companies Act, 1956. These Accounts are also subject to supplementary audit conducted by Comptroller & Auditor

[1] As per the details provided by 56 PSUs. Remaining 70 PSUs did not furnish the details.

[2] Commissioner, Food and Civil Supplies, Government Press, State Pharmacy of Ayurvedic and Unani Medicines, Dy. Director-Animal Husbandry, Irrigation Workshops and Criminal Tribes Settlement Tailoring Factory, Kanpur.

[3] Non-working PSUs are those which have ceased to carry on their operations.

[4] Includes 619-B companies.

General of India as per the provisions of Section 619 of the Companies Act, 1956.

1.6 Audit of Statutory corporations is governed by their respective legislations. Out of seven Statutory corporations, Comptroller & Auditor General of India is the sole auditor for Uttar Pradesh State Road Transport Corporation, Uttar Pradesh Avas Evam Vikas Parishad, Uttar Pradesh Forest Corporation and Uttar Pradesh Jal Nigam. In respect of Uttar Pradesh State Warehousing Corporation, Uttar Pradesh Financial Corporation and Uttar Pradesh Government Employees Welfare Corporation, the audit is conducted by the Chartered Accountants and supplementary audit by the Comptroller & Auditor General of India.

The audit of Uttar Pradesh Electricity Regulatory Commission is entrusted to the Comptroller & Auditor General of India under Section 104 (2) of the Electricity Act, 2003.

Investment in State PSUs

1.7 As on 31 March 2014, the Investment in 126 PSUs (including 619-B companies) was ₹ 1,56,906.28 crore as per details given in table no. 1.2.

Table No. 1.2

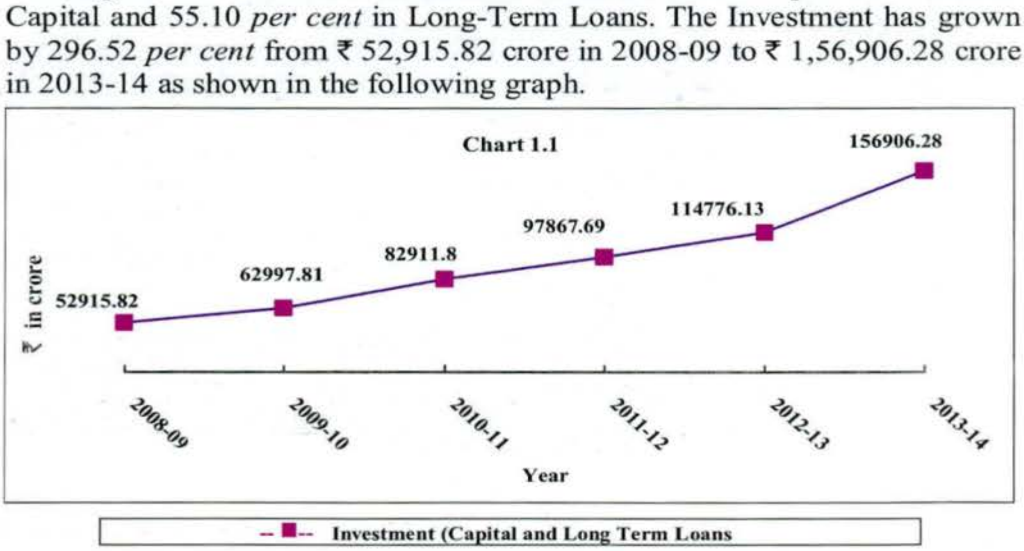
(₹ in crore)

Type of PSUs	Government companies			Statutory corporations			Grand total
	Capital	Long Term Loans	Total	Capital	Long Term Loans	Total	
Working PSUs	69141.97	84856.72	153998.69	610.73	1205.94	1816.67	155815.36
Non-working PSUs	695.39	395.53	1090.92	-	-	-	1090.92
Total	**69837.36**	**85252.25**	**155089.61**	**610.73**	**1205.94**	**1816.67**	**156906.28**

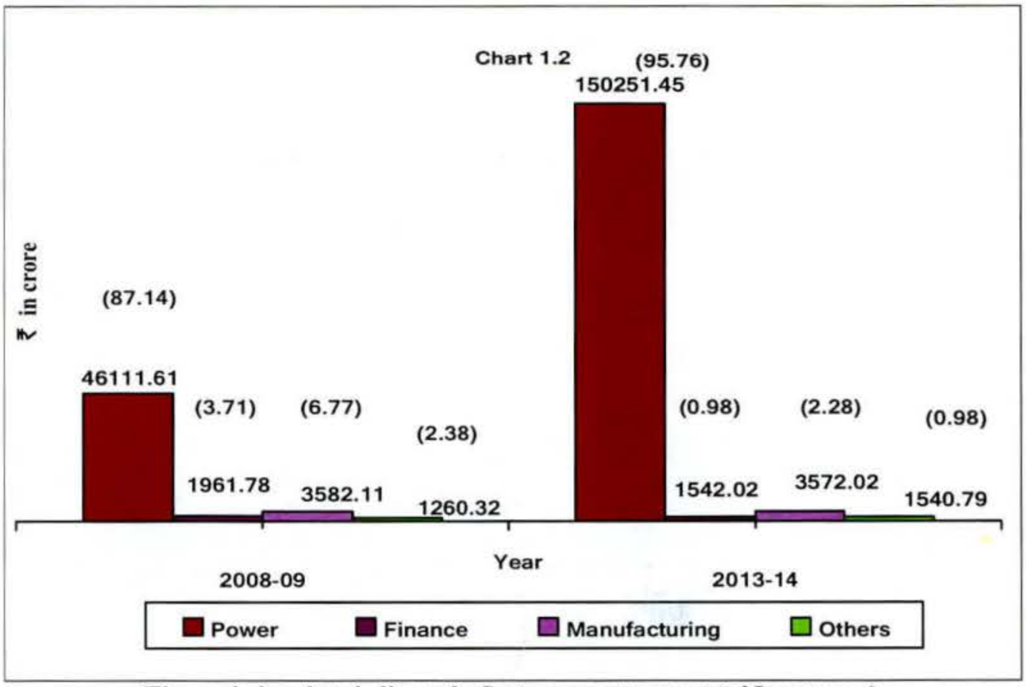
Source: Information furnished by PSUs

A summarised position of Government Investment in State PSUs is given in ***Annexure-1.1***.

1.8 As on 31 March 2014, of the total Investment in State PSUs, 99.30 *per cent* was in working PSUs and the remaining 0.70 *per cent* in non-working PSUs. This total Investment consisted of 44.90 *per cent* towards Capital and 55.10 *per cent* in Long-Term Loans. The Investment has grown by 296.52 *per cent* from ₹ 52,915.82 crore in 2008-09 to ₹ 1,56,906.28 crore in 2013-14 as shown in the following graph.



1.9 The Investment in various important sectors and percentage thereof at the end of 31 March 2009 and 31 March 2014 are indicated below in the bar chart no.1.2. The thrust of PSU Investment was mainly in Power Sector during the six years which has seen its percentage share rising from 87.14 *per cent* in 2008-09 to 95.76 *per cent* in 2013-14 while the share of manufacturing sector decreased from 6.77 *per cent* in 2008-09 to 2.28 *per cent* in 2013-14.



(Figures in brackets indicate the Sector percentage to total Investment)

Budgetary outgo, Grants/Subsidies, Guarantees and Loans

1.10 The details regarding budgetary outgo towards Equity, Loans, Grants/ Subsidies, Loans converted into Equity, Loans written off, Interest waived and Guarantees issued in respect of State PSUs are given in ***Annexure-1.2***. The summarised details for the three years ended 2013-14 are given in table no.1.3.

Table No. 1.3

(₹ in crore)

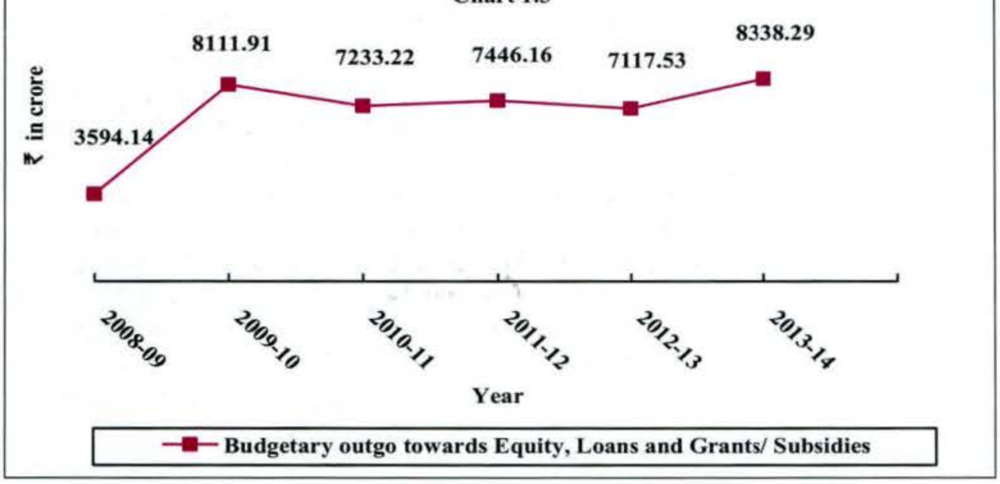
Sl. No.	Particulars	2011-12		2012-13		2013-14	
		No. of PSUs	Amount	No. of PSUs	Amount	No. of PSUs	Amount
1.	Equity capital outgo from budget	5	4325.50	5	2987.40	5	5324.42
2.	Loans given from budget	1	11.85	3	25.18	6	123.80
3.	Grants/subsidy received	10	3108.81	11	4104.95	7	2890.07
4.	**Total Outgo (1+2+3)**	**15**[5]	**7446.16**	**18**[5]	**7117.53**	**17**[5]	**8338.29**
5.	Loans converted into Equity	-	-	1	64.38	-	-
6.	Interest waived	-	-	1	425.44	-	-
7.	Guarantees issued	4	1194.65	4	848.35	3	124.68
8.	Guarantee commitment	6	9578.49	9	9734.56	5	9120.15

Source: Information furnished by PSUs

[5] These represent actual number of PSUs which received budgetary support. Some PSUs fall in more than one category.

1.11 The details regarding budgetary outgo towards Equity, Loans and Grants/Subsidies for past six years are given in the graph.

Chart 1.3



It can be seen that the budgetary outgo in the form of Equity, Loans and Grants/Subsidies to State PSUs was all time low in 2008-09 during the period from 2008-09 to 2013-14. The budgetary outgo was ₹ 8,338.29 crore in 2013-14. The amount of guarantee outstanding increased from ₹ 9,578.49 crore in 2011-12 to ₹ 9,734.56 crore in 2012-13 but decreased to ₹ 9120.15 crore in 2013-14. The amount of guarantee commission payable by two PSUs as on 31 March 2014 was ₹ 1.44 crore[6]. During the year, six PSUs[7] had paid guarantee commission of ₹ 3.82 crore.

Reconciliation with Finance Accounts

1.12 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 State. In case the figures do not agree, the concerned PSUs and the Finance Department should carry out reconciliation of differences. We observed that differences occurred in respect of 38 PSUs as indicated in the table no. 1.4.

Table No.1.4

(₹ in crore)

Outstanding in respect of	Amount as per Finance Accounts	Amount as per records of PSUs	Difference
Equity	59032.58	57029.18	2003.40
Loans	1276.26	1517.94	241.68
Guarantees	60505.46	9120.15	51385.31

Source: State Finance Accounts for the year 2013-14 and information furnished by PSUs.

We noticed that some of the differences were pending for reconciliation since 2000-01. The Accountant General had regularly taken up the matter of non-reconciliation of figures between Finance Accounts and Audit Report (PSUs) with the PSUs requesting them to expedite the reconciliation. The Government and the PSUs should take concrete steps to reconcile the differences in a time-bound manner.

[6] The Pradeshiya Industrial and Investment Corporation of Uttar Pradesh and Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited.

[7] Serial Numbers A-31, A-33, A-34, A-35, A-40 and A-41 of Annexure-1.3.

Performance of PSUs

1.13 The financial results of all the PSUs are given in ***Annexure-1.3***. The financial position and working results of working Statutory corporations are indicated in ***Annexures-1.4 and 1.5*** respectively.

1.14 As per the latest finalized Accounts, out of 87[8] working PSUs, 28 PSUs earned profit of ₹ 1,315.03 crore and 27 PSUs incurred loss of ₹ 13,538.11 crore. Seven working PSUs[9] had not submitted their first Accounts whereas 25 PSUs earned no profit/loss as their data of financial results was below ₹ one lakh. The major contributors to profit were Uttar Pradesh Avas Evam Vikas Parishad (₹ 456.75 crore), Uttar Pradesh Rajkiya Nirman Nigam Limited (₹ 232.49 crore), Uttar Pradesh Forest Corporation (₹ 114.80 crore) and Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited (₹ 111.19 crore). The heavy losses were incurred by Uttar Pradesh Power Corporation Limited (₹ 3,479.32 crore), Dakshinanchal Vidyut Vitran Nigam Limited (₹ 3,364.06 crore), Purvanchal Vidyut Vitran Nigam Limited (₹ 2,532.84 crore), Paschimanchal Vidyut Vitran Nigam Limited (₹ 1,303.35 crore) and Madhyanchal Vidyut Vitran Nigam Limited (₹ 2,033.00 crore).

1.15 The Current Audit Report of Comptroller & Auditor General of India shows that the State working PSUs incurred losses to the tune of ₹ 339.80 crore and made Infructuous Investment of ₹ 47 lakh which were controllable with better management. Year wise details from Audit Reports are stated below.

Table No. 1.5

(₹ in crore)

Particulars	2011-12	2012-13	2013-14	Total
Net loss	6489.58	12097.87	12223.08	30810.53
Controllable losses as per CAG's Audit Report	16879.05[10]	17170.08[11]	339.80	34388.93
Infructuous Investment	132.80	173.44	0.47	306.71

Source: Latest finalised Accounts of PSUs and CAGs Audit Reports

1.16 The above losses pointed out in Audit Reports of Comptroller & Auditor General of India are based on test check of records of working PSUs. The actual controllable losses would be much more. The above table shows that with better management, the losses can be minimised substantially.

1.17 The State Government had formulated (October 2002) a Dividend policy under which all profit earning PSUs are required to pay a minimum return of five *per cent* on the paid up Share Capital contributed by the State Government. As per their latest finalised Accounts, 28 PSUs earned an aggregate profit of ₹ 1,315.03 crore and eight PSUs[12] declared a dividend of ₹ 6.70 crore. The remaining profit earning PSUs did not comply with the State Government policy regarding payment of minimum dividend.

[8] 25 PSUs reported net profit/loss below ₹ one lakh, hence profit/loss of such PSUs could not be indicated in Annexure-1.3 wherein the indicated figures are ₹ in crore.

[9] Serial number: A-17, A-45, A-75, A-77, A-78, A-79 and A-80 in Annexure-1.3.

[10] ₹ 1446.11 crore was incurred up to March 2012 and ₹ 15,432.94 crore will be incurred as per pre-existing rates during the next 25 and 18 years as referred in detail in paragraphs 3.4 and 3.6 of Audit Report (PSUs) for the year ended 31 March 2012.

[11] ₹ 7404.28 crore was incurred up to March 2013 and ₹ 12256.46 crore will be incurred as per pre-existing rates during the next 22 years, 23 years 9 months, 24 years and 25 years as referred in detail in paragraph 3.13 of Audit Report (PSUs) for the year ended 31 March 2013.

[12] Serial Numbers A-5, A-6, A-16, A-23, A-68, A-70, A-73 and B-1 of Annexure-1.3.

Arrears in finalisation of Accounts

1.18 The Accounts of the Companies for every financial year are required to be finalised within six months from the end of the relevant financial year under Sections 166, 210, 230, 619 and 619-B of the Companies Act, 1956. Similarly, in case of Statutory corporations, their Accounts are finalised, audited and presented to the Legislature as per the provisions of their respective Acts. The table no. 1.6 provides the details of progress made by working PSUs in finalisation of Accounts by 30 September 2014.

Table No. 1.6

Sl. No.	Particulars	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
1.	Number of Working PSUs	60	83	83	85	87	87
2.	Number of Accounts finalised during the year	46	98	59	66	84	41
3.	Number of Accounts in arrears	197	182	206	234	228	274[13]
4.	Average arrears per PSUs (3/1)	3.28	2.19	2.48	2.75	2.62	3.15
5.	Number of Working PSUs with arrears in Accounts	54	52	69	81	82	83
6.	Extent of arrears	1 to 14 years	1 to 15 years	1 to 15 years	1 to 16 years	1 to 17 years	1 to 18 years

(Source: Latest finalised Accounts of PSUs)

1.19 The average number of Accounts in arrears per working PSUs ranged between 2.19 to 3.28 during 2008-09 to 2013-14. Out of the 87 working PSUs, only four PSUs finalised their Accounts for the year 2013-14 while 83 PSUs had arrear of 274 Accounts as of September 2014 with extent of arrear ranging from one to 18 years. The PSUs having arrears of Accounts need to take effective measures for early clearance of back log and make the Accounts up-to-date. The PSUs should also ensure that at least one year's Accounts are finalised each year so as to restrict the accumulation of arrears.

1.20 In addition to above, there were also arrears in finalisation of Accounts by non-working PSUs. Out of 39 non-working PSUs, 13[14] PSUs had gone into liquidation process which had arrears of 312 Accounts ranging from seven to 39 years. The remaining 26 non-working PSUs had arrears of 383 Accounts ranging from one to 31 years.

1.21 The State Government had invested ₹ 8,338.29 crore (Equity: ₹ 5324.42 crore, Loans: ₹ 123.80 crore, Grants: ₹ 1218.43 crore and Subsidies ₹ 1671.64 crore) in 17 working PSUs during the year for which Accounts have not been finalised as detailed in ***Annexure-1.6***. In the absence of Accounts and their subsequent audit, it can not be ensured whether the Investments and expenditure incurred have been properly accounted for and the purposes for which the amount was invested have been achieved. Thus outcome of the Investment of the Government in such PSUs remained outside the scrutiny of the State Legislature. This delay in finalisation of Accounts apart from being a violation of the provisions of the Companies Act, 1956, may also result in risk of fraud and leakage of public money.

[13] It includes one account of 2011- 12 of South East UP Power Transmission company limited which was placed under private ownership w.e.f 16.12.2011.

[14] Serial no. C-2, 3, 9, 11, 12, 13, 15, 16, 18, 21, 22, 24, and 27 of Annexure-1.3.

1.22 The 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 prescribed period. The Accountant General brought the position of arrears of Accounts to the notice of the Administrative Departments concerned at the end of every quarter. No remedial measures were, however, taken. As a result of this the net worth of these PSUs could not be assessed in audit. The matter of arrears in Accounts was also brought to the attention of the Chief Secretary/Finance Secretary from time to time highlighting the need to finalise the Accounts with special emphasis or to expedite clearance of the backlog of arrears in Accounts in a time bound manner.

Status of placement of Annual Report

1.23 As per Section 619 A(3) of the Companies Act, 1956 where State Government is a member of a company, the State Government shall cause an Annual Report on the working and affairs of the Company alongwith the Audit Report and comments or supplement of the Comptroller and Auditor General of India to be placed before the State Legislature within three months from the date of Annual General Meeting (AGM) of the Company in which the Accounts have been adopted. The placing of the Annual Report before the State Legislature gives the Legislature an opportunity to have important information regarding the performance of a Government company, in which the State Government is the major shareholder.

We observed that in 30[15] Companies the Annual Report alongwith Audit Report and Comments of Comptroller and Auditor General have not been placed in the State Legislature (September 2014).

Winding up of non-working PSUs

1.24 There were 39 non-working PSUs (37 Government companies and two 619-B Government companies) as on 31 March 2014. Of these, 13 PSUs had gone into liquidation process. The non-working PSUs should be closed down as their existence is a financial burden on the State exchequer. During 2013-14, three[16] non-working PSUs incurred an expenditure of ₹ 2.40 crore towards establishment expenditure.

1.25 The stages of closure as on 31 March 2014 in respect of non-working PSUs are given table no. 1.7.

Table No. 1.7

Sl. No.	Particulars	Companies
1.	Total no. of non-working PSUs	39
2.	Of(1) above, the no. of PSUs under:	
(a)	Liquidation by Court (Liquidator appointed)	13
(b)	Voluntary winding up (Liquidator appointed)	-
(c)	Closure, i.e. closing orders/ instructions issued by the State Government but liquidation process not yet started.	26

(Source: Information furnished by Registrar of Companies)

1.26 The companies which have taken the route of winding up by Court order are under liquidation for a period ranging from ten years to 33 years.

[15] Serial no. A-1, 8,10,11,12,14,15,16,19,21,23,24,28,29,30,32,34,35,36,37,38,39, 42,44,72,73, C-17,26,41 & 37 of Annexure-1.3.

[16] Out of 39 non-working PSUs only three PSUs (Uttar Pradesh Pashudhan Udhyog Nigam Limited - ₹ 14.94 lakh, Ghatampur Sugar Company Limited- ₹ 220.06 lakh and Uttar Pradesh Bundelkhand Vikas Nigam Limited- ₹ 5.45 lakh) furnished the information of establishment expenditure.

The process of voluntary winding up under the Companies Act is much faster and needs to be adopted/pursued vigorously. The Government may take a decision regarding winding up of 26 non-working PSUs where no decision about their continuation or otherwise has been taken after they became non-working. The Government may consider setting up a cell to expedite closing down the non-working companies.

Accounts Comments and Internal Audit

1.27 Thirty three[17] working companies forwarded their 36 Accounts to the Accountant General during the year 2013-14[18]. Of these, 31 Accounts[19] of 29 companies were selected for supplementary audit. The Audit Reports of Statutory Auditors appointed by Comptroller & Auditor General of India and the supplementary audit by us indicate that the quality of maintenance of Accounts needs to be improved substantially. The details of aggregate money value of our comments and those of Statutory Auditors are given in table no. 1.8.

Table No. 1.8

(₹ in crore)

Sl. No.	Particulars	2011-12		2012-13		2013-14	
		No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount
1.	Decrease in Profit	15	107.12	14	163.88	10	68.55
2.	Increase in Loss	5	2165.60	21	1248.38	15	248.82
3.	Non-disclosure of material facts	3	12.92	8	587.68	11	9057.64
4.	Errors of classification	5	7.42	1	0.07	3	255.37
	Total		**2293.06**		**2000.01**		**9630.38**

The aggregate money value of total comments increased from ₹ 2,000.01 crore in 2012-13 to ₹ 9,630.38 crore in 2013-14.

1.28 During the year, the Statutory Auditors had given qualified certificates for 33 Accounts, adverse certificates (which means that Accounts do not reflect a true and fair position) for two Accounts of two Companies[20] and disclaimers (meaning the Auditors are unable to form an opinion on Accounts) for one Accounts[21] in respect of latest Accounts finalised by 33 companies. The compliance to the Accounting Standards (AS) issued by the Institute of Chartered Accountants of India (ICAI) remained poor as there were 104 instances of non-compliance with the AS in 29 Accounts during the year.

1.29 Some of the important comments in respect of Accounts of the companies finalised during the year 2013-14 are stated below:

[17] Serial no. A-1, 3, 5, 6, 7, 10, 11, 13, 15, 16, 18, 19, 23, 28, 29, 30, 31, 32, 33, 34, 35, 37, 39, 40, 41, 42, 68, 69, 70, 71,72 & 73 of Annexure-1.3 and South East UP Power Transmission Limited.

[18] October 2013 to September 2014

[19] Five accounts of four companies were not selected for supplementary audit. These were issued a No Review Certificate.

[20] Uttar Pradesh Pichhra Varg Vitta Evam Vikas Nigam Limited and Uttar Pradesh State Spinning Company Limited.

[21] Uttar Pradesh State Food and Essential Commodities Corporation Limited.

Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited (2011- 12)

• Non provision for payment of compensation to land owners for construction of Anpara Thermal Power Project resulted in understatement of Fixed Assets and Other liabilities by ₹ 35.58 crore each.

• The Company neither paid nor provided for Guarantee fee at the rate of one *per cent* on the outstanding amount of loan taken from financial institutions for financial year 2003- 04 to 2011-12.

This resulted in overstatement of profit as well as understatement of Finance cost by ₹ 8.00 crore.

Purvanchal Vidyut Vitran Nigam Limited (2012-13)

The Company had not capitalised the works of sub-station and associated lines under Maha Kumbh Mela which resulted in overstatement of Capital Work-in-Progress and understatement of Fixed Assets by ₹ 43.94 crore each.

Kanpur Electricity Supply Company Limited (2012- 13)

Loss for the year was understated by ₹ 1.74 crore due to inclusion of expenditure incurred on Accelerated Power Development and Reforms Programme scheme rejected by the Board of Directors under Capital Work-in-Progress.

Madhyanchal Vidyut Vitran Nigam Limited (2012- 13)

Capital works worth ₹ 234.55 crore was shown under Capital Work-in-Progress (CWIP) although works were completed during the year. Non-capitalization/transfer to fixed assets resulted in overstatement of CWIP by ₹ 234.55 crore and understatement of accumulated loss/depreciation by ₹ 35.92 crore including ₹ 11.14 crore for the year 2012-13. This also led to understatement of assets by ₹ 198.63 crore.

Uttar Pradesh State Textile Corporation Limited (2012- 13)

The U.P Government in March 2003 waived ₹ 12.89 crore towards U.P. Government loan of Kashipur and Jashpur Units. The company however had not made the adjustments in the Accounts despite mentioning it in the Modified Draft Revival Scheme submitted to the Board for Industrial and Financial Reconstruction.

This has resulted in overstatement of Current liabilities by ₹ 12.89 crore and also the losses to the same extent.

U. P. Electronics Corporation Limited (2012- 13)

Non provision for doubtful debts in respect of closed Company resulted in overstatement of loans and advances and understatement of provision for bad and doubtful debts by ₹ 1.69 crore.

1.30 Similarly, five working Statutory corporations forwarded their five Accounts to the Accountant General during the year 2013-14[22]. Of these, three Accounts of three Statutory corporations were subject to sole audit by Comptroller & Auditor General of India. The Audit Reports of Statutory Auditors and our sole/supplementary audit indicate that the quality of maintenance of Accounts needs to be improved substantially. The details of

[22] October 2013 to September 2014.

aggregate money value of our comments and those of Statutory Auditors are given in table no. 1.9.

Table No. 1.9

(₹ in crore)

Sl. No.	Particulars	2011-12		2012-13		2013-14	
		No. of Accounts	Amount	No. of Accounts	Amount	No. of Accounts	Amount
1.	Decrease in Profit	2	13.98	4	38.05	4	731.98
2.	Increase in Loss	1	87.84	1	79.60	1	4.05

During the year, out of five Accounts received, audit of five Accounts was completed. Of these, three accounts where Comptroller and Auditor General of India is sole auditor, qualified certificates were issued. For remaining two Accounts, Statutory Auditors had given qualified certificates for one Account and adverse certificate for one Account[23].

1.31 Important comments in respect of Accounts of the Statutory corporations finalised during the year 2013-14 are stated below:

Uttar Pradesh State Road Transport Corporation (2012-13)

Cost of chasis on which bus building had not been completed was shown under Fixed Assets instead of showing the same as Inventories. This resulted in overstatement of Fixed Asset (Vehicles) and understatement of Inventories by ₹ 14.85 crore each.

Uttar Pradesh Forest Corporation (2012- 13)

Wind Erosion Prediction System (WEPS) software of ₹ 2.69 crore related to computer networking, was developed and installed, but included in 'Assets not in use' under Fixed Assets. Consequently no depreciation on the same was provided which resulted in overstatement of fixed assets and profit for the year by ₹ 1.61 crore each.

Uttar Pradesh State Warehousing Corporation (2012- 13)

Short provision of ₹ 13.48 crore for premium payable to Life Insurance Corporation for Gratuity Scheme resulted in understatement of Current Liabilities and overstatement of profit for the year by ₹ 13.48 crore.

1.32 The Statutory Auditors (Chartered Accountants) are required to furnish a detailed report upon various aspects including Internal control/Internal audit systems in the companies audited in accordance with the directions issued by the Comptroller & Auditor General of India to them under Section 619(3) (a) of the Companies Act, 1956 and to identify areas which needed improvement. An illustrative resume of major comments made by the Statutory Auditors are given in table no. 1.10.

Table No. 1.10

Sl. No.	Nature of comments made by Statutory Auditors	Number of Companies where recommendations were made	Reference to serial number of the Companies as per Annexure- 3
1.	Non-fixation of minimum/ maximum limits of store and spares	18	A-3, 5, 6, 16, 28, 29, 30, 31, 32, 33, 34, 35, 41, 42, 71, C-4, 17 and 31.
2.	Absence of internal audit system commensurate with the nature and size of business of the company	20	A-3, 5, 6, 7, 10, 11, 29, 32, 33, 34, 35, 37, 40, 41, 68, 71, 72, 73 and C -4, 17

[23] Uttar Pradesh Government Employees Welfare Corporation (2011- 12).

3.	Non-maintenance of cost record	9	A-3, 5, 16, 29, 31, 34, and C-4, 31, 17
4.	Non-maintenance of proper records showing full particulars including quantitative details, situations, identity number, date of acquisitions, depreciated value of fixed assets and their locations.	20	A-3, 7, 13, 16, 28, 29, 31, 32, 33, 34, 35, 40, 41, 42, 68, 71, 72, 73 and C -4, 17

Source: Detailed Reports furnished by Statutory Auditors in accordance with the directions issued by the CAG

Recoveries at the instance of audit

1.33 During the course of propriety audit, recoveries of ₹ 53.42 crore were pointed out to the Management of various PSUs, of which, recoveries of ₹ 5.01 crore were admitted and ₹ 4.23 crore relating to years 2004-05 to 2013-14 was recovered by PSUs during the year 2013-14.

Status of placement of Separate Audit Reports

1.34 The following table shows the status of placement of various Separate Audit Reports (SARs) issued by us on the Accounts of Statutory corporations in the Legislature by the Government.

Table No. 1.11

Sl No.	Name of Statutory corporation	Year up to which SAR placed in Legislature	Years for which SAR not placed in Legislature		Reasons for non-placement of SAR
			Year of SAR	Date of issue to the Government	
(1)	(2)	(3)	(4)	(5)	(6)
1.	Uttar Pradesh State Road Transport Corporation	2011-12	2012-13	06 June 2014	Reasons not furnished by the Corporation
2.	Uttar Pradesh Financial Corporation	2007-08	2008-09 2009-10 2010-11 2011-12	20 May 2011 13 April 2012 27 August 2012 16 September 2013	Reasons not furnished by the Corporation
3.	Uttar Pradesh Forest Corporation[24]	--	2008-09 2009-10 2010-11 2011-12 2012-13	09 March 2011 16 November 2011 21 September 2012 11 July 2013 6 June 2014	Reasons not furnished by the Corporation
4.	Uttar Pradesh Avas Evam Vikas Parishad	2010-11	2011-12	16 September 2013	Reasons not furnished by the Corporation
5.	Uttar Pradesh Jal Nigam	2007-08	2008-09 2009-10 2010-11	03 August 2011 20 May 2013 12 December 2013	Reasons not furnished by the Corporation
6	Uttar Pradesh State Warehousing Corporation	2010-11	2011-12	14 August 2014	Reasons not furnished by the Corporation

Delay in placement of SAR weakens the legislative control over Statutory corporations and dilutes the latter's financial accountability. Despite the fact that the matter of delay in placement of SARs was taken up (February 2009) by the Comptroller & Auditor General of India with the Chief Minister of the State and is also being pursued regularly by the Accountant General, as on 30 September 2014, 15 SARs are pending for placement in the State Legislature. The Government should ensure prompt placement of SAR in the Legislature.

[24] Uttar Pradesh Forest Corporation submitted its Account for the year 2008-09 after doing necessary amendment in UP Forest Corporation Act, 1974.

Disinvestment, Privatisation and Restructuring of PSUs

1.35 The policy of privatisation/disinvestment of PSUs formulated (June 1994) by the State Government provided for review of all enterprises (excluding those engaged in social and welfare activities and public utilities) whose annual loss was more than ₹ 10 crore and which had eroded their net worth by 50 *per cent* or more.

An Empowered Committee (EC) was constituted (December 1995) to review and decide cases of privatisation/disinvestment/reference to Board for Industrial and Financial Reconstruction (BIFR) and to recommend other alternatives such as partial privatisation, management by private entrepreneurs, lease to private entrepreneurs, etc. The recommendations of the EC were not made available to Audit. On the recommendation of EC, the State Disinvestment Commission (DC) and a Central Committee (CC) were constituted (January 2000). The CC was entrusted to make reference to the DC on the matters relating to reform in working, merger, reorganisation, privatisation or closure of the PSUs. It was envisaged that DC would forward its recommendations to the CC.

In April 2003, a High Power Disinvestment Committee (HPDC) was also constituted for disinvestment of State PSUs.

The Government of Uttar Pradesh issued (June 2007) Guidelines for selection of consultants/advisors, developers for Public Private Partnership (PPP) projects and private partners for disinvestment in Uttar Pradesh. The guidelines provide for formation of various committees, process to be followed for disinvestment, appointment and functions of Lead Advisor, Legal Advisor, Accounting Advisors, Asset Valuers, procedure to be followed for bidding and methodologies of valuation of enterprise. After 2010-11[25] no further disinvestment was done by the Government.

[25] Audit findings on disinvestment of 10 Mills of Uttar Pradesh Sugar Corporation Limited and 11 mills of Uttar Pradesh Rajya Chinni Evam Ganna Vikas Nigam Limited made in the year 2010-11 has been reported in the stand-alone Report of the Comptroller and Auditor General of India for the year ended 31 March 2011.

CHAPTER–II

Performance Audit relating to Government companies

CHAPTER II

2. Performance Audit relating to Government Companies

2.1 Performance Audit on Collection and Disposal of Forest Produce by Uttar Pradesh Forest Corporation

Executive summary

Introduction

Uttar Pradesh Forest Corporation (Corporation) was established in November 1974 under the Uttar Pradesh Forest Corporation Act, 1974 (Act) as local authority for preservation, development of forest and scientific exploitation of forest produce within the State. The main activities of the Corporation comprise production/collection and disposal of forest produce (timber, firewood, *tendu* leaves, bamboo, medicinal herbs-*jari buti* and baib grass).

(Paragraph 2.1.1)

Audit findings pertaining to various sections of the Corporation are discussed below:-

Round Timber

- The logging work of 378 to 1,177 lots were not started within the logging years. Consequently, it resulted in payment of royalty at higher rates on 3,604 un-worked lots and 2,124 lots returned to Department during 2009-10 to 2013-14 for allotment in subsequent years.

(Paragraph 2.1.8)

- The Corporation adopted Quarter Girth formula for calculating volume of logs produced wherein the volume was worked out at 78.60 *per cent* of the actual volume. It further failed to ensure higher realisations due to non-fixation of separate floor prices for green and dry timber.

(Paragraphs 2.1.9 and 2.1.10)

- In six Divisions, the actual production fell short against the required production by 15,920 cum which resulted in loss of revenue amounting to ₹ 15.81 crore.

(Paragraph 2.1.11)

- The Corporation failed to realise best prices due to revision of floor prices at the rates below the increase in the average sale price over previous logging year and lost the opportunity to earn additional revenue due to delay in revision of the floor prices.

(Paragraphs 2.1.15 and 2.1.16)

***Tendu* Leaves**

- Payments were made to *tendu* leave collectors after one to seven months from their collection. Payment of collection charges of ₹ 91.34 lakh for 13,467 standard bags pertaining to Karwi and Renukoot Divisions for the years 2009-10 to 2013-14 were not made so far.

(Paragraph 2.1.20)

- The Corporation did not fix any norm for rain affected *tendu* leaves. Failure in protecting *tendu* leaves from rain and deterioration in the quality resulted in loss of ₹ 2.15 crore against 24,907 standard bags affected by rain during the years 2011-12 and 2013-14.

(Paragraph 2.1.22)

- Out of 20 units where *tendu* culture was done in Renukoot Division for season 2012 and 2013, the production and weight per standard bag of *tendu* leaves declined in five units each as compared to the corresponding averages for the last three years. The average weight per standard bag of the units of the Karwi Division where *tendu* culture was done remained lower than that of their respective control units in 11 out of 27 units for the seasons 2011 to 2013.

(Paragraph 2.1.24)

- The Corporation failed to dispose-off complete stock of *tendu* leaves during the respective years of production and suffered a loss of ₹ 4.49 crore.

(Paragraph 2.1.26)

- The Corporation made short payment of royalty to the State Government of ₹ 201.52 crore on *tendu* leaves during the period 2010-11 to 2013-14.

(Paragraph 2.1.27)

Internal control and monitoring

- Internal control system of the Corporation was not effective as it failed to ensure production of logs up to the prescribed minimum girth, detect the difference in measurement of boot and bottom girth of first log, ensure maintenance of the prescribed records of production and handover of the sites to the Department after completion of felling within the stipulated time.

(Paragraph 2.1.28)

Introduction

2.1.1 Uttar Pradesh Forest Corporation (Corporation) was established in November 1974 under the Uttar Pradesh Forest Corporation Act, 1974 (Act) as local authority for preservation, development of forest and scientific exploitation of forest produce within the State. The main activities of the Corporation comprise production/collection and disposal of forest produce (timber, firewood, *tendu* leaves, bamboo, medicinal herbs-*jari buti* and baib grass).

For production/ collection of the forest produce, the Corporation is required to pay royalty to the Government of Uttar Pradesh (GoUP) at the rates prescribed by it. The rates of royalty are determined annually by the Department of Forest (Department), GoUP in accordance with the formula prescribed by the GoUP.

The details of turnover of the Corporation, royalty paid to the GoUP and profit during the five years from 2009-10 to 2013-14 are shown in the table 2.1.1 below:

Table-2.1.1
(Year-wise turnover, royalty paid and profit)

Sl. No.	Particulars	2009-10	2010-11	2011-12	2012-13	2013-14	Total	Percentage of total turnover
	Turnover of forest produce							
1	Round timber	244.65	284.62	295.29	311.22	376.26	1512.04	87.89
2	Firewood	4.71	6.09	2.99	2.83	2.91	19.53	1.13
3	Bamboo	0.57	0.66	0.51	0.61	0.84	3.19	0.18
4	Tendu leaves	33.05	38.33	41.01	46.29	26.18	184.86	10.75
5	Jari buti	0.16	0.20	0.10	0.14	0.10	0.70	0.04
6	Baib grass and others	0.02	0.00	0.01	0.05	0.02	0.10	0.01
7	**Total turnover (1 to 6)**	**283.16**	**329.90**	**339.91**	**361.14**	**406.31**	**1720.42**	100.00
8	Increase/ Decrease (-) in stock	17.87	13.51	-5.26	43.33	31.00	100.45	-
9	**Total (7+8)**	**301.03**	**343.41**	**334.65**	**404.47**	**437.31**	**1820.87**	-
	Expenses on operation							
10	Royalty paid to Government	120.14	119.01	100.66	136.78	174.57	651.16	37.85
11	Operating, Production and other expenses	113.79	146.45	165.29	188.79	215.27	829.59	48.22
12	**Total (10+11)**	**233.93**	**265.46**	**265.95**	**325.57**	**389.84**	**1480.75**	-
13	**Operating profit (9-12)**	67.10	77.95	68.70	78.90	47.47	340.12	19.77
14	**Turnover of units selected**	126.68	148.92	155.96	159.19	199.24	789.99	**45.92**

Source: Annual accounts of the Corporation

The turnover (₹ 1720.42 crore) comprised 87.89 *per cent* round timber (₹ 1512.04 crore), 10.75 *per cent tendu* leaves (₹ 184.86 crore), 1.13 *per cent* firewood (₹ 19.53 crore) and 0.23 *per cent* other produce viz. bamboo, *jari buti* and baib grass (₹ 3.99 crore) during the period of five years from 2009-10 to 2013-14.

The Performance Audit was taken up to evaluate the activities related to its main forest produce viz. round timber, *tendu* leaves and firewood, comprising 99.77 *per cent* of the total turnover of the Corporation. The turnover of the selected units covered 46 *per cent* of the total turnover of the Corporation during the above period.

Organisational set up

2.1.2 The Management of the Corporation is vested in the Board of Directors (BOD) headed by a Chairman and five members appointed by the GoUP. The Managing Director is the chief executive of the Corporation who is assisted by an Additional Managing Director, seven General Managers, seven Regional

Managers (six in regions and one at Headquarters), a Chief Accounts Officer and Financial Advisor and an Internal Audit Officer.

The execution of work is done by 17 Divisional Logging Managers (DLMs) and 13 Divisional Sales Managers (DSMs) under six regions (Jhansi, Allahabad, Meerut, Lucknow-Vikas, Gorakhpur, Lakhimpur-Kheri) across the State. DLMs are responsible for felling the trees and production of timber/ collection of other forest produce. DSMs are responsible for storage and sale of the forest produce.

Audit Objectives

2.1.3 The Performance Audit was conducted to ascertain whether:

- production/collection, royalty and disposal of the round timber and firewood were done efficiently, economically and effectively in accordance with the laid down procedures by the BOD and orders of GoUP;
- production/ collection, royalty and disposal of the *tendu* leaves were done efficiently, economically and effectively in accordance with the laid down procedures by the BOD and orders of GoUP; and
- system of monitoring and internal control for collection and disposal of forest produce was efficient and effective.

Audit Criteria

2.1.4 The audit criteria considered for assessing the achievements of audit objectives for evaluation of performance of the Corporation were:

- Uttar Pradesh Forest Corporation manual of standing orders;
- directives and orders of the GoUP/ Corporation issued from time to time;
- action plan and budget prepared by the management; and
- internal control system of the Corporation.

Scope and Methodology of audit

2.1.5 A Review on the working of the Uttar Pradesh Forest Corporation was featured in the Report of the Comptroller and Auditor General of India (Commercial), GoUP for the year ended 31 March 2001. The review was discussed by the Committee on Public Undertakings (COPU) of the State Legislature during December 2004 to September 2010. Recommendations of the COPU are awaited. The present Performance Audit was conducted during the period 19 February 2014 to 3 September 2014 to assess the performance of the Corporation with respect to collection and disposal of its major forest produce (round timber, firewood and *tendu* leaves) during the period of five years from 2009-10 to 2013-14.

Six DLMs (Lucknow, Pilibhit, Najibabad-Bijnore, Gonda, Karwi and Renukoot), one from each of the six regions (out of 17 DLMs) and corresponding five DSMs viz. Lucknow, Pilibhit, Saharanpur, Gonda and Duddhi (out of 13 DSMs) along with the Headquarters were selected on stratified random basis for audit. Units selected, covered 46 *per cent* of the total turnover of the forest produce.

The methodology adopted for attaining the audit objectives with reference to audit criteria consisted explaining the audit objectives to the management in the Entry Conference held on 13 March 2014, study of Corporation's manual of standing orders, directives of the GoUP and circulars/ office orders of the Corporation, evaluating the system of supervision and monitoring and issue of queries and discussion with the management. An Exit Conference was held on 23 September 2014 with the Management. The replies of the Management to our audit findings were received in October 2014 and have been duly considered while finalising the Performance Audit. Reply of the Government was awaited (January 2015).

Audit Findings

2.1.6 Audit findings on collection/production and disposal of round timber and *tendu* leaves are discussed in the succeeding paragraphs:

Collection and Disposal of Round Timber and Firewood

2.1.7 The Department of Forest, GoUP (Department) marks the trees for felling in accordance with its working plan and present requirement arising due to developmental activities such as widening of national/ state highways and laying of electricity transmission lines, optical fibre cables etc. It sends the list containing the number of trees to be felled (sale list) along with the details of these trees (marking list) to the Corporation.

The work of the Corporation starts after the receipt of sale list and marking list. It verifies the details of sale and marking list at the site and thereafter takes over the possession of the lots. The lots are required to be felled within the logging year (October to September). The Logging Divisions fell the trees, prepare the logs (round timber) of the prescribed size and transport it to the Sales Divisions for its stacking and sale. The round timber is sold through auction.

Turnover of round timber constituted 87.89 *per cent* (₹ 1512.04 crore) of the total turnover of ₹ 1720.42 crore of the Corporation during the years 2009-10 to 2013-14 as shown in table 2.1.1.

Deficiencies noticed in respect of collection and disposal of round timber and firewood are discussed in succeeding paragraphs:

Delay in completion of felling

2.1.8 The GoUP directives (October 2002) provided that the logging of trees was to be done within logging year (October to September). The details of allotment, completion, under progress and un-worked lots during the period 2009-10 to 2013-14 are shown in table 2.1.2.

Table-2.1.2

Year	Number of lots					Percentage of returned lots and un-worked lots to allotted lots
	Allotted	Completed	Under progress	Returned to Forest Department	Un-worked	
2009-10	5706	4159	423	379	745	19.70
2010-11	5453	4061	452	463	477	17.24
2011-12	5024	4084	304	258	378	12.66
2012-13	6778	4529	584	488	1177	24.56
2013-14	6849	4875	611	536	827	19.90
Total	**29810**	**21708**	**2374**	**2124**	**3604**	**19.22**

Source: Monthly Progress Reports

Corporation failed to start the logging work of 378 to 1,177 lots within the logging years

It may be seen from table that the Corporation failed to start the logging work of 378 to 1,177 lots within the logging years. Consequently, 3,604 lots remained un-worked at the end of respective logging years and 2,124 lots were returned to Department for allotment in subsequent years. We observed that the rate of royalty increased invariably in all the five years. As a result, returned and un-worked lots of trees caused payment of royalty at correspondingly higher rates.

Further analysis of the un-worked lots within the Logging Divisions of the Corporation during the five years 2009-10 to 2013-14 revealed that the percentage of un-worked lots was high in DLM Lalitpur (38.77 *per cent*) against nil in the DLM Obra.

The Management stated (October 2014) that felling work remains affected due to natural constraints of rain and moisture etc. and anthropogenic constraints relating to houses, shops, traffic and non-receipt of warranted co-operation from District administration etc. Reply is not acceptable as the constraints cited by the Management were existing in all the Divisions.

We recommend that the Corporation should endeavour to minimise the un-worked lots at the end of the logging year.

Incorrect calculation of volume of round timber

2.1.9 The volume of timber in the standing trees is calculated in accordance with the volume factors prescribed (June 1978) by the Forest Department for different ranges of diameter at breast height (DBH), which is at 1.37 meter above the ground, for each species of trees. This is referred to as solid volume.

As per orders issued (January 1998) by the Corporation, solid volume of the standing trees is further multiplied by 0.786 on the ground that the shape of the tree is not perfectly cylindrical but gets tapered as it goes upwards. The volume thus calculated is called Quarter Girth (QG) volume.

We noticed that the Corporation considers the mid girth of the log[1] for calculating the volume of the log by applying QG formula[2] wherein the volume is worked out at 78.60 *per cent* of a perfectly cylindrical shape due to considering four in place of π used for normal mathematical calculation.

Corporation adopted Quarter Girth formula for calculating volume of logs produced wherein the volume was worked out at 78.60 *per cent* of the actual volume

Adoption of QG formula for measurement of the logs is incorrect as shortage of timber caused by declining tapering on upper side of the girth is neutralised by excess timber due to inclining tapering on the lower side of the girth.

The Management agreed in the exit conference (September 2014) to look into the practicality of new and accurate formula after conducting field study. It, however, stated (October 2014) that the objective of the applying QG formula, is to compensate the loss of timber resulting from conversion of round timber to sawn timber. Reply is not acceptable as the Corporation sells the timber in the form of round timber and not as sawn timber.

We recommend that the Corporation should review the formula for measuring the logs for production.

---

[1] Pieces of round timber obtained from cutting of trees felled

[2] $(G/4)^2 \times l$, where 'G' stands for Girth and 'l' stands for length of the log

Non-grading of timber into green and dry

2.1.10 Royalty on timber is based on grading of trees into green and dry. Royalty of a dry tree is payable equal to three fourth of amount payable on green tree. Despite above difference in the rates of royalty payable to Department, the Corporation neither categorised the timber obtained from green and dry trees nor fixed their floor price separately. It however categorised the timber into green and dry in case of *Aam* only and fixed separate floor prices since January 2013 where the floor price for green timber was higher by 17.81 *per cent* than that of dry timber.

The Corporation could not ensure higher realisation in respect of timber obtained from green trees due to non-grading of the timber between green and dry and non- fixation of separate floor prices

We noticed that in four DLMs (Lucknow, Pilibhit, Gonda and Najibabd-Bijnore), 21,861 cum of round timber of various species viz. *Sagaun*, Sheesham, *Neem*, *Jaamun* and Eucalyptus valuing ₹ 18.68 crore (at average floor price) were obtained from 291 lots of green trees felled for the widening/construction of national/state highways. Due to non-fixation of floor prices separately for green and dry timber, the Corporation could not ensure higher realisation in respect of timber obtained from green trees.

The Management accepted (October 2014) the audit observation for timber from green and dry trees in respect of species of soft wood (Semal, Sirus, Aru etc.) but for other species it stated that since the dry trees already have less moisture the difference in quality becomes insignificant and hence prices for green and dry timber are not fixed separately.

Management's reply for other than softwood is not acceptable as Corporation's directions (March 2010) for separate stacking of green and dry timber and fixing of separate floor prices for *Aam* tree (not being softwood) do not support their contention.

Short production of round timber

2.1.11 The Corporation had prescribed (January 1998) that Quarter Girth (QG) volume shall be calculated for estimating the quantity of production of round timber from the standing trees.

In 644 out of 1,669 lots of selected DLMs test checked, actual production was less than the corresponding QG production by 15,920 cum which resulted in loss of revenue of ₹ 15.81 crore

Test check of a sample of 1,669 lots in selected six out of 17 DLMs revealed that in 644 lots, actual production (75,403 cum) was less than required production (91,323 cum) by 15,920 cum which resulted in loss of revenue of ₹ 15.81 crore, worked out at an average sale price of ₹ 9,933 per cum.

Main reasons noticed for short production of round timber are as under:

(i) The Corporation prescribed (October 1990, June 2010) that logs were required to be made up to the minimum mid girth of 30 cm (15 cm in case of Eucalyptus and *Sagaun*). We test checked 445 cases in five DLMs viz. Lucknow, Renukoot, Pilibhit, Gonda and Najibabad-Bijnore and found that in 309 cases (69.44 *per cent*), logs were made up to the mid girth of 35 cm to 92 cm (20 cm to 72 cm in case of Eucalyptus and *Sagaun*). Consequently, the potential round timber was converted into firewood and ultimately Corporation failed to fetch higher revenue.

The Management stated (October 2014) that after production of log of mid girth of 35-40 cm production of further log was not possible as the mid girth of the next log would be less than 31 cm.

The reply is not acceptable as in 197 out of 309 cases pointed out in audit, logs were produced up to the mid girth of 41 to 92 cm (26 cm to 72 cm in respect of Eucalyptus and *Sagaun*) against the requirement for production up to 30cm/ 15 cm.

(ii) The girth of boot[3] and the bottom girth of the first log should be same. We test checked 571 cases of three DLMs (Lucknow, Karwi and Pilibhit) and noticed that in 84 cases, the bottom girth of first log was less than the girth of boot by 5 to 293 cm. Non-matching of girth of boot with bottom girth of first log, led to chances of misappropriation and short production of round timber.

The Management stated (October 2014) that the difference of five to ten cm in the girth of boot and first log was normal due to necessity during felling of the tree. Reply is not acceptable as the difference was found more than normal in 76 cases out of 84 cases pointed out in audit.

We recommend that the Corporation should endeavour to ensure production of round timber not less than QG volume except where reasonable grounds for contrary are recorded.

Non-achievement of norms in production of firewood

2.1.12 Firewood is produced from felling of standing trees as by-product. The Corporation prescribed (November 2009) the norms for production of firewood ***(Annexure-2.1.1)***.

Short production of firewood by 90,617 cum against the prescribed norms in 12 Divisions resulted in loss of ₹ 4.03 crore

We observed that against the required production of 1,37,450 cum of firewood as per the norms, actual production was 46,833 cum which resulted in short production of 90,617 cum valuing ₹ 4.03 crore[4] in 12 Divisions during the period 2009-10 to 2013-14 ***(Annexure-2.1.2)***.

The Management stated (October 2014) that the decline in production of firewood was due to allotment of dry and diseased trees for felling and making logs of mid girth up to 15 cm in *Sagaun* and Eucalyptus besides cutting of branches of the dry and uprooted trees allotted under social forestry.

Reply is not acceptable as the short production of firewood was noticed in social forests as well as reserve forests. The social forests also included the lots of green trees felled for construction of highways. Further, in 76 *per cent* cases (100 out of 132 cases test checked) of *Sagaun* and Eucalyptus, the logs were not produced beyond 20 to 72 cm mid girth as pointed out in paragraph 2.1.11.

Non-maintenance of records of production

Lot ledgers were either not maintained at all or were not maintained properly

2.1.13 We observed that the lot ledgers required to be maintained vide Corporation order dated 16 March 1998 were not maintained in Renukoot and Najibabad (Bijnore) [5] Logging Divisions. Further, in DLMs Lucknow and Pilibhit, the lot ledgers were maintained but details like date of signing boundary register in 428 out of 591 lots, actual royalty due, payment of royalty and date of completion of felling were not recorded. In four Forest Divisions[6] under Najibabad (Bijnore) these details were not recorded in the lot

[3] part attached to root from where the tree is felled

[4] At average rate of ₹ 445 per cum

[5] except in respect of Amroha Forest Division for the year 2013-14

[6] Bijnore, Moradabad, Sambhal and Rampur.

ledgers for the year 2013-14. As a result, date of start of work could not be ascertained in audit.

The Management stated (October 2014) that incomplete details have since been completed and instructions has been issued for timely recording of details.

Delay in handing over of sites after completion of felling

2.1.14 The GoUP directives (October 2002) provided that after completion of the felling, sites were to be handed back by the Corporation to the Department within seven days.

Sites of 91 lots out of 472 lots test checked in three Divisions were handed over back to the Department with a delay of 1 to 238 days after the completion of felling

We observed that three Divisions (Lucknow, Pilibhit and Najibabad- Bijnore) handed over sites of 91 lots (19 *per cent*) out of 472 lots to the Department with a delay of 1 to 238 days after their completion during the years 2010-11 to 2013-14. Such delay remained unnoticed by the Corporation due to deficient monitoring system.

The Management stated (October 2014) that in some cases delay occurs due to delay in receipt of information from depots.

Determination of floor price at lower side

2.1.15 Floor price[7] of round timber are fixed on annual basis with the approval of the Managing Director on the recommendations of committee constituted to review market rates of the previous logging year. We observed that the Corporation had not framed any guidelines for determination of the floor price of forest produce.

Corporation failed to realise best prices due to revision of floor prices at rates below the rate of increase in the average sale price over previous logging year

We examined the fixation of floor price of species viz. Sal, Sheesham, *Sagaun*, *Aam*, Eucalyptus and *Khair* and observed that the percentage increase in floor price over previous logging year was finalised for the period January 2012[8] and January 2013[9] at 0.61 *per cent* to 12.26 *per cent* less than the percentage increase in average sale price over previous logging year without any justification on record.

Thus, the Corporation failed to realise best prices from market on the sale of 2,56,283 cum round timber valuing ₹ 333.98 crore made during January 2012 to December 2013 due to fixation of floor price on lower side.

Management accepted the observations and stated (October 2014) that in future this would be kept in view.

We recommend that the Corporation should revise the floor prices equivalent to the increase in the average sales prices.

Delay in revision of floor price

2.1.16 Floor price of round timber are fixed with the approval of the Managing Director on the recommendations of committee constituted to review market rates of the previous logging year. Since the logging year starts in October each year, the revised floor prices were to be fixed in such a manner that these were made applicable from October each year.

[7] Base price fixed for judging the reasonability of rates for sale of forest produce obtained in the auction

[8] In respect of Sal, Sheesham under both reserve forest and social forestry

[9] In respect of Sheesham and eucalyptus under reserve forest and in respect of sheesham under social forestry

Corporation lost the opportunity to earn additional revenue due to delay in revision of the floor prices

We observed that the rates of round timber for the logging years 2010-11, 2011-12, 2012-13 and 2013-14 were revised w.e.f. January 2011, January 2012, January 2013 and January 2014. Thus, due to delay in revision of rates, the Corporation lost the opportunity to earn additional revenue during the period October 2010 to December 2013.

The Management stated (October 2014) that for each logging year, felling starts in November and the sale list is prepared for auction in January. Therefore, the floor prices are fixed from January. The reply is not acceptable as felling starts from October as prescribed in GoUP order of October 2002. Further, revised floor prices are effective for the current as well as previous stock lying in depots.

We recommend that the Corporation should make the revision in the floor prices effective from the start of new logging year.

Supply of Sal Sleepers and Edgings for Maha Kumbh Mela 2013

2.1.17 Uttar Pradesh Public Works Department (UPPWD) placed (December 2011) order of approximate 23,000 Sal Sleepers/ edgings with the Corporation for the Maha Kumbh Mela (MKM) 2013.

Corporation irregularly charged centage of ₹ 86 lakh on 11,475 Sal sleepers supplied to UPPWD

We observed that Corporation procured 11,475 Sal Sleepers from other forest corporations viz. Chhatisgarh State Forest Development Corporation (6349 sleepers) and Punjab State Forest Development Corporation (5126 sleepers) and supplied it to the UPPWD for ₹ 15.58 crore after charging centage of ₹ 86 lakh. Charging centage was irregular in view of the GoUP order (January 2011) which provided that centage was not to be levied on bought out items.

Management stated (October 2014) that centage was charged in accordance with the GoUP order (January 2011). Reply is not acceptable as the Management has referred to point number 2 of the aforesaid GoUP order whereas in point number 5 of same order the GoUP had specifically prohibited charging centage on bought out items.

Collection, Disposal and Royalty of *Tendu* leaves

2.1.18 *Tendu* leaves are used for making *bidis*. It is collected during May-June each year. It is purchased from the collectors through *Fud Munshis* (commission agents engaged for collection of leaves from the collectors). The leaves are purchased in bundles of 50 leaves each. The collection is accounted for in standard bags and each standard bag consists of 1,000 bundles.

Turnover of *tendu* leaves constituted 10.75 *per cent* (₹ 184.86 crore) of the total turnover ((₹ 1720.42 crore) of the Corporation during the years 2009-10 to 2013-14 as shown in table 2.1.1. The Corporation paid royalty of ₹ 18.98 crore on *tendu* leaves to the GoUP. A comparison of targets fixed with actual results of the Corporation for the last five years in respect of *tendu* leaves are as under:

Table-2.1.3

Year	Target (in standard bags)	Achievement (in standard bags)	Shortfall (-)/ Excess (in standard bags)	Percentage of shortfall (-)/ excess
2009-10	219831	219915	84	0.04
2010-11	269552	269675	123	0.05
2011-12	166491	166491	0	0
2012-13	281819	281307	-512	-0.18
2013-14	202717	202717	0	0
Total	**1140410**	**1140105**	**(-) 305**	**(-) 0.03**

Source: Budgets and Annual accounts

While the targets of collection of *tendu* leaves were achieved during the years 2009-10 to 2011-12 and 2013-14, it could not be achieved during the year 2012-13.

Six DLMs (Renukoot, Obra, Mirzapur Allahabad, Karwi and Lalitpur) out of 17 DLMs are mainly engaged in collection of *tendu* leaves. Of these, two DLMs (Renukoot and Karwi) engaged in collection of *tendu* leaves were selected for audit. Irregularities noticed in collection, disposal and payment of royalty on *tendu* leaves are as under:

Short receipt of tendu leaves at godowns

2.1.19 On receipt of *tendu* leaves at the collection centre (*Fud*), the quantity received is entered in proforma 1.1 showing date-wise collection of *tendu* leaves. The daily collection/ purchase of *tendu* leaves at *fud* and its transportation to godown is recorded in the prescribed proforma containing unit and section wise collection of *tendu* leaves. The basic record for monitoring of collection of *tendu* leaves and its transportation to the Godown at the Division is done through the Daily Production Report (DPR).

Table below indicates status of standard bag purchased and sent for storage of *tendu* leaves:

Table-2.1.4

Sl. No.	Name of Logging Division	Period	Standard bags purchased	Standard Bags reported as received in godown for storage	Short receipt in godowns (4-5)
(1)	(3)	(2)	(4)	(5)	(6)
1	Karwi	2009-10 to 2013-14	229466	224972	4494
2	Renukoot	2009-10 to 2013-14	425946	425193	753
Total			**655412**	**650165**	**5247**

Source: DPRs, final section wise reports and godown receipts

Short receipt of 5,247 standard bags of *tendu* leaves resulted in loss of ₹ 67.66 lakh

From the table above it would be seen that in DLM Karwi and DLM Renukoot, 5,247 standard bags valuing ₹ 67.66 lakh[10] were short received in godowns during 2009-10 to 2013-14. No reasons were there on records for the same. Corporation failed to exercise checks on loss sustained.

The Management accepted (October 2014) and stated that shortage of bags were insignificant (0.80 *per cent)*. The reply is not acceptable as the Corporation failed to exercise checks on shortage of bags valuing ₹ 67.66 lakh.

Irregularities in payment to the collectors of tendu leaves

2.1.20 The Corporation prescribed (February 2001) for weekly payment to the collectors of the *tendu* leaves at the rates of collection charges per standard bag determined by the GoUP.

In respect of year 2013-14, the Corporation appointed (January 2013) ICICI Bank for payment of collection charges and bonus to the collectors. Later on due to complaints made by collectors regarding non receipt of the full amount, payments through ICICI Bank was stopped (July 2013) and further payments

[10] Karwi: ₹ 55.58 lakh; Renukoot: ₹ 12.08 lakh (valued at average sale rate of the respective years)

were made by the Corporation. Against total amount of ₹ 15.23 crore payable for *tendu* leaves collected during season 2013 (FY 2013-14), Corporation paid ₹ 10.42 crore through its respective divisions and ₹ 4.81 crore through ICICI Bank to *tendu* leave collectors.

We observed that:

Corporation failed to monitor disbursal of the amount remitted to ICICI Bank for collection charges to *tendu* leaves collectors for 2013-14

- Corporation failed to monitor disbursal of the amount remitted to the ICICI Bank for collection charges to *tendu* leaves collectors. *Tendu* collectors made a complaint regarding erroneous/ fraudulent payment of ₹ 1.12 crore. Since the Corporation did not provide any detail/ documentary evidence regarding disbursal of ₹ 4.81 crore by the ICICI Bank to *tendu* leaves collectors, the authenticity of the actual payment and complaints could not be ensured.

- Although payment to the collectors of *tendu* leaves was required to be made weekly, the payment were actually made to the collectors during July to March of the following year in Karwi Division and during May to March of the following year in Renukoot Division for seasons of May to June each year from 2009-10 to 2013-14. Thus, the payment to the collectors was made with delay of one to seven months from their collection. Reason for delay in payment was not on record.

Payment of collection charges of ₹ 91.34 lakh for 13,467 standard bags were not made by Karwi and Renukoot Divisions

- In Karwi Division, payment of ₹ 82.43 lakh for 12,141 standard bags pertaining to the years 2009-10 to 2013-14 and in Renukoot Division, payment of ₹ 8.91 lakh for 1,326 standard bags pertaining to the years 2010-11, 2011-12 and 2013-14 were not made so far (October 2014) to *tendu* leave collectors.

The Management stated (October 2014) that the GoUP had taken disciplinary action against senior officers of the Corporation for delay in payment. It further stated that delay in payment to the leaves collectors occurred due to delay in fixation of the collection charges by Department. Reply is not acceptable as the collection charges were to be paid on weekly basis till its revision by the Department.

Quality of tendu leaves

2.1.21 The quality of *tendu* leaves depends upon the weight, size, softness, number of hairs, colour and shine of the leaves. The observations on the quality of the *tendu* leaves are discussed in succeeding paragraphs:

Tendu leaves affected by rain

2.1.22 As per directives issued by the Corporation in February 2001, the *tendu* leaves collected at the collection centre are to be protected from rain during the period of processing and storage as it damages the quality of *tendu* leaves. The leaves which get affected during the period of processing and storage are referred to as rain affected *tendu* leaves which are sold at very low prices.

Corporation did not fix any norm for rain affected *tendu* leaves

We observed that the Corporation did not fix any norm for rain affected *tendu* leaves to monitor the loss. Detail of normal and rain affected *tendu* leaves in respect of Renukoot, Obra and Karwi divisions for the period 2009-10 to 2013-14 is given in the table 2.1.5.

Table-2.1.5

(Quantity: in standard bags)

Year[11]	Season	Normal bags	Rain affected bags	Total bags	*Percentage* of rain affected bags
2009-10	2009	109121.787	23.050	109144.837	0.02
2010-11	2010	141059.649	385.225	141444.874	0.27
2011-12	2011	114252.250	7187.021	121439.271	5.92
2012-13	2012	222601.442	14.620	222616.062	0.01
2013-14	2013	139635.306	17720.068	157355.374	11.26
Total		**726670.434**	**25329.984**	**752000.418**	**3.37**

Source: Report of weighment by Sales Division

Failure in protecting *tendu* leaves from rain causing deterioration in the quality led to loss of ₹ 2.15 crore on 24,907.089 standard bags affected by rain

We observed that rain affected bags were 5.92 *per cent* and 11.26 *per cent* in 2011-12 and 2013-14 respectively. Due to failure in protecting *tendu* leaves from rain causing deterioration in the quality, the Corporation suffered loss of ₹ 2.15 crore[12] on 24,907.089 standard bags affected by rain in above three Divisions during 2011-12 and 2013-14.

Management stated (October 2014) that the *tendu* leaves are to be sundried in open for 8 to 10 days and is difficult to protect them from rain and fix a norm for rain affected *tendu* leaves. Reply is not acceptable as the Management had not taken any preventive measures by arranging for covering the collected leaves with polyethene sheets immediately at the time of rains and proper storage of leaves.

We recommend that the Corporation should determine the norms for rain affected tendu leaves and fix the responsibility of the erring officers/ officials in cases of loss above such norms.

Decline in average weight of tendu leaves

2.1.23 *Tendu* leaves are sold by weight. To increase the performance of the quality of *tendu* leaves, the Corporation directed (February 2001) for analysing the average weight of standard bag of the season with the average weight for the previous three years.

We noticed that:

The average weight per standard bag decreased than the average weight of the preceding year by 0.02 to 16.80 Kg per standard bag in 5 to 78 *per cent* units during 2010 to 2013 in two Divisions

- the average weight per standard bag increased in 62 *per cent* and 82 *per cent* units of Karwi and Renukoot Divisions during the years 2012 and 2013 respectively than the corresponding average weight of the preceding three years. It, however, decreased in 38 and 18 *per cent* units of these Divisions during the same period by 0.01 to 14.25 Kg per standard bag ***(Annexure-2.1.3)***.
- the average weight per standard bag increased as compared to the average weight per standard bag of the preceding year in 22 to 95 *per cent* units in Karwi and 40 to 82 *per cent* units in Renukoot during the four years 2010 to 2013 but it decreased in 5 to 78 *per cent* units in Karwi and 18 to 60 *per cent* units in Renukoot by 0.02 to 16.80 Kg per standard bag during the above period ***(Annexure-2.1.4)***.

11 Quantity for 2009-10 and 2010-11 includes Renukoot and Obra as quantity for Karwi in respect of these years were not made available

12 At the differential rate of ₹ 862.82 per standard bag (Avearge rate of normal standard bag: ₹ 1596.01- Average rate of rain affected standard bag: ₹ 733.19)

The Corporation failed to take corrective measures to restrict the decline in average weight as it did not analyse the reasons for decline in average weight of *tendu* leaves.

The Management stated (October 2014) that weight of *tendu* leaves depend upon its size which in turn is dependent on climatic conditions[13]. Reply is not acceptable as the increase of average weight of *tendu* leaves in 62 and 82 *per cent* units during 2012 and 2013 respectively in the same region indicates that climatic conditions were favourable.

Tendu culture

2.1.24 The Corporation conducts (15 February to 15 March) *tendu* culture prior to the start of the collection season in order to increase the quantity and quality of *tendu* leaves. To analyse the effect of *tendu* culture, the quality of *tendu* leaves produced in the area where *tendu* culture was done, was to be compared with certain parameters decided on the basis of production figures of the nearby control units where *tendu* culture had not been done.

Renukoot Division did not analyse the results of *tendu* culture against the parameters prescribed with their respective control units during the years 2010 to 2013

Renukoot and Karwi divisions of the Corporation incurred expenditure of ₹ 1.19 crore on *tendu* culture for four *tendu* seasons 2010 to 2013. In this regard, we observed that despite incurring expenditure of ₹ 67.94 lakh for four *tendu* seasons 2010 to 2013, Renukoot Division did not analyse the results of *tendu* culture with reference to the prescribed parameters with its nearby control units. Thus, effects of *tendu* culture could not be ascertained by the Division.

We test checked 9 and 11 units of Renukoot Division for *tendu* season 2012 and 2013 respectively where *tendu* culture was done at an expenditure of ₹ 36.86 lakh and noticed that:

- the total production declined in one (11.11 *per cent*) and in four units (36.36 *per cent*) during the year 2012 and 2013 respectively against their corresponding average production of the last three years.
- the average weight per standard bag declined in three and two units during 2012 (33.33 *per cent*) and 2013 (18.18 *per cent*) respectively against their corresponding average weight per standard bag of the last three years.

The average weight per standard bag were lower than their respective control units in 11 out of 27 units where *tendu* culture was done in Karwi Division for seasons 2011 to 2013

We further observed that in Karwi Division despite incurring expenditure of ₹ 47.34 lakh on *tendu* culture for *tendu* seasons 2011 to 2013, the average weight per standard bag in respect of 11 out of 27 units, was lower than that of their respective control units. Moreover, the average weight per standard bag did not increase as compared to the weight in the previous year in six out of ten units (*tendu* season 2012) and in one out of nine units (*tendu* season 2013) in which *tendu* culture was done.

The Management stated (October 2014) that benefits of *tendu* culture are achieved only when followed by suitable weather conditions. Further, *tendu* leaves collectors deposit the *tendu* leaves from area covered under culture as well as from area not covered under culture at the same *fuds*, thus comparison

[13] Climatic conditions include direction of flow of wind and temperature during the season. Westerly winds and high temperature are favourable for tendu leaves

is not practical. Reply is not acceptable as the weather conditions for the units under review and their respective control unit[14] are nearly the same.

We recommend that the location of the fuds should be fixed at such a central point so that total tendu leaves of the area are delivered to the concerned unit only and ensure that the results of tendu culture are compared with the control units.

Non return of Hessian bags

2.1.25 Hessian bags[15] are issued by the Division to the section officers who in turn provide it to the *Fud Munshis* through their Unit Incharge. Para 3.7.4 of the Handbook on *Tendu* leaves directives (2001) prepared by the Corporation provides that the empty bags at the end of the season shall be returned. In case of non-return of the empty bags, recovery was to be made at double the rate of collection charges for a standard bag from the commission of *Fud Munshi*/ Unit Incharge.

We observed that:

Neither the receipt back of 1,453 unused hessian bags issued during 2009-10 to 2013-14 was ensured nor was recovery at the prescribed rates made

- In DLMs Karwi and Renukoot, 1,453 unused bags were lying with the *Fud Munshis*/ Unit Incharges/ Section Officers but the required recovery of ₹ 20.53 lakh on account of non return of unused bags was not made.
- Further, recovery for 249 unreturned bags pertaining to the year 2006-07 to 2008-09, was not made despite issue of notices by the Karwi Division in January 2013.

The Management stated (October 2014) that measures for return/recovery of these bags would be taken.

Delay in disposal of tendu leaves

2.1.26 T*endu* leaves are of perishable nature and all possible efforts are needed to dispose-off the stock of *tendu* leaves at the earliest.

Failure to dispose off complete stock of *tendu* leaves during the year of collection led to loss of ₹ 4.49 crore

We noticed that DSM Duddhi could not sell the 48,158.99 standard bags of the *tendu* leaves collected by Obra and Renukoot Divisions during 2006-07 to 2013-14 in the year of collection except for the year 2011-12. Such standard bags of *tendu* leaves were sold in the subsequent years at a lower rate ranging from ₹ 9.98 to ₹ 1881.53 per standard bag as compared to the average rate of the respective year of the collection ranging from ₹ 901.54 to ₹ 3132.99 per standard bags ***(Annexure- 2.1.5)***. Thus, due to failure in disposal of *tendu* leaves in the year of collection, the Corporation suffered loss of ₹ 4.49 crore.

The Management stated (October 2014) that in spite of regular efforts, the stock could not be disposed off in several tenders. Reply is not acceptable as the Management took 24 days to 190 days to finalise the award of tenders which caused delay in disposal of *tendu* leaves.

We recommend that the Corporation should expedite the award of tenders to check delay in subsequent tenders and make efforts to dispose-off stock in the year of its production.

---

[14] Neighbour unit where culture is not done

[15] Hessian bags are used for storage of *tendu* leaves

Short payment of royalty

2.1.27 Royalty is payable by the Corporation on *tendu* leaves at the rates determined by a committee headed by the Principal Chief Conservator of Forest, (Monitoring and Working plan) of the State in accordance with the formula prescribed (July 2001) by GoUP.

We observed that the royalty in accordance with the above formula worked out to ₹ 209.80 crore for the period 2010-11 to 2013-14. Against this, the Corporation paid royalty of ₹ 8.28 crore to the GoUP. Thus, it paid royalty short by ₹ 201.52 crore.

Corporation made short payment of royalty of ₹ 201.52 crore to the GoUP for the period 2010-11 to 2013-14

The Management stated (October 2014) that the royalty for the years 2010-11 and onwards have not been determined and it shall be paid accordingly when determined. The reply of the Management is not acceptable as the royalty was required to be paid as per the formula prescribed by GoUP in July 2001.

Internal Control and Monitoring

2.1.28 Internal Control is a process designed to provide reasonable assurance for efficiency of operations, reliability of financial reporting and compliance of applicable rules and regulations for achieving the objectives in an efficient and effective manner. Monitoring is the regular observation and recording of activities taking place in an organisation for effective management of its activities.

We observed that the internal control system was not effective as it failed to:

- ensure compliance of order of the Corporation regarding production of logs up to the prescribed minimum girth and detect the difference in measurement of boot and bottom girth of first log;
- ensure maintenance of the prescribed records of production viz. lot ledgers which contains the detailed information in respect of each lot;
- ensure adherence to the stipulated time in handover of the sites to the Department after completion of felling;
- ensure return of empty hessian bags at the end of *tendu* season;
- ensure compliance of the Corporation's order for analysing the results of *tendu* culture; and
- check loss due to short receipt of *tendu* leaves at godowns.

The Corporation also failed to monitor the performance of production effectively as the actual production of the round timber were not compared with the estimated production of the respective lots and actual progressive production up to the respective months were compared with the targeted production of the whole year. The targets of production and sale of forest produce reported to the GoUP differed from the targets approved in the budget of the Corporation and the data of actual production and sales reported to the GoUP differed from that appearing in the annual accounts of the Corporation.

Best Practice

2.1.29 The Corporation started (2012) the sale of forest produce through e-auction besides continuing the existing system of normal open auction. The web portal allows the registered bidders to submit advance bid also. The bids of such bidder are considered to the above extent in accordance with the bids submitted by other bidders and this procedure continues till the bids offered by other bidders exceed his highest predetermined bid. The highest bid after the closure of the auction can be viewed by the bidders. The results of the tender are prepared by the software. The approval of the lots is also displayed on the website. The Corporation could ensure expeditious and transparent auction through this system.

Conclusion

- **The Corporation failed to start the logging work of 378 to 1,177 lots within the logging years. Consequently, it had to pay royalty at higher rates on 3,604 un-worked lots and 2,124 lots returned to Department for allotment in subsequent years.**

- **The Corporation adopted Quarter Girth formula for calculating volume of logs produced wherein the volume was worked out at 78.60 *per cent* of the actual volume. The loss was further compounded by short production of round timber against the required production.**

- **The Corporation lost the opportunity to earn additional revenue due to revision of floor prices for timber with delay and at rate lower than the rate of average increase in price of the preceding year.**

- **The Corporation did not fix the norms for rain affected *tendu* leaves to monitor lapses on the part of employees and suffered loss of ₹ 2.15 crore due to deterioration in quality.**

- **DLM Renukoot did not analyse results of *tendu* culture and DLM Karwi failed to achieve the desired benefits of *tendu* culture, conducted at a cost of ₹ 1.19 crore.**

- **The Corporation failed to dispose-off the complete stock of *tendu* leaves in the respective years of production which resulted in lower sales realisations by ₹ 4.49 crore during the subsequent years due to deterioration in quality.**

2.2 Performance Audit on the Working of Power Distribution Companies

Executive summary

Introduction

The business of distribution of power in Uttar Pradesh is carried out by five Power Distribution Companies (DISCOMs) i.e. Madhyanchal Vidyut Vitran Nigam Limited (MVVNL), Dakshinanchal Vidyut Vitran Nigam Limited (DVVNL), Purvanchal Vidyut Vitran Nigam Limited (PuVVNL), Paschimanchal Vidyut Vitran Nigam Limited (PVVNL) and Kanpur Electricity Supply Company Limited (KESCO). These DISCOMs work under the functional control of Uttar Pradesh Power Corporation Limited (UPPCL) and administrative control of Energy Department, Government of Uttar Pradesh. UPPCL procures the power on behalf of the DISCOMs and make available the power to the DISCOMs for distribution to the consumers. UPPCL could meet 75 *per cent* power demand in 2009-10 and 71 *per cent* in 2013-14.

The important audit findings in respect of three DISCOMs selected for Performance Audit are detailed below:

Madhyanchal Vidyut Vitran Nigam Limited (MVVNL)

- Against the required capacity addition of 4878 MVA, MVVNL planned and added transformers with capacity of 1500 MVA and 1138 MVA respectively during 2009-14 leading to shortage of 3740 MVA (77 *per cent*) as of March 2014. Resultantly, the existing transformers of MVVNL were running overloaded and posing a threat to entire distribution system.

(Paragraph 2.2.7)

- MVVNL had incurred excess expenditure of ₹ 10.26 crore due to award of higher package rate for repair of Distribution Transformers (DTs) and made excess payment of ₹ 6.83 crore on account of VAT on repair of DTs.

(Paragraphs 2.2.10 and 2.2.11)

- Operational efficiencies were adversely affected due to non-conversion of Low Tension(LT) into High Tension(HT) system, non-installation of capacitor banks at the Sub Stations(SS) and allowance of excess load loss to the private repairer firms in the contracts for repair of DTs. During 2009-14, Technical and Commercial (T&C) losses exceeded the limit allowed by Uttar Pradesh Electricity Regulatory Commission (UPERC) in three years valuing at ₹ 258.20 crore.

(Paragraph 2.2.13 to 2.2.16)

- MVVNL did not adhere to the applicable provisions for billing resulting in short billing of the consumers by ₹ 3.04 crore.

(Paragraph 2.2.18)

Dakshinanchal Vidyut Vitran Nigam Limited (DVVNL)

- Against the required capacity addition of 6262 MVA, DVVNL added transformers with a capacity of 2152 MVA during 2009-14 leading to shortage of 4110 MVA (66 *per cent*) as of March 2014. Resultantly, the existing transformers of DVVNL were running overloaded and posing a threat to entire distribution system.

(Paragraph 2.2.27)

- DVVNL had incurred excess expenditure of ₹ 12.62 crore due to award of underground cable laying works at higher rates, award of higher package rate for repair of DTs and made excess payment of ₹ 4.52 crore on account of Value Added Tax (VAT) on repair of DTs.

(Paragraphs 2.2.29 to 2.2.31)

- Operational efficiencies were adversely affected due to non-installation of capacitor banks at the SSs and allowance of excess load loss to the private repairer firms in the contracts for repair of DTs. During 2009-14, T&C losses exceeded the limit allowed by UPERC in two years valuing at ₹ 879.17 crore.

(Paragraph 2.2.32 to 2.2.34)

- DVVNL did not adhere to the applicable provisions for billing resulting in excess billing of consumers by ₹ 12.42 crore and short billing by ₹ 98.17 crore.

(Paragraph 2.2.35)

- DVVNL unduly retained subsidy of ₹ 25.58 crore and mis-utilised the subsidy of ₹ 3.38 crore received from GoI for release of connections to private tube well consumers during 2013-14 under Bundelkhand Drought Mitigation Scheme.

(Paragraphs 2.2.41 and 2.2.42)

Purvanchal Vidyut Vitran Nigam Limited (PuVVNL)

- Against the required capacity addition of 8715 MVA, PuVVNL planned and added transformers with a capacity of 1678 MVA and 1355 MVA respectively during 2009-14 leading to shortage of 7360 MVA (84 *per cent*) as of March 2014. Resultantly, the existing transformers of PuVVNL were running overloaded and posing a threat to entire distribution system.

(Paragraph 2.2.46)

- PuVVNL had incurred excess expenditure of ₹ 3.34 crore due to award of higher package rate for repair of DTs and made excess payment of ₹ 6.13 crore on account of VAT on repair of DTs.

(Paragraphs 2.2.48 and 2.2.49)

- Operational efficiencies were adversely affected due to non-conversion of LT into HT system and non-installation of capacitor banks at the SSs. During 2009-14, T&C losses exceeded the limit allowed by UPERC in three years valuing at ₹ 309.46 crore.

(Paragraph 2.2.50 to 2.2.52)

Introduction

2.2.1 The business of distribution of power in Uttar Pradesh is carried out by five Power Distribution Companies (DISCOMs)[16].These DISCOMs are working under administrative control of Energy Department, Government of Uttar Pradesh (GoUP) and functional control of Uttar Pradesh Power Corporation Limited (UPPCL). The UPPCL procures the power on behalf of the DISCOMs and make available the power to the DISCOMs for distribution to the consumers. The power demand of the State was 10856 MW during 2009-10 which increased to 15044 MW during 2013-14. Against this, UPPCL could meet the power demand 8186 MW (75 *per cent*) and 10659 MW (71 *per cent*) respectively.

Out of five DISCOMs, three DISCOMs viz, Madhyanchal Vidyut Vitran Nigam Limited (MVVNL), Dakshinanchal Vidyut Vitran Nigam Limited (DVVNL) and Purvanchal Vidyut Vitran Nigam Limited (PuVVNL) were selected for Performance Audit. The audit findings on remaining two DISCOMs, viz. Kanpur Electricity Supply Company Limited (KESCO) and Paschimanchal Vidyut Vitran Nigam Limited (PVVNL) had already been featured in Audit Report ending on 31 March, 2011. The turnover and profitability of all the five DISCOMs, as per latest certified annual accounts (2012-13) are given below:

Table-2.2.1

(₹ in crore)

DISCOMs	Turnover	Profit & Loss
MVVNL	4257.84	(-) 2135.55
DVVNL	5174.24	(-) 3364.06
PuVVNL	5064.23	(-)2584.02
PVVNL	9203.89	(-) 1303.35
KESCO	1145.72	(-) 544.87

Source: Annual Accounts of DISCOMs.

The main objective of the DISCOMs is to distribute the power, made available by UPPCL, to the consumers through reliable and adequate distribution network system at the tariff rate approved by Uttar Pradesh Electricity Regulatory Commission (UPERC).

MVVNL, DVVNL and PuVVNL employed 6597 (49 *per cent*), 4504 (47 *per cent*) and 7868 (46 *per cent*) employees against sanctioned strength of 13510, 9598 and 16991 respectively as on 31 March 2014.

Performance audit on the selected DISCOMs was conducted for the period 2009-10 to 2013-14 to ascertain whether these DISCOMs were able to function in line with the envisaged objectives.

Organisational set up

2.2.2 The Management of the DISCOM is vested with a Board of Directors comprising Chairman, Managing Director (MD) and three other Directors appointed by the State Government. The day-to-day operations are carried out by the MD, who is the Chief Executive of the DISCOM, with the assistance of

[16] Madhyanchal Vidyut Vitran Nigam Limited (MVVNL), Dakshinanchal Vidyut Vitran Nigam Limited (DVVNL), Purvanchal Vidyut Vitran Nigam Limited (PuVVNL), & Paschimanchal Vidyut Vitran Nigam Limited (PVVNL), all incorporated in May 2003 and Kanpur Electricity Supply Company Limited incorporated in July 1999, under the Companies Act, 1956.

Chief Engineers, Superintending Engineers and Executive Engineers at headquarters and field.

Audit objectives

2.2.3. The objectives of the performance audit were to assess:

- adequacy of distribution network and award of works contracts for establishing distribution network in an economic and effective manner.;
- operational efficiency in curtailing of sub-transmission and distribution losses and replacement of Low Tension (LT) into High Tension(HT) system;
- billing and collection efficiency of revenue from consumers; and
- a system in place to attain the consumers satisfaction and redressal of grievances as per provisions of the U. P. Electricity Supply Code, 2005.

Audit criteria

2.2.4 The audit criteria considered for achievement of audit objectives for evaluation of performance of the DISCOMs were:

- Electricity Act, 2003;
- U.P. Electricity Supply Code 2005 and Tariff orders approved by UPERC
- State Energy policy 2009 business plans, guidelines/instructions /directions of State Government/UPERC/ UPPCL;
- Agenda, minutes of the meeting of the BOD of the DISCOMs and directives issued by the DISCOMs; and
- Standard procedures for award of contract with reference to principles of economy, efficiency and effectiveness; norms of technical and non-technical losses.

Scope and Methodology of audit

2.2.5 The present performance audit was conducted during January 2014 to October 2014.The audit examination involved scrutiny of records of Head Office of three DISCOMs and selected units. There were 311 units in the three DISCOMs. Out of these total units, 67 units[17] (21.5 *per cent*) were selected on stratified random sampling basis. The main source of revenue to the DISCOMs is from sale of power. The turnover of sample units of the DISCOMs was ₹ 10,422.85 crore (27.02 *per cent*) against the total turnover of ₹ 38,577.42 crore during 2009-10 to 2012-13.

The methodology adopted for attaining the audit objectives with reference to audit criteria consisted of explaining scope of audit and audit objectives to top Management and Government in an "Entry Conference" held on 5 May 2014, scrutiny of records at Head Office of DISCOMs and selected units, interaction with the auditee personnel, analysis of data with reference to audit criteria, raising of audit queries and issue of draft performance audit report to the Management and Government for comments. Audit findings were discussed

[17] Electricity Distribution Divisions (EDDs), Electricity Urban Distribution Divisions (EUDDs), Electricity Store Divisions (ESDs), Electricity Secondary Works Divisions (ESWDs) and Electricity Workshop Divisions (EWDs)

with the Management and Government in an "Exit Conference" held on 8 December 2014/ 29 December 2014. The replies of MVVNL, DVVNL and PuVVNL were received in December 2014, January 2015 and December 2014 respectively which were suitably incorporated in the Performance Audit. The reply of the Government is awaited (January 2015).

Audit findings

DISCOM wise audit finding are discussed in succeeding paragraphs:

Madhyanchal Vidyut Vitran Nigam Limited (MVVNL)

2.2.6 MVVNL caters the electricity distribution requirement of 33.36 lakh consumers spread over in 19 districts, as of March, 2014.Our findings on Adequacy of Distribution network are as detailed below:

Adequacy of Distribution network

2.2.7 As per Energy Policy 2009 issued by Government of Uttar Pradesh (GoUP) in October 2009, to maintain quality supply of power the DISCOMs are required to ensure the availability of adequate and sound distribution network by way of construction of new Sub-stations (SS) and 33 KV lines, augmentation of the existing SS and timely installation, maintenance and repair of the distribution transformers. Transformation capacity is the installed capacity of sub-station to cater the connected load of the consumers. As per Clause 4.2 (a) of Supply Code, wherever the existing transformation capacity is loaded up to 80 *per cent* of its capacity, licensee is required to prepare a scheme for augmentation of such transformation capacity.

The position of existing and required transformation capacity and existing shortage of capacity in respect of MVVNL is detailed in ***Annexure-2.2.1&2.2.2*** and summarised in table 2.2.2.

Table-2.2.2

Sl. No.	Particulars	Capacity (MVA)
1	Existing transformation capacity as on April 2009	4460
2	Required transformation capacity as on April 2009	7081
3	Shortage in transformation capacity as on April 2009 (Row:2-1)	2621
4	Existing transformation capacity as on March 2014	5598
5	Required transformation capacity as on March 2014	9338
6	Shortage in transformation capacity as on March 2014 (Row:5-4)	3740
7	Transformation Capacity required to be added during 2009-10 to 2013-14 (Row:5-Row:1)	4878

Source : Information furnished by the MVVNL.

It may be seen from above, that the shortage of 2621 MVA in transformation capacity as of April 2009 increased to 3740 MVA as of March 2014. This indicated that the transformation capacity of MVVNL was running overloaded and causing threat to entire distribution network. To ascertain the reasons for the prevalent shortage in transformation capacity, we analysed the data relating to required capacity to be planned, capacity planned as well achieved as detailed in ***Annexure-2.2.1 & 2.2.2*** and summarised in table 2.2.3.

Table-2.2.3

Sl. No.	Particulars	Capacity (MVA)
1	Transformation Capacity required to be planned during 2009-10 to 2013-14	4878
2	Capacity planned during 2009-10 to 2013-14	1500
3	Capacity added during 2009-10 to 2013-14	1138
4	Shortfall in planned capacity addition {(Row:2-3)*100/Row:2}	362 (24%)
5	Shortfall in capacity as of March 2014 {(Row:1-3)*100/Row:1}	3740 (77%)

Source : Information furnished by the MVVNL.

It may be seen from above table that:

- Against required capacity addition of 4878 MVA to be planned and added, MVVNL planned and added the capacity of 1500 MVA and 1138 MVA respectively during 2009-10 to 2013-14. Resultantly, there was a shortage of 3740 MVA (77 *per cent*) in transformation capacity of MVVNL (March2014) due to inadequate planning. The reason for inadequate planning was attributed to ad-hoc basis planning made by MVVNL instead of preparation of integrated annual plan.

- Further, MVVNL failed to achieve the planned capacity addition of 1500 MVA resulting in shortfall of 362 MVA (24 *percent*) during 2009-10 to 2013-14. The reasons for above shortfall as analysed by audit were attributed to delay in start of work, non-availability of land, delay in availability of material to contractors for construction of SSs and localised disputes, etc.

MVVNL needs to plan adequately to reduce shortage of transformation capacity with strict adherence to the devised plan.

Award of works contract

2.2.8 To ascertain the economy and effectiveness in the award of works contracts, we analysed the cases of award of work contracts by MVVNL. The irregularities noticed in this regard, are discussed in succeeding paragraphs:

Contracts for repair of distribution transformer

2.2.9 DISCOMs carried out the work of repair of distribution transformer (DT) through outside agencies and also through departmental transformer repair workshops (TRWs). Irregularities noticed in repair of DTs are discussed below:

Award of higher package rate

2.2.10 For repair of DTs through outside agencies, DISCOMs awarded package rate contracts. The major cost in the package attributed to cost of aluminium/copper coil used in repair of transformers. Cost of aluminium/copper coil is based on the cost of aluminium/copper rod as per IEEMA circulars and cost of conversion of rod into coil. To ascertain the reasonability of package rates of coil, the DISCOMs were required to make analysis of rate on the basis of prevailing rate of aluminium/copper rod as per IEEMA circulars and the conversion cost of rod into coil.

The running repair contracts[18] entered into by DISCOMs revealed that the awarded package rates[19] of aluminium and copper coil per Kg. varied from

[18] Executed by DISCOMs during 2005-06.

[19] Package rates of coil so awarded were based on the rate of Aluminium and copper rod as on 1 November 2003 subject to variation based on the rate prevailing on the date of supply as per IEEMA circular.

₹ 165.84 to ₹ 212 per Kg. and ₹ 257.92 to ₹ 290.25 per Kg. respectively for the different capacity of transformers ***(Annexure-2.2.3)***.

We noticed that in a simultaneous repair contracts awarded in May 2013, the cost of conversion of rod into coil was 20.16 *per* cent of the cost of rod as per IEEMA circulars prevailing in January 2013. We analysed the aforesaid awarded rates (being the running contract during the period of review) by applying the 20.16 *per cent* conversion cost on the cost of rod[20] and found that the allowable package rates were ₹ 110.49 per Kg. for aluminium coil and ₹ 157.58 per Kg for copper coil which were lower than the awarded package rates by 26.62 to 47.88 *per cent* ***(Annexure-2.2.3)***. Thus, award of package rates without any rate analysis to ascertain reasonability of rates led to excess expenditure of ₹ 10.26 crore incurred by MVVNL on repair of 28538 DTs during 2011-12 to 2013-14.

Excess payment of VAT on HV/LV coils

2.2.11 As per schedule-II of U.P. Value Added Tax (VAT) Act, 2008, VAT at the rate of four *per cent* was payable on Aluminium and Copper HV/LV coils used by the repairer firms. But under Section 59 of the U.P. VAT Act, 2008, Commissioner, Trade Tax, decided (17 March 2008) the rate of 12.5 *per cent* on the above material for levy of VAT on the plea that Aluminium and Copper HV/LV coils were not separately classified in the Schedule 126.

Non-redressal against the decision of the Commissioner Trade Tax resulted in excess payment on account of VAT of ₹ 6.83 crore to the repairer firms

We noticed that the Aluminium and Copper HV/LV coils were specifically classified in Schedule II for VAT rate of four *per cent*. Further MVVNL was also paying VAT at the rate of four *per cent* on Aluminium and Copper wire, purchased for transformers repaired by the their departmental Workshops. Despite above, MVVNL did not seek redressal with the higher authorities against the above decision of the Commissioner, Trade Tax which led to avoidable payment of on account of VAT ₹ 6.83 crore to the repairer-firms at higher rates[21] during 2009-10 to 2013-14.

MVVNL may conduct adequate rate analysis for award of works contracts to maintain economy.

Operational Efficiencies

2.2.12 Adequate power supply at the proper voltage level is an indicator of performance of a sound distribution system and its operational efficiencies. Operational efficiency is reflected from reduced sub-transmission and distribution losses by minimising Low Tension (LT) distribution network and installation of Capacitor Banks (CBs). Issues impacting the performance of the distribution system and its operational efficiencies are discussed below:

Sub-Transmission and Distribution Losses

2.2.13 The distribution system is an important and essential link between the power generation source and the ultimate consumer of electricity. While energy is carried from the generation source to the consumer, some energy is lost in the network. The losses occur mainly on two counts *i.e.* technical and commercial (T&C). The position of energy available for sale vis-à-vis energy billed and T&C losses incurred by MVVNL as well as target of losses fixed by UPERC is depicted in table 2.2.4

[20] Aluminium rod of ₹ 91.95 per Kg and Copper rod of ₹131.14 as on 1 November 2003

[21] 2009-10: 13 *per cent*, 2010-11 to 2012-13: 13.5 *per cent* and 2013-14: 14 *per cent*.

Table 2.2.4

(In Million Units)

SL. No.	Particulars	2009-10	2010-11	2011-12	2012-13	2013-14 (Provisional)
1	2	3	4	5	6	7
1.	Energy available for sale	9755	10945	12537	13146	14175
2.	Energy billed	7546	7878	9233	9880	10710
3.	Energy losses (1 – 2)	2209	3067	3304	3266	3465
4.	Percentage of energy losses {(3 / 1) x 100}	22.64	28.02	26.35	24.84	24.44
5.	Target fixed by UPERC (*Per cent*)	18	28.08	25.63	23.63	27.05
6.	Excess losses (in MUs)	452.64	NIL	90.27	159.07	NA
7.	Average realisation rate per unit (in ₹)[22]	3.36	4.25	4.16	4.31	NA
8.	Value of excess losses (₹ in crore) (6 x 7)	152.09	NA	37.55	68.56	NA

Source : Information furnished by the MVVNL

During 2009-14, the T&C losses exceeded the limits allowed by UPERC in three years valuing ₹ 258.20 crore

It may be seen from above table that the T&C losses were within the target fixed by UPERC during 2010-11 and 2013-14 and in excess of the targets in remaining three years resulting in loss of energy of 701.98 MUs valuing ₹ 258.20 crore . We noticed that the reasons of above excessive losses were attributed to non-conversion of the LT into HT system, non- installation of Capacitor Banks at SSs and allowance of excess load loss in repair of transformers, as discussed in succeeding paragraphs 2.2.14, 2.2.15 and 2.2.16.

Non-conversion of Low Tension (LT) into High Tension (HT) system

2.2.14 Supply of power through HT system improves the supply of power at proper voltage level and reduces the loss of energy by minimising theft of power. GoI also stressed (February 2001) the need to convert LT system of distribution into high tension (HT).

We noticed that there were 1.01 lakh Kms of HT and 2.91 lakh Kms of LT lines in MVVNL at the beginning of 2009-10. To minimise the LT system of supply, MVVNL was required to reduce existing LT lines by conversion of these lines into new HT lines. We noticed that instead of reducing the LT lines, MVVNL planned for construction of 32000 Kms HT lines and 38000 Kms of LT lines during 2009-10 to 2013-14. Against the plan, MVVNL constructed 28952 km of HT lines (29 *per cent* of existing HT lines as of April 2009) and 35367 km of new LT lines (12 *per cent* of existing LT lines as of April 2009). This indicated that the focus of MVVNL was not on minimising the LT lines by conversion of these lines into new HT lines.

Non-installation of Capacitor Banks

2.2.15 Installation of Capacitor banks (CBs) at 33/11 KV SSs improves power factor by regulating the current flow and voltage and save loss of energy. Erstwhile Uttar Pradesh State Electricity Board assessed (July 1993), installation of one Capacitor bank (CB) of 2.4 Mega Volt Ampere Reactive (MVAR) capacity at 5 MVA secondary sub-station saves energy of 0.118 MU per *annum*.

Non-installation of capacitor banks of 773.28 MVAR capacity resulted in loss of energy valuing ₹ 16.04 crore per annum

We noticed that in MVVNL, CBs of 773.28 MVAR[23] capacity were required to be installed at 174 SSs of 1611 MVA capacity. But it failed to even plan for installation of the CBs at the sub-stations. Due to non-installation of CBs of required capacity, MVVNL could not save loss of energy worth ₹ 16.04 crore per annum as detailed in ***Annexure-2.2.4***.

[22] Net Power Sold/ Revenue from Sale of Power (including revenue subsidy).
[23] 2.4 MVAR X1611 MVA/5.

Management accepted audit observation and stated (December 2014) that planning had been made for installation of CBs which would be installed in forthcoming years.

Allowance of excess load loss in repair of Distribution Transformers

MVVNL failed to save 13.59 MU energy valuing ₹ 5.86 crore due to allowance of excess of load loss to private repairer firms in contracts executed for repair of transformers

2.2.16 As per CEA Guidelines (August 2008) for energy efficiency of transformers maximum allowable load loss at rated voltage and frequency at 75° C ranged from 3320 to 9800 kWh for DTs of capacity ranging from 250 KVA to 1000 KVA .We noticed that in contravention of the above guideline allowance of load loss limits ranging from 3600 to 11200 Kwh to the private repairer firms in the contracts awarded for repair of DTs during 2010-11 to 2013-14, deprived MVVNL to save 13.59 MU energy valuing ₹ 5.86 crore on 148 transformers of 250 to 1000 KVA capacity, repaired during the period 2011-12 to 2013-14.

MVVNL may take measures viz. installation of CBs and conversion of LT into HT system to control the T&C losses.

Billing and collection efficiency

2.2.17 As per Clause 6.1 of Supply Code, the DISCOMs are required to take the reading of energy consumption of each consumer at the end of the notified billing cycle. Billing in the DISCOMs is done at the level of division by engaging billing agencies as well as the man power deployed at the division. The billing of six categories of consumers of low medium voltage i.e. LMV-1,2,4,5,6 and 10 is done through computerised billing system and of remaining eight categories (four categories of low medium voltage i.e., LMV-3,7,8,9 and four categories of high voltage i.e. HV-1, 2,3,4), the billing is done manually.

During the period 2010-14, 60558 MUs energy was available for sale against which MVVNL billed 45247 MUs energy (74.72 *per cent*). Irregularities relating to billing are discussed in the succeeding paragraphs:

Short billing

Billing of the consumers in violation of the provisions of Tariff Order / Supply Code led to short billing of ₹ 3.04 crore

2.2.18 To ensure correct billing, the DISCOMs were required to comply with the provisions of applicable tariff orders, Supply Code and Government orders. We test-checked the cases of manual billing done by18 EDDs of MVVNL out of 60 and noticed that non-compliance of applicable provisions resulted in short billing of ₹ 3.04 crore in four different cases as discussed in **Annexure 2.2.5**. The reasons for short billing were attributed to non-levy of correct demand charges, application of incorrect rates of tariff and inadmissible allowance of load factor rebate.

Excessive bill revisions

Bills of 13270 consumers for ₹ 222.59 crore revised to ₹ 12.64 crore involving waiver of ₹ 209.95 crore in 2013-14

2.2.19 To avoid unnecessary revision of bills and undue delay in realisation of the dues, clause 6.1 of Supply Code provides that DISCOMs should ensure the issue of correct bills to the consumers as per billing cycle. We noticed that MVVNL failed to observe the above requirement and revised bills of 13270 consumers[24] from ₹ 222.59 crore to ₹ 12.64 crore and waived off ₹ 209.95 crore in 2013-14 indicating revision in billed amount between 28.72 *per cent* and 99.07 *per cent* (**Annexure-2.2.6**). The reasons leading to such revision of

[24] Consumers of LMV-1, 2, 4, 5 and 6 categories

bills were attributed to issue of bills on provisional basis[25], bills based on incorrect meter readings, delay in sending advice for change of meter, delay in receipt of meter sealing certificate and non-adjustment/posting of amount of earlier bills paid by the consumers, etc.

Revenue collection efficiency

2.2.20 Collection of revenue in DISCOMs is done through collecting staff deployed at the division, sub-division and sub-stations and by engaging outsourced Government society viz. e-Suvidha and other private agencies. Revenue collection efficiency was assessed on parameters of balance outstanding at the beginning of the year, revenue assessed during the year, revenue collected and the balance outstanding at the end of the year.

Irregularities relating to revenue collection efficiency are discussed in the succeeding paragraphs:

Ineffective realisation of dues

2.2.21 The position of outstanding dues and realisation there against in MVVNL is depicted in table-2.2.5

Table-2.2.5

(₹ in crore)

Sl. No.	Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
1	2	3	4	5	6	7
1	Balance outstanding at the beginning of the year	6081	6005	6263	6491	6855
2	Revenue assessed/billed during the year	2369	3124	3509	4025	5171
3	Total amount due for realization (1+2)	8450	9129	9772	10516	12026
4	Amount realised during the year	2129	2575	2858	3121	5568
5	Amount waived off during the year	317	291	422	541	1618
6	Balance outstanding at the end of the year	6004	6263	6492	6854	4840
7	Percentage of amount realised to total dues (4/3)	25.20	28.21	29.25	29.68	46.30

Source : Information furnished by the MVVNL

It may be seen from above, that the recoverable dues of ₹ 6,004 crore at the end of March 2010 were reduced to ₹ 4,840 crore (19.39 *per cent*) at the end of March 2014 indicating increase in collection efficiency from 25.20 percent to 46.30 per cent during the same period. We noticed that the collection efficiency though increased during 2010-14, was not enough in terms of heavy outstanding dues. Reasons for ineffective realisation of dues were attributed to non-enforcement of procedure prescribed for realisation of dues as timely action for temporary disconnection of supply, timely finalisation of permanent disconnections, prompt issue of recovery notices and regular pursuance to consumers for payment of dues.

Recovery of pending dues through Recovery Certificates

2.2.22 Section 56 of the Electricity Act, 2003 stipulates that if consumer defaults the payment of electricity dues a demand notice under Section 3 of the

[25] NA=Non-accessible, NR= No reading, IDF=Informed defective, ADF=Appeared defective, RDF= Reading defective and CDF=Computer defective

Uttar Pradesh Government Electrical Undertakings (Dues Recovery) Act, 1958 is to be sent to recover the dues. If payment is not received even after issue of demand notice, Recovery Certificates (RCs) under Section 5 of the said Act is to be sent to the District Authorities to recover the dues as arrears of land revenue.

Dues of ₹ 15.51 crore against 1887 RCs returned by the District Authorities during 2010-14 remained unrecovered due to no action taken by MVVNL to address the deficiencies in the RCs pointed out by DAs

We noticed that eight EDDs/EUDD[26] sent 5752 RCs valuing ₹ 27.42 crore to the District Authorities (DAs) for recovery during 2010-14. Out of this, 1887 RCs valuing ₹ 15.51 crore were returned by them during 2010-14 with the remarks viz. incorrect address of the consumer, Consumer died, no property found in the name of consumer etc. No action to address the deficiencies in the RCs pointed out by the DAs was taken by these divisions due to which recovery of dues amounting to ₹ 15.51 crore remained unrecovered and possibility of recovery is remote.

MVVNL may adhere to the applicable tariff orders, provisions of Supply Code and orders of Government for issue of timely and correct bills to the consumers for effective revenue realisation.

Consumer Satisfaction and Redressal of Grievances

2.2.23 U. P. Electricity Supply Code, 2005 provided that the DISCOMs should adhere to the standards of performance (SOPs) for timely release of new connections, recovery of new connection charges as per Cost Data Book (CDB) and metering etc. The supply code also provided for establishment of Call Centres to provide easy access for consumer complaints and their timely and effective redressal to the satisfaction of the consumers.

Irregularities relating to issues of consumer satisfaction and redressal of grievances are discussed below:

Non-installation of meters

2.2.24 Clause 5.1 of Supply Code, 2005 provides that no new connection shall be given without installation of Meter and all unmetered connections shall be metered by the licensee. Unmetered consumers have to pay the energy charges on fixed tariff rates approved by UPERC. This deprives the DISCOMs to earn revenue against the actual consumption of energy consumed by the unmetered consumers on one hand and on the other hand, such consumers are forced to pay the fixed energy charges irrespective of the consumption. This indicated that the metering of the unmetered connections was of utmost importance. The position of total consumers, metered as well as unmetered consumers is depicted in the table 2.2.6

Table 2.2.6

Year	Nos. of consumers	Metered consumers	Unmetered consumers	Percentage of unmetered consumers
1	2	3	4 (2-3)	5
2009-10	2691568	1672426	1019142	37.86
2010-11	2864268	1848792	1015476	35.45
2011-12	3029242	2013671	1015571	33.53
2012-13	3157661	2120916	1036745	32.83
2013-14	3336182	2254260	1081922	32.43

Source : Information furnished by the MVVNL

[26] EDD-Bahraich, EDD-I, LakhimpurKheri, EDD-I, Bareilly, EDD-I, Hardoi, EDD-Barabanki, EDD, BKT, EDD-II, Bareilly, EUDD-Aishbagh,

It may be seen from above that the unmetered consumers stood at 37.86 *per cent* at the end of 2009-10, which gradually decreased to 32.43 *per cent* at the end of 2013-14.

In violation of provisions of Supply Code, 10.82 lakh consumers (32.43 *per cent*) were given supply without installation of meter

We analysed the reason for prevalent unmetered consumers and in our test check of 18 out of 67 EDDs, found that MVVNL had released 92867 connections to LMV-1 consumers and 6424 connections to LMV-5 consumers during 2010-14 without installation of meters. We further noticed that meters on above connections were not installed even after getting deposit of meter charges amounting to ₹ 3.55 crore and ₹ 3.53 crore respectively from the consumers during 2010-14.

Failure in timely establishment of Central Call Centres

2.2.25 Clause 7.7.1 of Supply Code 2005 provided that Licensee shall endeavour to set up Central Call Centres (CCCs) in phases, in all cities having population exceeding 10 lakh in first phase within a definite time frame.

We noticed that there was only one city i.e. Lucknow in MVVNL, having population exceeding 10 lakh. MVVNL established CCC in that city in 2012 with a delay of seven years, the reason for such delay was not found on records. Further, out of total 33498 complaints received during April 2012 to March 2014, 16525 (49.33 *per cent*) complaints remained unattended (**Annexure-2.2.7**). No reasons were recorded for the same.

Management accepted audit observation and stated (December 2014) that action would be taken to strengthen the working of CCCs.

Dakshinanchal Vidyut Vitran Nigam Limited (DVVNL)

2.2.26 DVVNL caters the electricity distribution requirement of 25.66 lakh consumers spread over in 21 Districts, as of March, 2014. Audit findings categorised audit objective wise are discussed in the succeeding paragraph:

Adequacy of distribution network

The cases relating to development of distribution network by DVVNL are discussed below:

2.2.27 As discussed in paragraph **2.2.7,** the position of existing and required transformation capacity and existing shortage of capacity in respect of DVVNL is detailed in ***Annexure-2.2.1&2.2.2*** and summarised in table 2.2.7

Table 2.2.7

Sl. No.	Particulars	Capacity (MVA)
1	Existing transformation capacity as on April 2009	4969
2	Required transformation capacity as on April 2009	7862
3	Shortage in transformation capacity as on April 2009 (Row:2-1)	2893
4	Existing transformation capacity as on March 2014	7121
5	Required transformation capacity as on March 2014	11231
6	Shortage in transformation capacity as on March 2014 (Row:5-4)	4110
7	Transformation Capacity required to be added during 2009-10 to 2013-14 (Row:5-Row:1)	6262

Source : Information furnished by the DVVNL

It may be seen from above that the shortage of 2893 MVA in transformation capacity as of April 2009 increased to 4110 MVA as of March 2014. This indicated that prevalent transformation capacity of DVVNL was running overloaded and causing threat to entire distribution system. To ascertain the reasons for the prevalent shortage in transformation capacity, we analysed the data relating to required capacity to be planned, capacity planned as well as achieved as detailed in ***Annexure-2.2.1&2.2.2*** and summarised in table 2.2.8

Table 2.2.8

Sl. No.	Particulars	Capacity (MVA)
1	Transformation Capacity required to be added during 2009-10 to 2013-14	6262
2	Capacity planned during 2009-10 to 2013-14	-----
3	Short planning of capacity addition	-----
4	Capacity added during 2009-10 to 2013-14	2152
5	Shortfall in capacity as of March 2014	4110 (66%)

Source : Information furnished by the DVVNL

It may be seen from the above table that:

- Against the required capacity addition of 6262 MVA, DVVNL added only 2152 MVA capacity during 2010-14, resultantly there were shortage of 4110 MVA (66 *per cent*) in transformation capacity of DVVNL (March 2014). We noticed that DVVNL did not prepare any plan to meet the shortage in capacity. Hence, deficiencies in planning if any, could not be pointed out.

- Sixteen SSs identified during 2008-09 to 2012-13 for construction remained incomplete as of March 2014. The reasons for non-completion as analysed by audit were attributed to delay in finalisation of agreement, delay in start of work, stoppage of work by contractor and delay in obtaining the permission of railway crossing from Railways etc.

Management stated (January 2015) that proper planning was done for construction of new SS and lines. The reply is afterthought of the Management as no documents and information in regard with year wise planning was made available to audit.

The other specific cases indicating deficient planning and its execution in development of distribution network are discussed below:

- In Hathras 20 and in Agra five sub-stations of 33/11 KV capacity constructed during 2009-10 to 2013-14 were running on load ranging from 16 to 64 *per cent* and 50 to 65 *per cent* respectively. Further one 33/11 KV SS, constructed at Mangoli Kalan, Agra in August 2011 was lying unutilised since inception. But contrary to the above, in Electricity Distribution Division (EDD)-III, Agra, 12 sub-stations were running overloaded to the extent of 2.5 to 12.60 *per cent* as on March 2014.

Management did not furnish reply in respect of five SS in Agra and the reply in respect of Mangoli Kalan SS did not address the issue raised by audit.

- ESWD, Aligarh constructed four 33/11 KV SSs[27] of 5 MVA capacity each during December 2011 to January 2012. Even after completion, the same were not handed over to respective Divisions. Further, copper coils and core of the

[27] At Salempur, NabipurMaheba, Bilkhoura and Patna PachiVihar

transformers were stolen[28] due to which the existing transformers were declared as scrap and new transformers at a cost of ₹ 1.15 crore[29] were installed at above SS. DVVNL initiated enquiry and held contractor responsible for loss and booked ₹ 52.25 lakh for recovery. Out of which only ₹ 4.94 lakh could be recovered from contractor. Thus, even after considering recovery of ₹ 52.25 lakh, DVVNL had to sustain loss of ₹ 62.37 lakh due to lack in watch and ward of sub-station. This also delayed handing over of SSs by nine to 15 months (November 2012 to May 2014).

The Management stated (January 2015) that amount equivalent to estimated cost of theft material had been booked as miscellaneous advance in the names of respective contractors. The reply is not tenable as the DVVNL failed to recoup the whole loss sustained on account of transformers became scrap due to theft.

Award of works contract

2.2.28 As discussed in paragraph 2.2.8, the irregularities noticed in award of works contracts are discussed in succeeding paragraphs:

Deficiencies in execution of works under Twarit Arthik Vikas Yojna

2.2.29 Government of U.P. (GoUP) launched (October 2012) Twarit Arthik Vikas Yojna (Scheme) to accelerate the development activities in the Districts. Under the Scheme, work was to be executed by the construction agencies of GoUP departments only. In no case, private entity was to be selected for executing the work.

In violation of prevalent system DVVNL included cable (centralised item) at higher rates in turnkey contract which led to extra expenditure of ₹ 9.14 crore

As per prevalent system, the DISCOMs award the contract for erection and supply of decentralised material only and provide centralised material to contractor separately. DVVNL, however, awarded three works[30] of conversion of overhead distribution system to underground distribution system on turnkey basis to the private contractors[31].We noticed that for execution of above works, cable (centralised item) was not provided by the DVVNL, rather cables of higher rate as compared to the stock Issue rates used by DVVNL, were allowed to the Contractor, which led to extra expenditure of ₹ 9.14 crore ***(Annexure-2.2.8)***.

We further noticed that DVVNL was entitled for centage charges[32] of ₹ 10.45 crore ***(Annexure-2.2.9)*** but it was disallowed (October 2013) by Public Work Department (PWD) and Energy Department. No efforts for release of centage were made by the DVVNL.

Management stated (January 2015) that the concerned administrative department had selected DVVNL and it was prerogative of DVVNL to decide the methodology of getting work completed and as regard to centage, there was no loss as anyway the money was with the Government. Management further stated that item wise comparison of whole package in turnkey contract was not justified.

---

[28] As per FIR lodged between May 2012 and January 2013 by the ESWD.

[29] Calculated by using Stock issue rate (2012-13) of one 5 MVA transformer: ₹ 2865500 X 4

[30] Execution of works for conversion of overhead electrical power distribution system into underground electrical power distribution system in Mainpuri, Saifai Town, Etawah and Tirwa Town Kannauj.

[31] KEI Industries Ltd, New Delhi, Joint Venture of S P Bright & Chaudhary Construction Company, Etawah and Raj Construction Ltd Mainpuri.

[32] (Cost of work *minus* 5 *per cent*)*12.5 *per cent*.

The reply is not acceptable as the scheme precisely mentioned that in no case private entity was to be selected for executing the work and cable being the sensitive and centralized item, was not to be included in turnkey contracts to ensure quality and economy in execution of the work. Further, the scheme also provided for centage but due to non-pursuance, DVVNL could not obtain it.

Award of higher package rate

2.2.30 As discussed in paragraph 2.2.10, non-analysis of the rates led to excess expenditure of ₹ 3.48 crore incurred on repair of 8678 DTs during 2009-10 to 2010-11.

Management stated (January 2015) that size of conductor used in 25 KVA transformers was very thin and as capacity of the transformer increases, the size of conductor goes higher. Thinner conductor cost was higher. Hence, higher rates were not allowed to outside agencies. The reply is not acceptable as it did not address the issue of non-analysis of rates before award of contract.

Excess payment of VAT on HV/LV coils

2.2.31 As discussed in paragraph 2.2.11, non-protest against the decision of the Commissioner, Trade Tax led to avoidable payment of on account of VAT ₹ 4.52 crore to the repairer-firms at higher rates[33] during 2009-10 to 2013-14.

Management stated (January 2015) that they had complied with the orders of the Commissioner Trade Tax, GoUP. The reply is not acceptable as DVVNL did not make appeal against the decision of the Commissioner, Trade Tax.

Operational Efficiencies

Cases impacting the operational efficiency are discussed below:

Sub -transmission and Distribution Losses

2.2.32 As discussed in paragraph 2.2.13, the position of energy available for sale vis-à-vis energy billed and the T&C losses incurred by DVVNL as well as target of losses fixed by UPERC is depicted in table 2.2.9:

Table 2.2.9

(In Million Units)

SL. No.	Particulars	2009-10	2010-11	2011-12	2012-13	2013-14 (Provisional)
1	2	3	4	5	6	7
1.	Energy purchased	12959	14296	16052	17331	20108
2.	Energy sold	8840	11314	11335	12577	13151
3.	Energy losses (1 – 2)	4118	2982	4717	4754	6957
4.	Percentage of energy losses {(3 / 1) x 100}	31.78	20.86	29.39	27.43	34.60
5.	Target fixed by UPERC *(Per cent)*	24.00	31.47	30.23	29.00	28.00
6.	Excess losses (in MUs)	1008.21	NIL	NIL	NIL	1327.13
7.	Average realisation rate per unit (in ₹)[34]	3.31	3.08	3.60	4.11	4.11[35]
8.	Value of excess losses (₹ in crore) (6 x 7)	333.72	NA	NA	NA	545.45

Source : Information furnished by the DVVNL

It may be seen from above table that the T&C losses were within the target fixed by UPERC during 2010-11 to 2012-13 and in excess of the targets in

[33] 2009-10: 13 *per cent*, 2010-11 to 2012-13: 13.5 *per cent* and 2013-14: 14 *per cent*.
[34] Revenue from Sale of Power (including revenue subsidy)/Net Power Sold.
[35] Calculated at the average realization rate per unit of 2012-13

remaining two years resulting in loss of energy of 2335.34 MUs valuing ₹ 879.17 crore. We noticed that the reasons of above excessive losses were attributed to non-conversion of the LT into HT system, non- installation of Capacitor Banks at SSs and allowance of excess load loss in repair of transformers, as discussed in succeeding paragraphs 2.2.33 and 2.2.34.

Management stated (January 2015) that adequate steps were being taken to reduce the T&C losses.

Non-installation of Capacitor Banks

2.2.33 As discussed in paragraph 2.2.15, due to non-installation of CBs of 790.56 MVAR[36] capacity, the DVVNL could not save loss of energy worth ₹ 16.40 crore per annum as detailed in ***Annexure-2.2.4.***

Management stated (January 2015) that action for installation of new CBs and replacement/repair of damaged CBs was being taken.

Allowance of excess load loss in repair of Distribution Transformers

2.2.34 As discussed in paragraph 2.2.16, due to allowance of excess load loss limit in the contracts awarded for repair of DTs during 2010-11 to 2013-14, DVVNL failed to save 22.08 MU energy valuing ₹ 9.07 crore on 347 transformers of 250 to 1000 KVA repaired during the period 2011-12 to 2013-14.

Management stated (January 2015) that transformers were being purchased regularly since long as per the then available guidelines. It was not possible to wipe out old transformers from the system since it would involve huge financial burden. The reply did not address issue of allowing higher load loss.

Billing and collection efficiency

Irregularities noticed in billing to consumers are discussed below:

Short/Excess billing

2.2.35 As discussed in paragraph 2.2.18, non-application of energy charges for urban schedule, inadmissible allowance of load factor rebate, non levy of protective load charge and adjustment of excess amount given to consumers led to short billing of ₹ 98.17 crore (***Annexure-2.2.5***) Further, levy of electricity duty on consumers exempted from such levy, incorrect application of tariff order of October 2012 for HV-2 consumers, billing on incorrect assessed units led to excess billing of ₹ 12.42 crore (***Annexure-2.2.10***).

Excessive bill revisions

2.2.36 As discussed in paragraph 2.2.19, DVVNL revised bills of 39946 consumers[37] from ₹ 52.24 crore to ₹ 41.22 crore and waived off ₹ 11.02 crore in 2013-14 indicating revision in individually billed amount ranged between 0.75 *per cent* and 74.98 *per cent* as detailed in ***Annexure-2.2.6***.

Revenue collection efficiency

Irregularities noticed relating to revenue collection efficiency are given below:

Ineffective realisation of dues

2.2.37 As discussed in paragraph 2.2.21, the position of outstanding dues and realization there against in DVVNL is depicted in table 2.2.10.

[36] 2.4 MVAR X 1647 MVA/5.

[37] Consumers of LMV-1, 2, 4, 5 and 6 categories

Table 2.2.10

(₹ in crore)

Sl. No.	Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
1	2	3		4	5	6
1	Balance outstanding at the beginning of the year	8782	8991	9393	9697	10230
2	Revenue assessed/billed during the year	2938	3190	3516	4270	5308
3	Total amount due for realization (1+2)	11720	12181	12909	13967	15538
4	Amount realised during the year	2298	2522	2986	3448	5102
5	Amount waived off during the year	432	265	226	288	433
6	Balance outstanding at the end of the year	8990	9394	9697	10231	10003
7	Percentage of amount realised to total dues (4/3)	19.61	20.70	23.13	24.69	32.84

Source : Information furnished by the DVVNL

It may be seen from the above table that the outstanding dues of ₹ 8,990 crore at the end of March 2010 increased to ₹ 10,003 crore (11.27 *per cent*) at the end of March 2014. Collection efficiency, though increased from 19.61 *per cent* to 32.84 *per cent* during the same period, was indicative of ineffective realisation of dues. Further, accumulation of dues at the end of 2013-14 despite implementation of One Time Settlement (OTS) scheme to clear the arrears during 2010-14 indicated that special drives undertaken by DVVNL could not also yield desired results.

Management stated (January 2015) that efforts were being taken to improve the collection efficiency.

Recovery of pending dues through Recovery Certificates

2.2.38 As discussed in paragraph 2.2.22, six EDDs[38] sent 8311 RCs valuing ₹ 40.41 crore to the District Authorities (DAs) for recovery during 2010-14. Out of this, 2111 RCs valuing ₹ 13.34 crore were returned by them during 2010-14. No action to address the deficiencies in the RCs pointed out by the DAs was taken by these divisions due to which recovery of dues amounting to ₹ 13.34 crore remained unrecovered and possibility of recovery is remote.

Management accepted audit observation and stated (January 2015) that old RCs after correction were being sent to District Authority for effective recovery, wherever necessary.

Consumer Satisfaction and Redressal of Grievances

2.2.39 U. P. Electricity Supply Code, 2005 provided that the DISCOMs should adhere to the Standards of Performance (SOPs) for timely release of new connections, recovery of new connection charges as per Cost Data Book (CDB) and metering etc. The supply code also provided for establishment of Call Centres to provide easy access for consumer complaints and their timely and effective redressal to the satisfaction of the consumers.

Irregularities relating to issues of consumer satisfaction and redressal of grievances are discussed in succeeding paragraphs.

[38] EDD-I, Agra, EDD-II, Agra, EDD-III, Fatehabad, Agra, EDD-I & II Aligarh and EDD-I Kanpur

Bundelkhand Drought Mitigation Scheme

2.2.40 Under Bundelkhand Drought Mitigation Scheme, GoI accorded (March 2013) the approval for 'Energisation of Private Tubewells' at a cost of ₹ 99.67 crore for 6288 PTW prospective consumers in Bundelkhand region[39]. Under the scheme, maximum subsidy of ₹ 1,58,500 per consumer was admissible towards the cost of line and sub-station. Subsidy was to be utilised latest by 31 March 2014. Irregularities noticed in implementation of scheme are as under:

Non-surrender of unutilised subsidy

2.2.41 EDD-I and II, Orai charged the consumers on the basis of Issue Rate of UPPCL instead of that provided in CDB. The cost of line and SS so framed were met from the subsidy to the extent of ₹ 158500 and beyond subsidy were charged from the consumers. DVVNL charged ₹ 158500 per connection from the GoI even where the cost of line and SS was lower than the subsidy amount. The details are depicted in table 2.2.11:

Table-2.2.11

(₹ in lakh)

Division	Consumers (Nos)	Cost of line and SS charged	Chargeable Subsidy from GoI	Subsidy charged from GoI	Charged from Consumer	Chargeable from consumer	Excess charged from GoI	Excess Charged from Consumer
1	2	3	4	5	6	7	8(5-4)	9(6-7)
EDD-I, Orai	235	380.17	254.76	372.48	7.69	0.93	117.72	6.76
EDD-II, Orai	339	550.44	360.11	537.31	13.13	0.53	177.20	12.60
Total	**574**	**930.61**	**614.87**	**909.79**	**20.82**	**1.46**	**294.92**	**19.36**

Source: Estimates and agreement register of the divisions

DVVNL unduly retained subsidy of ₹ 2.95 crore and did not surrender subsidy of ₹ 22.63 crore received from GoI for release of PTW connections during 2013-14 under Bundelkhand Drought Mitigation Scheme

Thus, due to non levy of charges as per CDB and not limiting the recoupment of subsidy charges as per CDB, Divisions unduly retained subsidy of ₹ 2.95 crore and also over charged the consumers by ₹ 0.19 crore. Further, in violation of the provisions[40] of the Scheme, DVVNL did not surrender the unutilised subsidy of ₹ 22.63 crore released by the GoI against unreleased 1428 connections.

Irregular release of subsidy

Irregular release of subsidy of ₹ 3.38 crore received under Bundelkhand Drought Mitigation Scheme

2.2.42 As per Detailed Project Report (DPR) prepared under Bundelkhand package, there were 887 applicants for PTW connections in EDD-II, Orai. Division released 339 connections during 2013-14, out of which 213 connections were released to the consumers, not covered under DPR, thereby irregularly extending undue benefit of subsidy of ₹ 3.38 crore to 213 consumers. DVVNL did not take any action against mis-utilisation of subsidy despite being pointed out by the Superintendent Engineer, EDC Orai in his Enquiry Report (March 2014).

Management stated (January 2015) that suitable action for adjustment of excess amount, if any would be made on completion of the scheme. It further stated that an official at Technical Grade-II was suspended and services of a

[39] Jhansi, Lalitpur, Jalaun (Orai), Banda, Chittrakoot, Hamirpur and Mahoba districts.

[40] Clause 5 of UP Government order No. 1188 (1)/35-AA-1/2013.

contracted employee were terminated for irregularity in release of PTW connections.

The Management reply was not acceptable as the Scheme was closed on 31 March, 2014 and final adjustment was to be furnished to GoI by 30 June, 2014, which was not done. The reply pertaining to irregularity in release of PTW connection is not acceptable as action taken by the Management did not address the mis-utilisation of subsidy.

Non-installation of meters

2.2.43 As discussed in paragraph 2.2.24, the position of total consumers, metered consumers as well as unmetered consumers in DVVNL is depicted in table 2.2.12.

Table 2.2.12

Year	Nos. of consumers	Metered consumers	Unmetered consumers	Percentage of unmetered consumers
1	2	3	4 (2-3)	5
2009-10	2137858	-		-
2010-11	2056873	1377110	679763	33.05
2011-12	2280313	1524021	756292	33.17
2012-13	2426261	1672256	754005	31.08
2013-14	2566021	1799401	766620	29.88

Source : Information furnished by the DVVNL

It may be seen from above that the unmetered consumers stood at 33.05 *per cent* at the end of 2010-11, which gradually decreased to 29.88 *per cent* at the end of 2013-14.

We analysed the reason for prevalent unmetered consumers and in our test check of 12 out of 50 EDDs, found that DVVNL had released 57203 connections to LMV-1 consumers and 16310 connections to LMV-5 consumers during 2010-14 without installation of meters. We further noticed that meters on above connections were not installed even after getting deposit of meter charges amounting to ₹ 2.59 crore and ₹ 8.83 crore respectively from the consumers during 2010-14.

Management stated (January 2015) that action had been started for procurement and installation of meters.

Failure in timely establishment of Central Call Centres

2.2.44 As discussed in paragraph 2.2.25, DVVNL established one CCC in 2012 with a delay of seven years, reasons against which were not found on records. Further, out of total 4863 complaints received during April 2012 to March 2014, 1646 (33.85 *per cent*) complaints remained unattended ***(Annexure-2.2.7)***. No reasons were recorded for the same.

Management accepted the audit observation and stated (January 2015) that pending complaints would be settled in next two months. It also stated that efforts were being made to open CCCs in different cities.

Purvanchal Vidyut Vitran Nigam Limited (PuVVNL)

2.2.45 PuVVNL caters the electricity distribution requirement of 38.10 lakh consumers spread over in 21 Districts, as of March, 2014. Audit objective wise categorised audit findings are discussed in the succeeding paragraph:

Adequacy of distribution network

The cases relating to development of distribution network by PuVVNL are discussed below:

2.2.46 As discussed in paragraph 2.2.7, the position of existing and required transformation capacity and existing shortage of capacity in respect of PuVVNL is detailed in ***Annexure-2.2.1&2.2.2*** and summarised in table-2.2.13:

Table-2.2.13

Sl. No.	Particulars	Capacity (MVA)
1	Existing transformation capacity as on April 2009	5176
2	Required transformation capacity as on April 2009	9110
3	Shortage in transformation capacity as on April 2009 {(Row:2-1)	3934
4	Existing transformation capacity as on March 2014	6531
5	Required transformation capacity as on March 2014	13891
6	Shortage in transformation capacity as on March 2014 {(Row:5-4)	7360
7	Transformation Capacity required to be added during 2009-10 to 2013-14 (Row:5-Row:1)	8715

Source : Information furnished by the PuVVNL

It may be seen from above, that the shortage of 3934 MVA in transformation capacity as of April 2009 increased to 7360 MVA as of March 2014. This indicated that the transformation capacity of PuVVNL was running overloaded and causing threat to entire distribution network. To ascertain the reasons for the prevalent shortage in transformation capacity, we analysed the data relating to required capacity to be planned, capacity planned as well as achieved as detailed in ***Annexure-2.2.1&2.2.2*** and summarised in table-2.2.14.

Table-2.2.14

Sl. No.	Particulars	Capacity (MVA)
1	Transformation Capacity required to be planned during 2009-10 to 2013-14	8715
2	Capacity planned during 2009-10 to 2013-14	1678
3	Capacity added during 2009-10 to 2013-14	1355
4	Shortfall in planned capacity addition {(Row:2-3)*100/Row:2}	323 (19%)
5	Shortfall in capacity as of March 2014 {(Row:1-3)*100/Row:1}	7360 (84%)

Source : Information furnished by the PuVVNL

It may be seen from above table that:

- Against required capacity addition of 8715 MVA to be planned and added, PuVVNL planned and added the capacity of 1678 MVA and 1355 MVA respectively during 2009-10 to 2013-14. Resultantly, there was a shortage of 7360 MVA (84 *per cent*) in transformation capacity of PuVVNL (March2014) due to inadequate planning. The reason for inadequate planning was attributed to ad-hoc basis planning made by PuVVNL instead of preparation of integrated annual plan.

- Further, PuVVNL failed to achieve the planned capacity addition of 1678 MVA resulting in shortfall of 323 MVA (19 *percent*) during 2009-10 to 2013-14. Reasons for above shortfall could not be pointed out as PuVVNL did not furnish related information in detail.

Management stated (December 2014) that planning for construction of SS and line had been made under different schemes to achieve 80 *per cent* transformation capacity as target. The facts remained that PuVVNL could not achieve its own plan.

Award of works contract

2.2.47 As discussed in paragraph 2.2.8, the irregularities noticed in award of works contracts are discussed in succeeding paragraphs:

Award of higher package rate

2.2.48 As discussed in paragraph 2.2.10, non-analysis of the rates led to excess expenditure of ₹ 3.34 crore incurred on repair of 10952 DTs during 2009-10 to 2013-14.

Excess payment of VAT on HV/LV coils

2.2.49 As discussed in paragraph 2.2.11, non-protest against the decision of the Commissioner, Trade Tax led to avoidable payment of on account of VAT ₹ 6.13 crore to the repairer-firms at higher rates[41] during 2009-10 to 2013-14.

Operational Efficiencies

Cases impacting the operational efficiency are discussed below:

Sub -transmission and Distribution Losses

2.2.50 As discussed in paragraph 2.2.13, the position of energy available for sale vis-à-vis energy billed and the T&C losses incurred by PuVVNL as well as target of losses fixed by UPERC is depicted in table 2.2.15

Table-2.2.15

(In Million Units)

SL. No.	Particulars	2009-10	2010-11	2011-12	2012-13	2013-14 (Provisional)
1	2	3	4	5	6	7
1.	Energy purchased	12701	14012	15704	16034	13830
2.	Energy sold	9597	10442	11590	11920	10448
3.	Energy losses (1 – 2)	3104	3570	4114	4114	3382
4.	Percentage of energy losses {(3 / 1) x 100}	24.44	25.48	26.20	25.66	24.45
5.	Target of losses fixed by UPERC (in *percent*)	22.50	25.48	26.53	24.53	22
6.	Excess losses (in MUs)	246.40	NIL	NIL	181.18	338.84
7.	Average realisation rate per unit (in ₹)[42]	3.59	NA	NA	4.25	4.25[43]
8.	Value of excess losses (₹ in crore) (6 x 7)	88.46	NA	NA	77.00	144.00

Source: Information furnished by PuVVNL

It may be seen from above table that the T&C losses were within the target fixed by UPERC during 2010-11 and 2011-12 and in excess of the targets in remaining three years resulting in loss of energy of 766.42 MUs valuing ₹ 309.46 crore . We noticed that the reasons of above excessive losses were attributed to non-conversion of the LT into HT system and non- installation of

[41] 2009-10: 13 *per cent*, 2010-11 to 2012-13: 13.5 *per cent* and 2013-14: 14 *per cent*.
[42] Revenue from Sale of Power (including revenue subsidy)/Net Power Sold.
[43] Calculated as per average realisation rate per unit of 2012-13

Capacitor Banks at SSs, as discussed in succeeding paragraphs 2.2.51 and 2.2.52.

Non- conversion of Low Tension (LT) into High Tension (HT)system

2.2.51 As discussed in paragraph 2.2.14, there were 1.16 lakh KMs of HT line and 3.69 lakh KMs of LT lines in the beginning of 2009-10. PuVVNL constructed 13798 Kms of HT line (12 *per cent*) against the target of 13798 Kms of HT lines and 10478 KMs of LT line (2.84 *per cent*) against the target of 10478 Kms of LT lines during 2009-10 to 2013-14. This indicated that the focus of PuVVNL was not on avoiding the LT system.

Non-installation of Capacitor Banks

2.2.52 As discussed in paragraph 2.2.15, due to non-installation of CBs of 740.64 MVAR[44] capacity, the PuVVNL could not save loss of energy worth ₹ 15.37 crore per annum as detailed in ***Annexure-2.2.4.***

Management accepted (December 2014) the audit observation and stated that works and activities of improvement were undertaken to achieve better performance.

Billing and collection efficiency

Irregularities relating to billing are discussed in succeeding paragraphs:

Short/Excess billing

2.2.53 As discussed in paragraph 2.2.18, inadmissible allowance of load factor rebate and incorrect application of demand charges and energy charges led to short billing of ₹ 1.02 crore (***Annexure-2.2.5***). Further, levy of LT surcharge/power factor surcharge, wrong enforcement of protective load charges, incorrect application of Tariff order of October 2012 and levy of ED on consumers being exempted from such ED led to excess billing of ₹ 1.58 crore **(Annexure-2.2.10)**.

Excessive bill revisions

2.2.54 As discussed in paragraph 2.2.19, PuVVNL revised bills of 8413 consumers[45] from ₹ 5.55 crore to ₹ 1.18 crore and waived off ₹ 4.37 crore in 2013-14, as detailed in **Annexure-2.2.6**. Percentages of revision in individually billed amount ranged between 9.79 *per cent* and 95.09 *per cent*. This led to delay in realisation of due amount of revenue.

Management accepted the audit observation and stated (December 2014) that bill revision was a regular process. However, action was being taken to control the excess/wrong billing at the division level. Reply is not acceptable as revision in billed amount to the extent of 95 *per cent* was indicative of incorrect billing, which needed control.

Revenue collection efficiency

Irregularities noticed relating to revenue collection efficiency are given below:

Ineffective realisation of dues

2.2.55 As discussed in paragraph 2.2.21, the position of outstanding dues and realization there against is depicted in table-2.2.16.

[44] 2.4 MVAR X 1543 MVA/5.

[45] Consumers of LMV-1, 2, 4, 5 and 6 categories

Table-2.2.16

(₹ in crore)

Sl. No.	Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
1	2	3		4	5	6
1	Balance outstanding at the beginning of the year	9295	9486	10175	11032	11983
2	Revenue assessed/billed during the year	2620	3239	3613	4035	5079
3	Total amount due for realization (1+2)	11915	12725	13788	15067	17062
4	Amount realised during the year	2060	2160	2446	2794	5785
5	Amount waived off during the year	368	390	310	290	1615
6	Balance outstanding at the end of the year	9487	10175	11032	11983	9662
7	Percentage of amount realised to total dues (4/3)	17.29	16.97	17.74	18.54	33.91

Source: Information furnished by the PuVVNL

It may be seen from above table that the outstanding dues of ₹ 9487 crore at the end of March 2010 increased to 9662 crore (1.84 *per cent*) at the end of March 2014. Collection efficiency though increased from 17.29 *per cent* to 33.91 *per cent* during the same period was indicative of ineffective realisation of dues by the PuVVNL. Further accumulation of dues at the end of 2013-14 despite implementation of One Time Settlement (OTS) scheme to clear the arrears during 2009-10 to 2013-14 indicated that special drives undertaken by PuVVNL could also not yield desired results.

Consumer Satisfaction and Redressal of Grievances

Irregularities relating to issues of consumer satisfaction and redressal of grievances are discussed below:

Non-installation of meters

2.2.56 As discussed in paragraph 2.2.24, the position of total consumers, metered consumers as well as unmetered consumers in PuVVNL is depicted in table 2.2.17.

Table-2.2.17

Year	Nos. of consumers	Metered consumers	Unmetered consumers	Percentage of unmetered consumers
1	2	3	4	5
2009-10	2912000	1253387	1658613	56.96
2010-11	3123000	1334503	1788497	57.27
2011-12	3314000	1437643	1876357	56.62
2012-13	3575000	1539168	2035832	56.95
2013-14	3810000	1587982	2222018	58.32

Source: Information furnished by the PuVVNL

It may be seen from above that the unmetered consumers stood at 56.96 *per cent* at the end of 2009-10, which increased to 58.32 *per cent* at the end of 2013-14.

We analysed the reason for prevalent unmetered consumers and in our test check of 14 out of 66 EDDs, found that PuVVNL had released 128930 connections to LMV-1 consumers and 15771 connections to LMV-5 consumers during 2010-14 without installation of meters. We further noticed that meters on above connections were not installed even after getting deposit of meter charges amounting to ₹ 7.28 crore and ₹ 8.89 crore respectively from the consumers during 2010-14.

Management accepted the audit observation and stated (December 2014) that supply of electricity without installation of meters was due to non-availability of meters and lack of manpower to install the meters.

Failure in timely establishment of Central Call Centres

2.2.57 As discussed in paragraph 2.2.25, there were two cities namely Varanasi and Allahabad having population exceeding 10 lakh, wherein CCCs were required to be established by PuVVNL.

We noticed that PuVVNL established one CCC in Varanasi in 2012 with a delay of seven years, the reason for such delay was not found on records. Further, the case of redressal of complaints of consumers could not be pointed out as PuVVNL did not furnish the related information.

Non-production of records

2.2.58 Records relating to works executed along with pending liability against agreements[46] to verify the adjustment of ₹ 5.50 crore given to J.P. Infratech by DVVNL and Computerised Billing Data for the year 2013-14 by MVVNL, DVVNL and PuVVNL were not produced to audit.

Conclusion

On the basis of Performance Audit of DISCOMs, we conclude that:

- **There was shortage of 77 per cent, 66 per cent and 84 per cent in transformation capacity as of March 2014 in MVVNL, DVVNL and PuVVNL respectively due to inadequate planning/non-planning for capacity addition. Resultantly, the transformation capacity of DISCOMs was running overloaded. Further, the planned capacity addition was achieved short by 24 per cent and 19 per cent by MVVNL and PuVVNL respectively**

- **Award of higher package rate to the repairer firms led to excess expenditure of ₹ 17.08 crore on repair of distribution transformers (DTs). Further, DISCOMs made excess payment of ₹ 17.48 crore on account of VAT on the repair of DTs;**

- **Technical & Commercial (T&C) losses ranged from 22.64 to 28.02 per cent, 21 to 34.60 per cent and 24 to 26 per cent during 2010-14 in MVVNL, DVVNL and PuVVNL respectively. DISCOMs failed to improve their operational efficiency by restricting the T&C losses within the limit prescribed by UPERC. The losses beyond such limit were valued at ₹ 1446.83 crore. DISCOMs also failed to save energy valuing ₹ 47.81 crore due to non-installation of Capacitor Banks; and**

- **DISCOMs failed to bill the consumers as per applicable provisions which resulted into short billing of ₹ 102.23 crore and excess billing of ₹ 14 crore.**

[46] JSP Construction Company Ghaziabad, Febico Company Meerut, Singh and Singh Company, Mathura, Ayushman Construction and Kishor Traders Agra.

CHAPTER–III
Transaction Audit Observations

CHAPTER III

3. Transaction Audit Observations

Important audit findings noticed as a result of test check of transactions made by the State Government companies/Statutory corporations are included in this Chapter.

Government Companies

Uttar Pradesh Rajkiya Nirman Nigam Limited

3.1 Construction of ESIC Medical Colleges and its Allied Works

3.1.1 The Uttar Pradesh Rajkiya Nirman Nigam Limited (Company) was incorporated in May 1975 with the objective to take up the civil construction work of the State Government and procure the work through bidding process and execute it under Department Construction Unit (DCU) system to avoid middlemen from the construction work.

The Board of Directors (BOD) of the Company permitted (July 2008) the execution of works through the sub-contractors. Under sub-contractor system of working, the Company sub-lets the whole work to sub-contractor in totality on the same terms and conditions as were applicable for the Company retaining only centage portion, receivable on the work from the client. The Employees State Insurance Corporation (ESIC) awarded (August 2008 to March 2012) the construction work of 31 Medical Colleges[1] to the Company out of which the Company executed seven works under DCU system and awarded construction of 24 medical colleges to the sub-contractors on the same terms and conditions as agreed upon with ESIC (back to back basis) as detailed in ***(Annexure 3.1)***.

The construction works of three Medical Colleges of ESIC located at Faridabad (Haryana), Basaidarapur (Delhi) and Alwar (Rajasthan) were selected for detailed examination. Deficiencies noticed during audit of three units are discussed in succeeding paragraphs:

Incorrect application of Cost Index

3.1.2 The Company received order for construction of ESIC Medical College and residential quarters at Faridabad from ESIC in July 2009. As per clause 13.8 of the Particular Conditions of the Contract executed (October 2009) between the Company and sub-contractor for construction work of ESIC Medical College, Faridabad, Contract Price was to be adjusted for changes in cost of labour, materials and other inputs on the basis of cost index issued by Central Public Works Department (CPWD) prevailing on the base date. The date of issue of Notice Inviting Tender (NIT) was to be taken as base date. The NIT was issued on 16 July 2009 and the cost index on 16 July 2009 was 13 *per cent* as notified by CPWD in June 2009.

The Company made an excess payment of ₹ 11.84 crore to the sub-contractor due to incorrect application of cost index

We noticed that the Company provided cost escalation for Delhi Schedule Rate (DSR) items at the rate of 19 *per cent* (applicable from October 2008) instead of providing it at the rate of 13 *per cent* (applicable from April 2009)

[1] The estimated cost of 31 construction work of Medical Colleges and its allied buildings along with maintenance and renovation works of its exiting hospitals during 2008 to 2012 was ₹ 4456.47 crore (revised to ₹ 4520.96 crore)

which was the cost index on 16 July 2009 *i.e.* the date of issuance of NIT by the Company. Thus, due to application of incorrect rate of cost index the Company made an excess payment of ₹ 11.84 crore to the sub-contractor leading to loss to the ESIC to that extent.

Management stated (November 2014) that cost index of 19 *per cent* was applied due to consideration of base date of 1 October 2008 as agreed with ESIC. Reply is not acceptable as audit observation is focused on agreement with the sub-contractor based on the terms and conditions agreed between Company and sub-contractor which entailed payment of escalation at the rate of 13 *per cent*.

Irregular reimbursement of Value added Tax to the Sub-contractor

3.1.3 The terms and conditions of Letter of Intents issued for all the three works provided that the awarded price is inclusive of all taxes, levies and cess etc. Moreover, works were awarded to the sub-contractors on the DSR basis which were inclusive of applicable taxes and duties. Contracts executed by the Company with the sub-contractors envisaged that Value Added Tax (VAT) shall be deducted at source by the employer at prescribed rate.

Extra payment of ₹ 27.58 crore were made to the sub-contractors by reimbursement of VAT in addition to the awarded rates

We noticed that the Company deducted VAT of ₹ 27.58 crore up to August 2014 from the bills of all the three sub-contractors and deposited the same with the tax authorities. We further noticed that the Company subsequently reimbursed the same to sub-contractors. Thus, the incidence of tax did not pass on to the sub-contractors. Reimbursement of VAT in addition to the awarded rates was irregular and led to extra payment to the sub-contractors to the tune of ₹ 27.58 crore.

The Management stated (September / November 2014) that the Company paid VAT to State Government as deducted from the bills of the sub-contractor, which was reimbursed by the ESIC to the Company and accordingly the same was reimbursed to sub-contractor by the Company.

Reply is not acceptable as ESIC reimbursed the VAT to the Company for taxes deposited with the tax authority by the Company, but Company's act of subsequent reimbursement to sub-contractors, unduly benefitted the sub-contractor in contravention of the conditions of the letter of intent.

Excess payment due to allowing higher rates for execution of work

3.1.4 The construction work of Medical College, Faridabad and Medical College, Basaidarapur were awarded in August 2009 and January 2010 respectively by the Company to sub-contractors at the estimated cost arrived at by ESIC on DSR 2007 basis. The NIT for both works were issued in July 2009.

Excess payment of ₹ 1.44 crore were made by allowing higher rates for execution of works

We noticed that rate of three DSR items taken in the estimate prepared by ESIC for Faridabad project were higher by 14.99 to 44.16 *per cent* as compared to rate taken for Basaidarapur project without any reasons on record. The Company, without checking the rates of the estimates, awarded the work to same sub-contractor at the estimated cost which led to award of work at higher rate and excess payment of ₹ 1.44 crore ***(Annexure 3.2)*** to sub-contractor.

The Management stated (November 2014) that the estimates and Bill of Quantity (BOQ) of both works were prepared and approved by ESIC itself and reason for lower rates were not provided by ESIC.

The reply is not acceptable as works were awarded by the Company to the same sub-contractor, not by the ESIC. Awarded rates were to be checked and regulated by the Company as both the works were awarded to the same sub-contractor against the tenders issued in the same month.

Avoidable expenditure on cartage of earth

3.1.5 The Bill of Quantity (BOQ) of hospital projects at Faridabad included earth work of 403611 Cubic Meter (CuM). Against, 339570.70 CuM earth excavated 71468.04 CuM earth was utilised for back filling and balance 258205.91 CuM earth was disposed off at an expenditure of ₹ 5.99 crore incurred on cartage thereof.

The Company incurred an avoidable expenditure of ₹ 5.99 crore on cartage of surplus earth due to not exploring possibilities for sale

We observed that the concerned Project Manager asked Nagar Nigam, Faridabad (March 2010) and ESIC (April 2010) for providing space for dumping of the earth but did not ask for disposal of surplus earth through sale to avoid cartage as well as to make an effective utilisation of surplus earth.

Thus, due to not exploring possibilities for sale of surplus earth, the Company had to make an avoidable expenditure of ₹ 5.99 crore on cartage of surplus earth.

The Management stated (November 2014) that concerned department were asked telephonically for taking surplus earth but no offer was received. The fact remains that the Company did not explore the possibility for sale of surplus earth as it could not furnish any document to substantiate their reply.

Release of interest free mobilisation advance for capital building

3.1.6 The Company provided mobilisation advance to the sub-contractors at the rate of 10 *per cent* on the value of work to mobilise work subject to adjustment of the same from the running bills of the sub-contractors.

Mobilisation advance of ₹ 102.37 crore was given to the sub-contractors in contravention of CVC guidelines

Central Vigilance Commission (CVC) guidelines (10 April 2007 and 8 October 1997) states that provision of mobilisation advance should be interest bearing so that contractor does not draw undue benefit. As per section 32.5 of CPWD Manual of 2007, the mobilisation advance can be sanctioned at interest rate of 10 *per cent* per annum. We noticed that interest free mobilisation advance of ₹ 102.37 crore was released to sub-contractors during February 2010 to February 2013 in Faridabad and Alwar projects in contravention to CVC guidelines, amounted to an undue benefit to the sub-contractors.

The Management stated that (November 2014) mobilisation advance was given to sub-contractors against Bank guarantee. The reply of the Management does not address audit observation regarding release of interest free advance.

3.1.7 The CVC guidelines prescribed (8 October 1997) that mobilisation advance shall not be utilised towards capital building. We observed that sub-contractor of ESIC Medical College, Alwar utilised (October 2012) mobilisation advance to the tune of ₹ 7.73 crore for purchase of machinery out of total mobilisation advance of ₹ 51.94 crore released to the sub-contractor (in two equal instalments November 2011 & February 2013). Thus, mobilisation advance utilised for capital building was a diversion of funds and should have been recovered with interest at the rate of 10 *per cent* (as per CPWD manual), which worked out to ₹ 1.03 crore from November 2011 to June 2013.

Non-recovery of interest ₹ 1.03 crore on mobilisation advance of ₹ 7.73 crore, used for capital building by the sub-contractor

The Management stated (September 2014) that the sub-contractor utilised ₹ 7.73 crore for purchase of ready mix and plant mixer, JCB, Generator and equipment for laboratory etc. which were required for execution of works. The reply is not acceptable since CVC guidelines prohibit utilisation of mobilisation advance towards capital building.

Non receipt of centage on escalation bills

3.1.8 As per the clause 13.8 (VI) of the agreements executed (August 2009 to August 2011) between the Company and ESIC for all the three works, compensation for escalations was to be worked out at quarterly intervals with respect to the cost of work done as per bills paid during the three calendar months of the said quarter. The terms of the agreements (clause 20 of particular condition) also provided that in case of dispute of any kind between the parties, dispute were to be adjudicated by Dispute Adjudication Board (DAB), to be constituted jointly by the parties.

Centage of ₹ 5.61 crore on escalation bills remained unrealised for more than four years

We noticed that the Company submitted the escalation bills to ESIC during October 2010 to August 2014 in respect of all the three works for escalation charges including centage thereon. The ESIC, however, arbitrarily disallowed centage on the escalation bills submitted by the Company. The Company, despite the clear provisions in the agreements, did not make any effort for constitution of DAB and to get the issue resolved. Resultantly, centage of ₹ 5.61 crore ***(Annexure 3.3)*** claimed by the Company remained unrealised (November 2014) for more than four years.

The Management stated (November 2014) that ESIC was not paying centage on any escalation bills in any work and the Company has now decided to go into DAB. The fact remains that despite passage of four years, the Company did not initiated constitution of DAB as required to settle the dispute.

Non-recovery of labour Cess

3.1.9 Clause 7 of section 4.1.4 of the CPWD manual of 2007 prescribed that the effect of Building and Other Construction Workers' Welfare Cess Act 1996 as applicable, is also to be added in Estimate of work.

The Company paid labour cess of ₹ 27.09 lakh against centage portion from its own source and did not take any action to resolve the issue through DAB

We observed that the provision for labour cess was not made in the estimates of all the three works awarded by the ESIC. The Company, however, did not point out the irregularity of non provision of labour cess in the estimated cost of works awarded by ESIC. Subsequently, on demand made (May 2012) by the Company for payment of labour cess, ESIC refused payment and asked the Company to make payment at its own cost. The Company made payment of ₹ 9.36 crore[2] towards labour cess after deducting ₹ 8.97 crore from the bills of sub-contractor and ₹ 39.29 lakh from its own sources including ₹ 27.09 lakh against centage portion.

The Company, after refusal of its legitimate claim again and again by ESIC for payment of labour cess, did not take any action to resolve the issue through DAB. Resultantly, labour cess amounting to ₹ 27.09 lakh paid on centage portion of works at Faridabad and Basaidarapur was not reimbursed and led to ultimate loss to the Company.

The Management stated (September 2014) that the company deposited the cess on the value of work done including centage. The fact remains that due to management failure to get element of labour cess included in the estimate at

[2] Alwar ₹ 3.25 crore + Basaidarapur ₹ 1.33 crore + Faridabad ₹ 4.78 crore

the time of award of work by ESIC and thereafter not referring the dispute to DAB, the Company had to sustain loss of ₹ 27.09 lakh.

Above instances of undue benefit to contractors and lackadaisical approach of Company towards claiming centage from the client caused loss of ₹ 47.88 crore and ₹ 5.88 crore, respectively to the Company.

Matter was reported to the Government in July 2014, the reply of the Government is awaited (January 2015).

3.2 Undue favour to contractors

Undue favour to contractors resulted in avoidable expenditure on procurement of transformers at higher rate: ₹ 17.51 crore

Para 101 and 119 of the works manual of Uttar Pradesh Rajkiya Nirman Nigam Limited (Company) provided that the material rates be decided on the basis of market rate analysis and the item rates as per contract to be compared with analysed rates.

Uttar Pradesh Power Transmission Corporation Limited (UPPTCL) and Uttar Pradesh Power Corporation Limited (UPPCL) awarded construction works of twenty 220/132/33/11 KV sub-stations on turn-key basis to the Company during 2009 to 2011. Conditions of Letter of Intent (LOI) included that detailed estimate of the work was to be prepared and got approved by the competent authority of the Company for which UPPTCL/UPPCL would give financial sanction on the basis of lowest rates obtained in open tender.

Audit noticed that the Company finalised the rates of transformers forming part of Bill of Quantity (BOQ) without any analysis of the market rates, as no justification for rates assigned to BOQ items was found on records of the Company. UPPTCL/UPPCL approved the same BOQ rates. The Company awarded these works to sub-contractors at the approved BOQ rates.

Audit further noticed that in BOQ of the supply of electrical equipments, the rates assigned by the Company to ex-works price of 160/40/20/5 MVA transformer ranged between ₹ 0.44 crore to ₹ 7.10 crore, but the proforma invoice of suppliers who supplied these transformer to the sub-contractor, executing the work for the Company, revealed that the cost of transformers ranged between ₹ 0.18 crore to ₹ 5.38 crore only ***(Annexure 3.4)***. In absence of market rate analysis, Company failed to check the higher rate of transformers prior to award of work. Consequently, the BOQ rates and the rates awarded and paid to sub-contractors remained on higher side than the supplier's ex-works rate of the transformers by 7 to 55 *per cent* which resulted in avoidable expenditure of ₹ 17.51 crore on purchase of 30 transformers. (after allowing 10 per cent contractor's profit) ***(Annexure- 3.4)***.

Management stated that procurement of transformers was made on the rates approved by UPPTCL/UPPCL and the rates of the transformers given to sub-contractors were within the sanctioned cost approved by UPPTCL/UPPCL. The reply of the Management is not acceptable as the Company did not ensure the reasonableness of the rates assigned to transformers in BOQ through market rate analysis, as required by the ibid provisions of its works manual. Consequently, the price paid by the Company to the sub-contractor was higher by ₹ 17.51 crore (25 *per cent*) as compared to the purchase cost borne by the sub-contractors for the same transformers.

Matter was reported to the Government in July 2014, the reply is still awaited. (January 2015).

3.3 Excess contribution to Employees' Provident Fund

Failure to limit employer's contribution towards Employees' Provident Fund as prescribed in the Employees' Provident Fund Scheme, 1952 resulted in excess contribution of ₹ 21.93 crore

Para 29 (1) of the Employees' Provident Funds Scheme, 1952 (Scheme) provides that the contribution payable by an employer under the scheme shall be twelve *per cent* of the basic wages, dearness allowance and retaining allowance (if any) payable to each employee to whom the Scheme applies. Para 26 A (2) of the Scheme provides that the contribution payable by the employee and employer shall be limited to the amount payable on a monthly pay of ₹ 6,500. However, para 29 (2) of the Scheme provides that the contribution payable by an employee to whom the Scheme applies, if he so desires, could be an amount exceeding the above limit subject to the condition that employer shall not be under an obligation to pay any contribution over and above his contribution payable under the Scheme. Accordingly, all Public Sector Undertakings covered under the Scheme were required to restrict their contribution to the prescribed limit.

Audit noticed that the Uttar Pradesh Rajkiya Nirman Nigam Limited (Company) contributed employer's share at the rate of twelve *per cent* of the pay without applying the prescribed limit of ₹ 6,500 in contravention of the *ibid* provisions of the Scheme. This resulted in excess contribution of ₹ 21.93 crore in respect of 13562 employees ***(Annexure-3.5)*** who were members of the fund and were drawing monthly pay of more than ₹ 6,500 during 2007-08 to 2013-14 by the Company.

The Management stated (August 2014) that contributions are being paid as per the provisions of Section 6 of the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 (Act) and condition for limiting the contributions on maximum wage ceiling of ₹ 6,500 was relaxed (July 2010) by Assistant Provident Fund Commissioner (APFC), Bareilly[3].The reply is not acceptable as Section 6 of the Act is to be read with Para 26 (6) and 26 (A) (2) of the Scheme which do not empower the employer to contribute over and above the limit fixed under Para 29. Moreover, the relaxation allowed was for employees contribution and not employer's contribution. Hence, the Company made excess employer's contribution in violation of the Employees Provident Funds Scheme, 1952.

The Company needs to review this practice to avoid such excess payment in future and also strengthen internal control mechanism to avoid such lapse.

The matter was reported to the Government (July 2014); their reply is however awaited (January 2015).

[3] APFC Bareilly Zone allowed the Company to deduct contribution from employees pay on more than ₹ 6500 p.m. This was made applicable for the entire Company.

Dakshinanchal Vidyut Vitran Nigam Limited

3.4 Procurement of material by Electricity Distribution Circle, Jhansi

Procurement of materials without requirement and without sale of tender forms

As a result of unbundling of Uttar Pradesh State Electricity Board (UPSEB), Dakshinanchal Vidyut Vitran Nigam Limited (Company) was incorporated in August 2003 for supply of electricity and collection of revenue from the consumers besides procurement of material. The Company classifies the material procurement activity in two categories, namely centralised material (Material procured at Company headquarters) and decentralised material viz. LT Distribution Boxes, Vacuum Interrupter etc. procured to meet the urgent requirement of the Electricity Distribution Divisions (EDD).

Electricity Distribution Circle (EDC), Jhansi did not maintain the base records for exercising control over the procurement activities. In the absence of control registers, actual number of tenders invited/finalised and purchase orders issued could not be ascertained by audit. Consequently, Audit analysed the records of Electricity Store Division (ESD), Jhansi and found that tenders valuing ₹ 112.25 crore were finalized by EDC Jhansi for procurement of material during January 2011 to May 2013. Out of the above, records of tenders valuing ₹ 100.37 crore (89 *per cent*) were informed as stolen. Irregularities noticed are discussed in succeeding paragraphs:

Irregularities in tender process

3.4.1 Examination of 127 files relating to procurement of material valuing ₹ 11.88 crore by Superintending Engineer (SE), EDC Jhansi revealed that in all cases availability of material from concerned store division and in 125 cases valuing ₹11.76 crore, even the requirement of material by user division was not on records. Irregularities noticed are discussed below:

- As per Uttar Pradesh Power Corporation Limited (UPPCL) order (February 2003) the SE, Distribution was authorized to purchase material valuing ₹ two lakh per month. SE, EDC Jhansi violated the above limit in all 127 cases and placed Purchase Orders (POs) ranging from ₹ 10 lakh to ₹ 3.60 crore per month ***(Annexure 3.6)*** during January 2011 to December 2012.

Management stated (June 2014) that the orders were placed after approval of competent committee. The reply is not acceptable as delegation of financial powers to any competent committee was not allowed under the order issued by UPPCL.

- As per UPSEB order (April 1970), tendering authority, before accepting a tender needs to see that no cartel is formed against the Company.

We observed that out of 127 tenders, 70 tenders worth ₹ 6.40 crore (i.e. 54.32 *per cent* of the total value) were awarded to three firms and in each case other participating tenderers were same which clearly indicates that cartel was formed. Non publishing of notice inviting tenders in news papers having wide publication and no uploading of the tenders on official website of the Company were the main reasons for formation of cartel. As a result, competitive rates could not be obtained.

Management stated (June 2014) that the practices of publishing tender in newspapers having wide publicity and uploading the tender on official site has been started now.

Procurement of material

3.4.2 Besides above, cross examination of records, maintained at ESD Jhansi for procurement activities made by the EDC Jhansi (January 2011 to May 2013) for the transactions recorded in the stolen records as well as records produced to Audit, revealed the deficiencies as discussed in the succeeding paragraphs:

- As per order of February 2003 issued by UPPCL, the procurement of material by the EDC should be made on the basis of open tenders. The cash book of EDC, Jhansi, revealed that tender forms against tender number 1 to 235, tender number 1 to 894[4] and tender number 1 to 860 were sold during 2010-11, 2011-12 and 2012-13 respectively for procurement of material.

We observed that in 55 cases purchase orders valuing ₹ 5.49 crore (against total procurement of ₹ 112.25 crore) were issued without sale of tender forms ***(Annexure 3.7)***. The tender numbers were mentioned in POs just to show the legitimacy of tenders, no such tender forms were actually sold as per cash book.

Management stated (June 2014) that related records are missing.

- As per UPSEB order dated 7 April 1977 the procurement of decentralised material was to be made for the quantity, equal to three months requirement.

We observed that SE, EDC Jhansi did not assess the requirement of material. Analysis of the inventory position of major items valuing ₹ 11.80 crore out of ₹ 112.25 crore procured till March 2013, revealed that the material valuing ₹ 0.09 crore (one *per cent*) could only be utilized against the same till March 2014 ***(Annexure 3.8)***.

Management stated (June 2014) that the SE, EDC, Jhansi procured the material to ensure its utilisation in reasonable period. The reply is not acceptable as the utilisation of materials was only one *per cent.*

Thus EDC, Jhansi placed purchase orders beyond the prescribed financial limits, without inviting tender through wide publicity and procured material without requirement in violation of orders of UPPCL and UPSEB.

Matter was reported to the Government in June 2014, the reply of the Government is awaited (January 2015).

U. P. Electronics Corporation Limited

3.5 Short claim of Institutional charges and undue benefit to supplier

The Company suffered loss of ₹ one crore due to short levy of institutional charges and undue benefit to suppliers

During the period 2009-10 to 2013-14, U. P. Electronics Corporation Limited (Company) made purchases of computers, printers, scanners and other equipments (Hardware/Software) valuing ₹ 105.74 crore for different Government departments other than purchase of Laptops under the "Scheme of free distribution laptops to class twelfth pass students in the State". Cases of

[4] As per Cash Book tender forms for tender no. 23, 24 and 358 to 364 of 2011-12 were not sold.

short claim of institutional charges and undue benefit to suppliers are discussed in the succeeding paragraphs:

Short claim of Institutional Charges

3.5.1 As per Board of Directors (BoD) order (March 2003 and June 2006), Institutional Charges (IC) were to be charged at the rate of four to seven *per cent* from the clients on the total cost of projects of supply of hardware and software. Further, BoD ordered (December 2005) that Managing Director (MD) can reduce the rates but *post facto* approval of the BoD need to be obtained in next meeting of the BoD.

We noticed that the Company charged IC on the basic cost of the project excluding VAT/Service Tax in place of total cost which resulted in short charging and recovery of IC by ₹ 39.59 lakh.

We further noticed, that Company short charged IC amounting to ₹ 18.75 lakh on the supplies valuing ₹ 10.47 crore made during April 2009 to April 2012 by reducing the rate of IC, without subsequent approval of the BoD.

The Government while accepting the fact, stated (October 2014) that charging of institutional charges on total project cost would result in additional payment by the Government to the Company. Fact remains that IC was short charged and Company suffered loss of revenue to that extent. It further, stated (October 2014) that MD was authorised to fix/ reduce the institutional charges. Fact remained that *post facto* approval of BoD was not taken by the MD.

Undue benefit to supplier

3.5.2. Review of records of the Company for the period 2009-10 to 2013-14 revealed that the Company extended undue benefit to the suppliers in the following cases:

(i) The Company invited tenders on 11 November 2011 for procurement of 373 Desktop computers with accessories for supply to Basik Shiksha Adhikari (BSA) of ten districts. Price offered by the supplier was further adjustable as per the requirements of client department (29 November 2011). The Company issued ten supply orders during December 2011 to January 2012 for supply of 373 Desktop computers with accessories at different rates against the above tender.

We noticed that the Company made no effort to get the whole supply at lowest rate available despite having opportunity of adjustment in price offered by supplier. This resulted in loss to the exchequer to the tune of ₹ 26.60 lakh ***(Annexure 3.9)***.

The Government stated (October 2014) that the difference in rates was due to fluctuation of exchange rates of dollars. The reply is not acceptable as there was no such clause in the supply order.

(ii) The Company placed three orders of ₹ 12.18 crore on a supplier during September 2010 to December 2010 for supply, installation and maintenance of computer hardware, system software and other related items under the National e-Governance Plan (NeGP) of Uttar Pradesh. Supply orders did not include any condition for providing advances to the suppliers.

The Company released interest free advance of ₹ 6.86 crore (56 *per cent* of order value) during October 2010 to January 2011. These advances were adjusted after a period of 52 to 316 days. This led to undue benefit to the suppliers besides loss of interest of ₹ 15.13 lakh to the Company.

The Government accepted and stated (October 2014) that an enquiry has been initiated (September 2014) to look into the circumstances under which advances were given to the suppliers.

Thus, short levy of IC and undue benefit to supplier caused loss of ₹ one crore to the Company.

3.6 Non-charging of 'e-tendering fee'

Non-charging of e-tendering fee for publishing of e-tenders on e-portal: ₹ 62 lakh

The State Government of Uttar Pradesh introduced (January 2008) e-procurement system in the State and nominated U.P. Electronics Corporation Limited (Company) as State nodal agency. For implementation of the system, e-portal of Director General of Supplies and Disbursements (DGS&D) was to be used by the Company. The State Government departments (procuring agencies) were required to publish tenders on the e-portal with payment of e-tendering fee to the Company at the rate of 0.01 *per cent* of tender value subject to minimum ₹ 250 and maximum ₹ 5000 for each tender published on e-portal.

We noticed that the Company provided the facility of e-procurement through the e-portal of National Informatics Center (NIC) but did not charge e-tendering fee at the rate of 0.01 *per cent* of the tender value from the user departments in respect of 4342 tenders valuing ₹ 15499.96 crore during the period June 2008 to January 2014. This resulted in non-recovery of revenue of ₹ 62 lakh.

The Management (July 2014) and Government (September 2014) stated that e-tendering fees was not charged because the e-portal of DGS&D was never used by the Company for implementing the e-procurement system in Uttar Pradesh. Rather, the portal of NIC was used.

The reply of the Government is not acceptable as the Company provided the e-procurement facility through e-portal of NIC. As e-procurement is an information technology software service in terms of section 65 (105) (zzzze) of Finance Act, 1994 hence, e-tendering fees was to be charged for providing the e-procurement facility and not for providing a specific portal. Thus, e-tendering fees was recoverable from all user departments irrespective of the e-portal used by the Company.

Uttar Pradesh Samaj Kalyan Nirman Nigam Limited

3.7 Avoidable expenditure on procurement of cement

The Company incurred avoidable expenditure of ₹ 1.69 crore in procurement of cement due to non-execution of Rate Contracts

Rule 141 and 147 of General Financial Rules (G.F.R.), 2005 prescribes that Rate Contracts can be concluded for items which are of standard types, which are identified as common user items and are needed on recurring basis. Rule

137 of the G.F.R. further provides that the procuring authority has the responsibility and accountability to ensure economy in public procurement.

Uttar Pradesh Samaj Kalyan Nirman Nigam Limited (Company) is one of the apex construction agencies of Government of Uttar Pradesh (GoUP) along with other Public Sector Undertakings[5]. In order to affect economy and to ensure quality in execution of the projects, procurement of vital inputs such as cement is of utmost importance. There is no system in the Company to procure cement on the basis of Rate Contracts, rather all 83 units of the Company in the State procure cement at unit levels on the basis of Purchase Committee Reports (PCRs).

Audit noticed that due to non-availability of defined system of purchase through Rate Contracts to maintain economy in execution of work, rates of procurement of cement by the Company remained higher as compared to the corresponding procurement rates of cement of Uttar Pradesh Rajkiya Nirman Nigam Limited (UPRNN) during the period 2008-09 to 2012-13.

Test Check of 25 units, revealed, that the Company procured 862794 bags of Portland Pozzolana Cement (PPC) at the rates ranging between ₹ 180 per bag to ₹ 315 per bag on the basis of Purchase Committee Reports from local suppliers; whereas, during the same period (2008-09 to 2012-13) UPRNN procured cement at the contracted rate ranging between ₹ 163 per bag and ₹ 290 per bag. It resulted in extra expenditure of ₹ 1.69 crore on procurement of 862794 bags of PPC cement due to system lapse of not preparing Rate Contracts for purchase of such material of utmost importance.

The Management (August 2014) and the Government (September 2014) stated that the Company has large number of units scattered in various districts of Uttar Pradesh and executes projects of low costs. Thus, purchasing at centralized location under Rate Contract would add to transportation cost. The reply of the Management is not convincing as UPRNN too has large number of units scattered in all districts of Uttar Pradesh and they have the system of preparing Rate Contracts. Moreover, the Company had purchased PPC cement bags in bulk quantity every month approximately ranging between 1000 to 4000 bags which is a sufficient quantity to avail economics of scale.

Purvanchal Vidyut Vitran Nigam Limited

3.8 Excess payment to franchisee

Non-adherence to the applicable rate of commission by the division under Purvanchal Vidyut Vitaran Nigam Limited resulted in excess payment of ₹ 30.54 lakh

Pursuant to the State Government order dated 28 May 2006, the collection based rural franchisees were appointed (during January 2008 to May 2011) by the Purvanchal Vidyut Vitran Nigam Limited (Company) in rural areas for realisation of revenue. Agreements were entered into with the various franchisee firms for realisation of revenue in respective feeder area and

[5] Other apex construction agencies of GoUP are Uttar Pradesh Rajkiya Nirman Nigam Limited (UPRNN), U.P. Jal Nigam and U.P. Projects Limited.

franchisees were to perform the work of connection, disconnection, collection of arrears and detection of theft cases etc.

Further, Uttar Pradesh Power Corporation Limited notified (September 2010, October 2010) that calculation of commission on revenue collected by franchisees would be made on monthly collection basis at a percentage prescribed for each slab of revenue assessment. It further provided that during the period of implementation of One Time Settlement (OTS) Scheme, the calculation of commission on revenue collected by franchisees would be made at the flat rate of five *per cent* of their total revenue collected. During the year 2011-12 and 2012-13, OTS remained in operation for the period of July 2011 to October 2011 and April 2012 to May 2012.

We noticed that 10 franchisees collected revenue of ₹ 5.66 crore in Electricity Distribution Division, Gorakhpur of Company during the aforesaid OTS period. Instead of applying the prescribed rate of five *per cent* during OTS period, the division paid commission of ₹ 58.82 lakh by using slab rates. This resulted in excess payment[6] of commission of ₹ 30.54 lakh to franchisees.

Matter was reported to Management and Government in May 2014, the reply is still awaited (January 2015).

3.9 Undue favour to contractor

The Company provided undue benefit of ₹ 55 lakh to UPRNN by making additional payment of VAT on awarded rate of electrical equipments, worked out on the basis of RESPO rates which include VAT

The Purvanchal Vidyut Vitran Nigam Limited (Company) awarded eight construction works of 33/11 KV Sub-stations and lines along with 11 KV feeders at a cost ₹ 25.46 crore during the year 2010-11 to the Electrical Unit, Varanasi of Uttar Pradesh Rajkiya Nirman Nigam Limited (UPRNN). These works included an amount of ₹ 1.65 crore of Value added Tax (VAT).

Rates as prescribed by Rural Electrification and Secondary System Planning Organisation (RESPO) a wing of Uttar Pradesh Power Corporation Limited, were used to work out the rates of the works awarded. RESPO rates were determined on the basis of the rates of equipment and materials as prescribed by stock issue rate of Uttar Pradesh Power Corporation Limited (UPPCL) and includes VAT.

We noticed that despite including VAT element in awarded rates, Company awarded and paid the rates with additional amount of VAT on three items i.e. ACSR dog conductor, ACSR weasel conductor and 5 MVA transformers at the rate of 12.5 *per cent* to UPRNN. Such additional award and payment of VAT resulted in undue benefit of ₹ 55 lakh to the UPRNN.

Management accepted (December 2014) the audit observation and stated that action for recovery would be taken.

Matter was reported to Government in September 2014, the reply is still awaited (January 2015).

[6] August 2011, December 2011, February 2012, April 2012, June 2012 to September 2012.

Purvanchal Vidyut Vitran Nigam Limited, Madhyanchal Vidyut Vitran Nigam Limited, Paschimanchal Vidyut Vitran Nigam Limited and Dakshinanchal Vidyut Vitran Nigam Limited

3.10 Non deposit of compounding charges

The Distribution companies failed to deposit the compounding charges collected from consumers in the Government exchequer

As per Rule 7 of chapter 2 of General Financial Rules 2005, all moneys received by or on behalf of the Government either as dues of Government or for deposit, remittance or otherwise, shall be brought into Government Account without delay.

The Distribution Companies (DISCOMs) i.e. Purvanchal Vidyut Vitran Nigam Limited (PuVVNL), Madhyanchal Vidyut Vitran Nigam Limited (MVVNL), Paschimanchal Vidyut Vitran Nigam Limited (PVVNL), Dakshinanchal Vidyut Vitran Nigam Limited (DVVNL) and Kanpur Electricity Supply Company Limited (KESCO) on behalf of the State Government collected the compounding charges amounting to ₹ 151.24 crore[7] (March 2013) from the consumers or persons suspected of having committed an offence of theft of electricity against the assessment of raid cases for not instituting any proceedings in any criminal court, but did not deposit the same in Government Exchequer (March 2014).

In response KESCO took the corrective action and communicated (November 2014) the deposition of entire compounding balance to State Government. But other DISCOMs have still not taken corrective action. Thus, a sum of ₹ 144.60 crore remained non deposited in Government Exchequer for its utilisation in social benefits by State Government. Besides, it attracted a penal interest of ₹ 26.03 crore[8] for 2013-14.

Matter was reported to Government in October 2014, the reply is still awaited (January 2015).

Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited

3.11 Delayed action to use auto sweep facility

Company delayed the use of auto sweep facility for current bank accounts and suffered the loss of interest amounting to ₹ 52 lakh

Banks provide auto sweep facility to their customers, on their request, to enable automatic investment of surplus funds lying in current accounts into term deposits. It also allows automatic encashment of term deposits when funds are required to meet an impending expenditure. Interest at the minimum rate of four per cent per annum is provided on the amount transferred to term

[7] PuVVNL = ₹13.84 crore, MVVNL = ₹ 25.42 crore, PVVNL= ₹76.47 crore, DVVNL= ₹ 28.87 crore and KESCo = ₹6.64 crore

[8] Considering the same as statutory duty which attracts penalty at the rate of 18 *per cent* per annum as per Rule 3 (3) of Uttar Pradesh Electricity (Duty) Rules, 1952 applicable for Electricity Duty.

deposits from current account for a minimum period of 7 to 14 days. The threshold limit for transfer to term deposits from current account is ₹ one lakh.

It was noticed that Harduaganj Thermal Power Station Extension (HTPS) of Uttar Pradesh Rajya Vidut Utpadan Nigam Limited (UPRVUNL) operates two current accounts with State Bank of India and one with Punjab National Bank which held minimum balances of ₹ 0.47 lakh to ₹ 25.64 crore during the period from January 2011 to February 2014. Banks do not provide interest on current accounts but HTPS did not opt for auto sweep facility for all the three accounts. Issue was pointed out by Audit in November 2010 but HTPS delayed the action thereon from 25 to 28 months. Due to delayed action in obtaining auto sweep facility in current accounts even after being pointed out by audit, the HTPS suffered a loss of interest amounting to ₹ 52 lakh during the period from January 2011 to February 2014.

Management stated (August 2014) that based on audit observation letters were issued to banks. Reply is not acceptable as there was no proper pursuance with bank which delayed the conversion of current account to auto sweep facility account.

Matter was reported to Government in July 2014, the reply is still awaited (January 2015).

Uttar Pradesh Power Transmission Corporation Limited

3.12 Loss due to negligence in obtaining insurance policy

The company failed to persuade the PGCIL for taking insurance cover and further kept no penalty clause which caused loss of ₹ 1.42 crore

An agreement for operation and maintenance of 400 KV DC Vishnuprayag-Muzaffar Nagar (VSP-MOZ) transmission line was executed by Uttar Pradesh Power Transmission Corporation Limited (UPPTCL) with Power Grid Corporation of India limited (PGCIL) on 11 July 2007 for the period from 26 April 2007 to 25 April 2008. As per the terms of the agreement, the insurance of the transmission line was to be arranged by the PGCIL at the cost of UPPTCL but no penalty clause was there in the agreement for PGCIL,s negligence, if any in taking insurance coverage.

We noticed that 400 KV Sub Station Division Muzaffar Nagar of UPPTCL failed to persuade PGCIL for taking insurance. PGCIL delayed it and took the standard fire and peril policy in December 2007 covering the period from December 2007 to December 2008. Meanwhile in the month of October-November 2007, three numbers of towers of 400 KV VSP-MOZ line on the right bank of river Alaknanda got damaged due to landslide. As no insurance coverage was available for the same period so no claim of insurance could be taken and company sustained a loss of ₹ 1.42 crore[9] for the damages took place.

Unit management stated (April 2014) that insurance was to be taken by the PGCIL, which has delayed it and matter was under reconciliation with them.

[9] Compensation/claim which could have been received from insurance company = ₹ 331.94 crore X 3 Towers/701 towers = ₹ 1.42 crore

Reply is not acceptable as company failed to persuade the PGCIL for taking insurance cover and further kept no penalty clause in the agreement entered with PGCIL for such negligence which caused loss of ₹ 1.42 crore. As substantial period of more than six years had already lapsed chances of recovery from PGCIL are remote.

Matter was reported to Government in July 2014, the reply is still awaited (January 2015).

Statutory Corporations

Uttar Pradesh State Road Transport Corporation

3.13 Avoidable payment of Low Tension Surcharge

Regional Workshop Bareilly incurred an avoidable expenditure of ₹ 21.80 lakh due to non-migration from Low Tension (LT) line to High Tension (HT) line

As per the provisions of section 62(3) of Electricity Act, 2003, U.P. State Electricity Regulatory Commission (UPERC) issues tariff schedule to bill the consumers under different categories for LT and HT lines on the basis of contracted load and supply voltage.

The tariff order of 2004-05 provided option to all LT line consumers having contracted load above 56 KVA and getting supply at 0.4 kV (supplied through 11 kV line - HT category) either to get billed under HV-2 category on payment of LT surcharge of 15 per cent or to migrate to HV-2 category on bearing expenses for conversion from LT line to HT line. Vide tariff order of 2006-07, all such LT consumers, who did not migrate to HT line, were to be mandatorily get billed under HV-2 category on payment of LT surcharge.

Uttar Pradesh State Road Transport Corporation, Regional Workshop Bareilly (Workshop) having a LT connection for the contracted load of 130 KVA at 0.4 kV supply voltage, was instructed (August 2009) by Executive Engineer, Electricity Urban Distribution Division, Bareilly (EUDD) to convert LT line to HT line. EUDD intimated (November 2009) the workshop that the estimated cost of conversion was ₹ 5.68 lakh.

Audit noticed that after Managing Director sanctioned (January 2010) ₹ 5.68 lakh for conversion of line, the workshop, instead of depositing the amount with EUDD to initiate the process for the conversion, continued to get billed under HV-2 category on payment of LT surcharges. During April 2006 to September 2012[10] workshop paid ₹ 23.98 lakh towards LT surcharge. Further due to non conversion of LT line supply to HT line supply, workshop failed to get its contracted load enhanced to meet its load requirement. During April 2006 to May 2014 workshop paid additional demand charges of ₹ 3.50 lakh on use of excess load. But the workshop did not initiate the process for conversion of line.

The Management stated (October 2014) that action for conversion of line was delayed due to unawareness of the tariff provisions from April 2006 to August 2009. Further, as per revised tariff schedule there is no difference in billing cost for LT and HT line connections above 50 KVA. The reply of the Management is not acceptable as the reported loss pertains to the period when

[10] W.e.f. 01.10.2012 no LT surcharge was payable for billing under HV-2 category.

there was difference in billing cost of LT and HT lines and extra payment on account of excess load utilisation still continued. Thus, inaction on the part of Management to take appropriate steps for the conversion of LT line to HT line resulted in the avoidable expenditure of ₹ 21.80 lakh[11].

The matter was reported to the Government in July 2014; the reply is still awaited (December 2014).

Uttar Pradesh Jal Nigam

3.14 Undue favour to the Contractor

Undue favour to the Contractor by allowing changes in the bid submitted and subsequent reimbursement of service tax and entry tax of ₹ 2.92 crore

Rule 160(x) and Rule 160(xi) of General Financial Rules (G.F.R.), 2005 prescribes that bidders should not be permitted to alter or modify their bids after expiry of the deadline for receipt of bids and bids received should be evaluated in terms of the conditions already incorporated in the bidding document.

Ganga Pollution Control Unit, Ghaziabad invited tender (25 September.2008) for works[12] on turn key basis under 100 cusec water supply scheme from Upper Ganga Canal for Noida & Trans Hindon Area,Ghaziabad. Tender conditions required that bidders should make sufficient provision for local taxes and unless specifically provided rates and prices in the price schedule shall be deemed to cover all contractual obligations.

Four bidders submitted bids in response to tender notice. During comparison of bids on bid opening date (17 July 2009), it was found that three bidders had mentioned certain additional taxes to be reimbursed over and above their quoted bid rates while the fourth bidder (Contractor) did not mention any tax to be reimbursed separately over its quoted bid rate. The bid of the Contractor was found lowest with bid value of ₹ 57 crore.

Audit noticed that while awarding (12 August 2009) the work to the contractor the bid value of ₹ 57 crore was irregularly inflated to ₹ 59.92 crore by providing reimbursement of 4.12 *per cent* service tax and 1.00 *per cent* entry tax to the Contractor on actual basis. This enhancement in the bid value was given considering the letter received from the Contractor after finalization of tender on bid opening date (17 July 2009). Changes requested in the bid already submitted, were an afterthought of the bidder and consideration of changes in the bid after opening of the same indicates undue favour to the Contractor, besides violation of G.F.R.

Thus, the Contractor was given undue favour by allowing reimbursement of service tax and entry tax of ₹ 2.92 crore although reimbursement of taxes was mentioned neither in the bid document nor in the comparative statement.

Management and Government (December 2014) accepted that the amount of Service tax and Entry tax was intimated separately by the bidder on tender opening date which was considered and added in the value of the contract.

[11] ₹ 23.98 lakh add ₹ 3.50 lakh less ₹ 5.68 lakh.

[12] Survey, Design, Supply, Erection, Construction, Commissioning and Trial Run of Primary Settling Basins other related works at Pratap Vihar, Ghaziabad

Thus, the fact remains that consideration of changes in the bid after its opening and finalisation were an undue favour to the Contractor.

3.15 Extra expenditure on purchase of transformers

The Nigam incurred extra expenditure on purchase of transformers resulting in undue favour of ₹ 62 lakh to contractor

Uttar Pradesh Power Transmission Corporation Limited (UPPTCL) awarded (September 2010) the work of construction of 132/33 KV sub-station at Kunderki, Mordabad to the Construction and Design Wing, Uttar Pradesh Jal Nigam (Nigam) at an estimated cost of ₹ 12.06 crore.

The Nigam prepared a detailed estimate of ₹ 12.79 crore for the above work and in turn, awarded (February 2011) the work to contractor on turnkey basis at a cost of ₹ 12.03 crore. An agreement was entered into (April 2011) between Nigam and the contractor for execution of work. The agreement included supply of two 20 MVA, 132/33 KV transformers for which a detailed order containing price schedule was provided to the contractor. We, however, did not find on record, the analysis of rates or any justification to arrive at the price.

We noticed that the contractor supplied two 20 MVA transformers to the Nigam at a cost of ₹ 2.75 crore. But the proforma invoice of manufacturer who supplied the transformers to the contractor revealed that the landed cost of transformers was ₹ 1.94 crore only. Thus, the price of two transformers paid by the Nigam to the contractor was higher by ₹ 81 lakh (42 *per cent)* compared to their purchase cost borne by the contractor. The Nigam, in the absence of rate analysis, failed to check the higher rate of transformers allowed to the contractor which resulted in excess expenditure of ₹ 62 lakh[13] (after allowing 10 *per cent* contractor's profit).

The Management and Government stated (January 2015) that the agreement with the contractor was entered into on turnkey basis and estimated cost of work was below the estimate approved by UPPTCL. The reply of the Management is not acceptable as detailed order containing price schedule for individual items was provided to the contractor and in the absence of analysis of rates, the rates of transformers allowed to contractor remained higher than their landed cost by 42 *per cent.* Thus undue favour of ₹ 62 lakh was passed on to the contractor.

General

3.16 Follow up action on Audit Reports

3.16.1 Audit Reports of the Comptroller and Auditor General of India represent the culmination of the process of scrutiny starting with initial inspection of Accounts and records maintained in various offices and departments of the Government. It is, therefore, necessary that they elicit appropriate and timely response from the Executive.

Audit Reports for the years 2008-09 to 2012-13 were placed in the State Legislature in February 2010, August 2011, May 2012, September 2013 and June 2014 respectively. Out of 95 Paragraphs/Performance Audits involving PSUs under 22 Departments featured in the Audit Reports (Commercial) for

13 ₹ 2.75 crore (amount paid by the Nigam) – ₹ 1.94 crore (cost to contractor) – ₹ 0.19 crore (10 *per cent* contractor's profit).

the years from 2008-09 to 2010-11 and Audit Report (Public Sector Undertakings) for the year 2011-12 to 2012-13, no replies in respect of 81 Paragraphs/Performance Audits have been received from the Government by 30 September 2014 as indicated below:

Table No. 3.1

Year of Audit Report	Total Paragraphs/ Performance Audits in Audit Report	No. of departments involved	No. of paragraphs/ Performance Audits for which replies were not received
2008-09	27	22	21
2009-10	16	7	11
2010-11	16[14]	7	13
2011-12	16	5	16
2012-13	20	6	20
Total	**95**		**81**

Department wise analysis is given in ***Annexure-3.10.*** The Energy Department was largely responsible for non-submission of replies.

Compliance with the Reports of Committee on Public Undertakings (COPU)

3.16.2 In the Audit Reports (Commercial) for the years 1999-2000 to 2010-11 and Audit Report (Public Sector Undertakings) for the year 2011-12 to 2012-13, 379 paragraphs and 52 Performance Audits were included. Out of these, 161 paragraphs and 22 Performance Audits had been discussed by COPU up to 31 December 2014. COPU had made recommendations in respect of 113 paragraphs and 20 Performance Audit of the Audit Reports for the years 1978-79 to 2006-07.

As per the working rules of the COPU[15], the concerned departments are required to submit Action Taken Notes (ATNs) to COPU on their recommendations within three months. The ATNs are, however, furnished by the departments to us, only at the time of discussion of ATNs by COPU.

Response to Inspection Reports, Draft Paragraphs and Performance Audit

3.16.3 Audit observations noticed during audit and not settled on the spot are communicated to the heads of PSUs through Inspection Reports. The heads of PSUs are required to furnish replies to the Inspection Reports within a period of four weeks. Inspection Reports issued up to March 2014 pertaining to 41 PSUs disclosed that 15809 Paragraphs relating to 3801 Inspection Reports remained outstanding at the end of September 2014. Department-wise break-up of Inspection Reports and audit observations outstanding at the end of 30 September 2014 are given in ***Annexure-3.11***.

Similarly, Draft Paragraphs and Performance Audit on the working of PSUs are forwarded to the Principal Secretary, Finance and the Principal Secretary/Secretary of the administrative department concerned demi-officially seeking confirmation of facts and figures and their comments thereon within a period of six weeks. Out of 15 Draft Paragraphs and 2 Performance Audit Report forwarded to the various departments between May and October 2014, the Government has given reply of five Draft Paragraphs only and no reply has been given to remaining Draft Paragraphs and Performance Audit Report so far (December 2014), as detailed in ***Annexure-3.12***.

[14] Includes standalone Performance Audit Report on Sale of Sugar Mills of Uttar Pradesh State Sugar Corporation Limited.

[15] Government notification No. 836/VS/Sansadiya/85 (C)/2005 dated 28 March 2005.

We recommend that the Government should ensure that (a) procedure exists for action against the officials who failed to send replies to inspection reports/draft paragraphs/Performance Audit and Action Taken Notes on recommendation of COPU as per the prescribed time schedule, (b) action to recover loss/outstanding advances/overpayment in a time bound schedule, and (c) the system of responding to audit observations is revamped.

Vinita Mishra

Lucknow **(VINITA MISHRA)**
The **Accountant General**
30 MARCH 2015 **(Economic and Revenue Sector Audit),**
Uttar Pradesh

Countersigned

New Delhi **(SHASHI KANT SHARMA)**
The 31 MAR 2015 **Comptroller and Auditor General of India**

Annexures

Annexure-1.1

(Referred to in paragraph 1.7)

Statement showing particulars of up to date paid up capital, loans outstanding and Manpower as on 31 March 2014 in respect of Government companies and Statutory corporations

(Figure in Sl. No. 5 (i) to 6 (d) are ₹in crore)

Sl No	Sector and name of the company	Name of the Department	Month and year of incorporate-on	Paid up capital$				Loans* outstanding at the close of 2013-14				Debt Equity ratio for 2013-14 (previous year)	Manpower
				State Government	Central Government	Others	Total	State Government	Central Government	Others	Total		No of employees as on 31.03.2014
(1)	(2)	(3)	(4)	5(a)	5(b)	5(c)	5(d)	6(a)	6(b)	6(c)	6(d)	(7)	(8)
A	**Working Government companies**												
	AGRICULTURE AND ALLIED												
1	Uttar Pradesh (Madhya) Ganna Beej Evam Vikas Nigam Limited	Sugar Industry & Cane Development	27.08.1975	0.15	-	0.10	0.25	-	-	2.48	2.48	15.5:1 (9.92:1)	10
2	Uttar Pradesh (Paschim) Ganna Beej Evam Vikas Nigam Limited	Sugar Industry & Cane Development	27.08.1975	0.51	-	0.15	0.66			-	0.00	-	7
3	Uttar Pradesh Beej Vikas Nigam Limited	Agriculture	15.02.2002	1.25	-	0.67	1.92	-	-	-	0.00	-	370
4	Uttar Pradesh Bhumi Sudhar Nigam	Agriculture	30.03.1978	1.50	-	-	1.50	-	-	-	0.00	-	917
5	Uttar Pradesh Matsya Vikas Nigam Limited	Matysa & Pashudhan	27.10.1979	1.07	-	-	1.07	-	-	-	0.00	-	-
6	Uttar Pradesh Projects Corporation Limited	Irrigation	26.05.1976	5.40	1.00	-	6.40	-	-	-	0.00	-	595
7	Uttar Pradesh State Agro Industrial Corporation Limited	Agriculture	29.03.1967	59.01	-	-	59.01	5.00	-	-	5.00	0.08:1 (0.11:1)	751
	Sector wise total			**68.89**	**1.00**	**0.92**	**70.81**	**5.00**	**0.00**	**2.48**	**7.48**	**0.11:1 (0.09:1)**	**2650**

(1)	(2)	(3)	(4)	5(a)	5(b)	5(c)	5(d)	6(a)	6(b)	6(c)	6(d)	(7)	(8)
	FINANCING												
8	The Pradeshiya Industrial and Investment Corporation of Uttar Pradesh Limited	Industrial Development	29.03.1972	110.58	-	25.00	135.58	147.61	-	5.10	152.71	1.13:1 (1.03:1)	214
9	Uttar Pradesh Alpsankhyak Vittya Avam Vikas Nigam Limited	Alpsankhyak kalyan & Waqf	17.11.1984	30.00	-	-	30.00	7.52	-	-	7.52	0.25:1 (3.01:1)	89
10	Uttar Pradesh Pichhara Varg Vitta Evam Vikas Nigam Limited	Pichhara Varg Kalyan	26.04.1991	12.23	-	-	12.23	-	-	47.71	47.71	3.9:1 (2.72:1)	17
11	Uttar Pradesh Scheduled Castes Finance and Development Corporation Limited	Samaj Kalyan	25.03.1975	123.25	107.18		230.43	-	-	65.82	65.82	0.29:1 (0.30:1)	339
12	Uttar Pradesh State Industrial Development Corporation Limited	Industrial Development	29.03.1961	24.08	-	-	24.08	1.98	-	-	1.98	0.08:1 (0.08:1)	604
	Sector wise total			**300.14**	**107.18**	**25.00**	**432.32**	**157.11**	**0.00**	**118.63**	**275.74**	**0.63:1 (0.82:1)**	**1263**
	INFRASTRUCTURE												
13	Uttar Pradesh Police Avas Nigam Limited	Home	27.03.1987	3.00	-	-	3.00	-	-	-	-	-	151
14	Uttar Pradesh Rajkiya Nirman Nigam Limited	Public Works Department	01.05.1975	1.00	-	-	1.00	-	-	-	-	-	3042
15	Uttar Pradesh Samaj Kalyan Nirman Nigam Limited	Samaj Kalyan	25.06.1976	0.15	-	-	0.15	-	-	-	-	-	577
16	Uttar Pradesh State Bridge Corporation Limited	Public works Department	09.01.1973	15.00	-	-	15.00	-	-	-	-	Nil (0.08:1)	5639
17	Lucknow Metro Rail Corporation Limited	Housing & Urban Planning	25.11.2013	20.05	-	-	20.05	-	-	-	-	-	17
	Sector wise total			**39.20**	**0.00**	**0.00**	**39.20**	**0.00**	**0.00**	**0.00**	**0.00**	Nil (0.07:1)	**9426**

708-06

(1)	(2)	(3)	(4)	5(a)	5(b)	5(c)	5(d)	6(a)	6(b)	6(c)	6(d)	(7)	(8)
	MANUFACTURE												
18	Almora Magnesite Limited(619-B Company)		27.08.1971	-	-	2.00	2.00	-	-	0.04	0.04	0.02:1 (0.06:1)	-
19	Shreetron India Limited (Subsidiary of Uttar Pradesh Electronics Corporation Limited)	Electronics & information Technology	10.02.1979	-	-	7.22	7.22	-	-	2.63	2.63	0.36:1 (0.36:1)	7
20	Uptron India Limited (Subsidiary of Uttar Pradesh Electronics Corporation Limited)	Electronics & information Technology	18.10.1974	-	-	57.93	57.93	-	-	9.70	9.70	0.17:1 (0.17:1)	
21	Uptron Powertronics Ltd. (subsidiary of Uttar Pradesh Electronics Corporation)	Electronics and information technology	10.04.1977	-	-	4.07	4.07	3.07	-	0.00	3.07	0.75:1 (1.39:1)	15
22	Uttar Pradesh Drugs and Pharmaceuticals Limited	Health	-	1.10	-	-	1.10	-	-	-	0.00	-	256
23	Uttar Pradesh Electronics Corporation Limited.	Electronics and information technology	20.03.1974	91.54	-	-	91.54	113.16	-	-	113.16	1.24:1 (1.24:1)	35
24	Uttar Pradesh Rajya Chini Avam Ganna Vikas Nigam Limited	Sugar Industry and cane Development	16.05.2002	880.13		-	880.13				-	-	14
25	Uttar Pradesh Small Industries Corporation Limited	Laghu Udhyog	01.06.1958	5.96	-	-	5.96	6.32	-	3.92	10.24	1.72:1 (1.72:1)	-
26	Uttar Pradesh State Handloom Corporation Limited	Hathkargha evam vastra Udhyog	09.01.1973	36.44	10.63	-	47.07	108.13	-	5.00	113.13	2.40:1 (2.36:1)	255
27	Uttar Pradesh State Leather Development and Marketing Corporation Limited	Niryat Protshahan	12.02.1974	5.74	-		5.74	1.91	-	-	1.91	0.33:1 (0.33:1)	1
28	Uttar Pradesh State Spinning Company Limited	Hathkargha evam vastra Udhyog	20.08.1976	93.24	-	-	93.24	109.71	-	0.00	109.71	1.18:1 (1.63:1)	921

(1)	(2)	(3)	(4)	5(a)	5(b)	5(c)	5(d)	6(a)	6(b)	6(c)	6(d)	(7)	(8)
29	Uttar Pradesh State Sugar Corporation Limited	Sugar Industry & Cane Devlopment	26.03.1971	1103.72	-	-	1103.72	31.20	-	-	31.20	-	144
30	Uttar Pradesh State Yarn Company Limited (Subsidiary of Uttar Pradesh State Textile Corporation Limited)	Hathkargha evam vastra Udhyog	20.08.1974	53.67	-	-	53.67	62.44	-	-	62.44	1.16:1 (1.16:1)	3
	Sector wise total			**2271.54**	**10.63**	**71.22**	**2353.39**	**435.94**	**0.00**	**21.29**	**457.23**	0.20:1 (0.16:1)	**1651**
	POWER												
31	Dakshinanchal Vidyut Vitaran Nigam Limited (Subsidiary of Uttar Pradesh Power Corporation Limited)	Energy	1.05.2003	-	-	3264.14	3264.14	77.98	-	1056.35	1134.33	0.35:1 (0.35:1)	5243
32	Kanpur Electricity Supply Company Limited	Energy	21.07.1999	-	-	213.15	213.15	-	-	3086.37	3086.37	14.48:1 (2.77:1)	1760
33	Madhyanchal Vidyut Vitaran Nigam Limited (Subsidiary of Uttar Pradesh Power Corporation Limited)	Energy	01.05.2003	-	-	3006.39	3006.39	-	-	1800.56	1800.56	0.60:1 (0.22:1)	8155
34	Paschimanchal Vidyut Vitaran Nigam Limited (Subsidiary of Uttar Pradesh Power Corporation Limited)	Energy	01.05.2003	-	-	3155.68	3155.68	-	-	9781.05	9781.05	3.1:1 (0.79:1)	6119
35	Purvanchal Vidyut Vitaran Nigam Limited (Subsidiary of Uttar Pradesh Power Corporation Limited)	Energy	01.05.2003	-	-	3084.67	3084.67	-	-	1855.68	1855.68	0.60:1 (0.03:1)	16390
36	Sonebhadra Power Generation Company Limited	Energy	14.02.2007	-	-	0.07	0.07	-	-	-	0.00	-	-
37	UCM Coal Company Limited	Energy	16.02.2008	-	-	0.16	0.16	-	-	0.50	0.50	3.13:1 (2:1)	-

9824

(1)	(2)	(3)	(4)	5(a)	5(b)	5(c)	5(d)	6(a)	6(b)	6(c)	6(d)	(7)	(8)
38	UPSIDC Power Company Limited (Subsidiary of Uttar Pradesh State Industrial Corporation Limited)	Energy	11.04.2000	-	-	0.05	0.05	-	-	-	0.00	-	0
39	Uttar Pradesh Jal Vidyut Nigam Limited	Energy	15.04.1985	433.13	-	-	433.13	64.65	-	85.21	149.86	0.35:1 (0.35:1)	587
40	Uttar Pradesh Power Corporation Limited	Energy	30.11.1999	40740.82	-	-	40740.82	-	-	49760.07	49760.07	1.22:1 (0.51:1)	1585
41	Uttar Pradesh Power Transmission Corporation Limited (Subsidiary of Uttar Pradesh Power Corporation Limited)	Energy	13.07.2006	4445.51	-	5.00	4450.51	-	-	6295.68	6295.68	1.41:1 (1.08:1)	5852
42	Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited	Energy	22.08.1980	7841.00	-	-	7841.00	-	-	10197.53	10197.53	13.01:1 (1.29:1)	7708
43	Western U.P. Power Transmission Company	Energy	-	-	-	-	0.00	-	-	-	0.00	-	
44	Jawahar Vidyut Utpadan Nigam Limited	Energy	-	-	-	0.05	0.05	-	-	-	0.00	-	-
45	Yamuna Power Generation Corp. Limited	Energy	20.04.2010				0.00				0.00	-	
	Sector wise total			**53460.46**	**0.00**	**12729.36**	**66189.82**	**142.63**	**0.00**	**83919.00**	**84061.63**	0.80:1 (0.58:1)	**53399**
	SERVICE												
46	Abhyaranya Paripath Paryatan Limited	Tourism	20.02.2009	-	-	0.05	0.05	-	-	-	-	-	-
47	Adyhavasai Paripath Paryatan Limited	Tourism	20.02.2009	-	-	0.05	0.05	-	-	-	-	-	-
48	Awadh Paryatan Limited	Tourism	20.02.2009	-	-	0.05	0.05	-	-	-	-	-	-
49	Bithpur Paripath Paryatan Ltd.	Tourism	20.02.2009	-	-	0.05	0.05	-	-	-	-	-	-
50	Braj Darshan Paripath Paryatan Limited	Tourism	20.02.2009	-	-	0.05	0.05	-	-	-	-	-	-

150251.45
-27482.09
~~66481.62~~
122769.36
-2-

(1)	(2)	(3)	(4)	5(a)	5(b)	5(c)	5(d)	6(a)	6(b)	6(c)	6(d)	(7)	(8)
51	Braj Paripath Paryatan Limited	Tourism	20.02.2009	-	-	0.05	0.05	-	-	-	-	-	-
52	Bundelkhand Paripath Paryatan Limited	Tourism	20.02.2009	-	-	0.05	0.05	-	-	-	-	-	-
53	Ganga Saryu Paripath Paryatan Limited	Tourism	20.02.2009	-	-	0.05	0.05	-	-	-	-	-	-
54	Garhmukteshwar Paryatan Limited	Tourism	20.02.2009	-	-	0.05	0.05	-	-	-	-	-	-
55	Gyanodaya Paripath Paryatan Limited	Tourism	20.02.2009	-	-	0.05	0.05	-	-	-	-	-	-
56	Hastinapur Paripath Paryatan Limited	Tourism	20.02.2009	-	-	0.05	0.05	-	-	-	-	-	-
57	Hindon Paryatan Limited	Tourism	20.02.2009	-	-	0.05	0.05	-	-	-	-	-	-
58	Madhyanchal Paripath Paryatan Limited	Tourism	20.02.2009	-	-	0.05	0.05	-	-	-	-	-	-
59	Paanchal Paripath Paryatan Limited	Tourism	20.02.2009	-	-	0.05	0.05	-	-	-	-	-	-
60	Pachimanchal Paripath Paryatan Limited	Tourism	20.02.2009	-	-	0.05	0.05	-	-	-	-	-	-
61	Sangam Paripath Paryatan Limited	Tourism	20.02.2009	-	-	0.05	0.05	-	-	-	-	-	-
62	Satyadarshan Paripath Paryatan Limited	Tourism	20.02.2009	-	-	0.05	0.05	-	-	-	-	-	-
63	Shajhanpur Paripath Paryatan Limited	Tourism	20.02.2009	-	-	0.05	0.05	-	-	-	-	-	-
64	Siddartha Paripath Paryatan Limited	Tourism	20.02.2009	-	-	0.05	0.05	-	-	-	-	-	-
65	Taj Shilp Paryatan Limited	Tourism	20.02.2009	-	-	0.05	0.05	-	-	-	-	-	-
66	Taj Virasat Paripath Paryatan Limited	Tourism	20.02.2009	-	-	0.05	0.05	-	-	-	-	-	-
67	Triveni Paripath Paryatan Limited	Tourism	20.02.2009	-	-	0.05	0.05	-	-	-	-	-	-

(1)	(2)	(3)	(4)	5(a)	5(b)	5(c)	5(d)	6(a)	6(b)	6(c)	6(d)	(7)	(8)
68	Uttar Pradesh Development Systems Corporation Limited	Electronics & information Technology	15.03.1977	1.00	-	-	1.00	-	-	-	-	-	89
69	Uttar Pradesh Export Corporation Limited	Niryat Protsahan	20.01.1996	6.34	0.90	-	7.24	7.44	-	-	7.44	1.03:1 (1.03:1)	142
70	Uttar Pradesh Food and Essential Commodities Corporation Limited	Food & Civil Supplies	22.10.1974	5.50	-	-	5.50	13.47	-	-	13.47	2.45:1 (2.45:1)	776
71	Uttar Pradesh State Tourism Development Corporation Limited	Tourism	05.08.1974	18.60	-	-	18.60	1.57	-	-	1.57	0.08:1 (0.13:1)	542
	Sector wise total			**31.44**	**0.90**	**1.10**	**33.44**	**22.48**	**0.00**	**0.00**	**22.48**	0.67:1 (0.69:1)	**1549**
	MISCELLANEOUS											-	
72	Uttar Pradesh Mahila Kalyan Nigam Limited	Mahila Kalyan	17.03.1988	4.71	0.48	-	5.19	-	-	-	-	-	24
73	Uttar Pradesh Purva Sainik Kalyan Nigam Limited	Samaj Kalyan	23.05.1989	0.43	-	-	0.43	-	-	-	-	-	137
74	Uttar Pradesh Waqf Vikas Nigam Limited	Waqf & Alpsankhyak	27.04.1987	7.50	-	-	7.50	--	--	-	-	-	24
75	Lucknow City Transport Services Limited	Transport	01.02.2010	-	-	-	0.00	-	-	-	-	-	-
76	Meerut City Transport Services Limited	Transport	-	-	-	-	0.00	-	-	-	-	-	-
77	Allahabad City Transport Services	Transport	-	-	-	9.82	9.82	-	-	6.51	6.51	0.66:1	505
78	Agra Mathura City Transport Services Limited	Transport	-	0.05	-	-	0.05	25.65	-	-	25.65	-	816
79	Kanpur City Transport Services Limited	Transport	28.04.2010				0.00					-	
80	Varanasi City Transport Services Limited	Transport	15.06.2010				0.00					-	
	Sector wise total			**12.69**	**0.48**	**9.82**	**22.99**	**25.65**	**0.00**	**6.51**	**32.16**	-	**1506**
	Total A (All sector wise working Government companies)			**56184.36**	**120.19**	**12837.42**	**69141.97**	**788.81**	**0.00**	**84067.91**	**84856.72**	0.77:1 (0.57:1)	**71444**

55.92

(1)	(2)	(3)	(4)	5(a)	5(b)	5(c)	5(d)	6(a)	6(b)	6(c)	6(d)	(7)	(8)
B	**Working Statutory Corporations**												
	AGRICULTURE & ALLIED												
1	Uttar Pradesh State Warehousing Corporation	Cooperative	19.03.1958	7.79		5.58	13.37	-	-	-	-	-	1510
	Sector wise total			**7.79**		**5.58**	**13.37**	**0.00**	**0.00**	**0.00**	**0.00**	-	**1510**
	FINANCING												
2	Uttar Pradesh Financial Corporation	Industry Development	01.11.1954	114.51	-	64.78	179.29	271.43	-	376.59	648.02	3.61:1 (3.61:1)	697
	Sector wise total			**114.51**	**0.00**	**64.78**	**179.29**	**271.43**	**0.00**	**376.59**	**648.02**	3.61:1 (3.61:1)	**697**
	INFRASTRUCTURE											-	
3	Uttar Pradesh Avas Evam Vikas Parishad	Housing and Urban Planning	03.04.1966	-	-	-	-	-	-	-	-	-	4133
4	Uttar Pradesh Jal Nigam	Urban Development	06.06.1975	-	-	-	-	255.55	-	-	255.55	-	-
	Sector wise total			**0.00**	**0.00**	**0.00**	**0.00**	**255.55**	**0.00**	**0.00**	**255.55**	-	**4133**
	SERVICE												
5	Uttar Pradesh State Road Transport Corporation	Transport	01.06.1972	358.06	60.01	-	418.07	-	-	292.86	292.86	0.70:1 (0.61:1)	-
6	Uttar Pradesh Government Employees Welfare Corporation	Food & Civil Suplies	05.05.1965	-	-	-	-	9.51	-	-	9.51	-	889
	Sector Wise total			**358.06**	**60.01**	**0.00**	**418.07**	**9.51**	**0.00**	**292.86**	**302.37**	0.61:1 (0.68:1)	**889**
	Miscellaneous												
7	Uttar Pradesh Forest Corporation**	Forest	25.11.1974	-	-	-	-	-	-	-	-	-	2366
	Sector Wise total			0.00	0.00	0.00	0.00	0.00	0.00	**0.00**	**0.00**	-	**2360**
	Total B (All Sector wise working statutory corporations)			**480.36**	**60.01**	**70.36**	**610.73**	**536.49**	**0.00**	**669.45**	**1205.94**	1.66:1 (1.73:1)	**9589**
	Total (A+B)			**56664.72**	**180.20**	**12907.78**	**69752.70**	**1325.30**	**0.00**	**84737.36**	**86062.66**	0.78:1 (0.58:1)	**81033**

(1)	(2)	(3)	(4)	5(a)	5(b)	5(c)	5(d)	6(a)	6(b)	6(c)	6(d)	(7)	(8)
C	**Non working Companies**												
	AGRICULTURE & ALLIED												
1	Command Area Poultry Development Corporation Limited (619-B company)	Matsya & Pashudhan		-	-	0.24	0.24				0.00	-	
2	Uttar Pradesh (Poorva) Ganna Beej Evam Vikas Nigam Limited	Sugar Industry & Cane development	27.08.1975	0.23	-	0.08	0.31	1.69	-		1.69	5.45:1 (5.45:1)	19
3	Uttar Pradesh (Rohilkhand Tarai) Ganna Beej Evam Vikash Nigam Limited	Sugar Industry & Cane development	27.08.1975	0.38	-	0.33	0.71	6.55	-	-	6.55	9.23:1 (9.23:1)	-
4	Uttar Pradesh Pashudhan Udyog Nigam Limited	Matsya & Pashudhan	05.03.1975	2.10	0.63	-	2.73	0.71	-	-	0.71	0.26:1 (0.26:1)	0
5	Uttar Pradesh Poultry and Livestock Specialties Limited	Matsya & Pashudhan	07.12.1974	1.66	1.28	-	2.94	1.10	-	-	1.10	0.37:1 (0.37:1)	-
6	Uttar Pradesh State Horticultural Produce Marketing & Processing Corporation Limited	Food Processing	06.04.1977	6.41	-	0.64	7.05	1.22	-	-	1.22	0.17:1 (0.17:1)	330
	Sector wise Total			**10.78**	**1.91**	**1.29**	**13.98**	**11.27**	**0.00**	**0.00**	**11.27**	0.81:1 (0.81:1)	**349**
	FINANCING												
7	Uplease Financial Services Limited (Subsidiary of Uttar Pradesh Electronics Corporation Limited)	Electronics & Information Technolgogy	05.01.1988	-	-	1.06	1.06	-	-	4.15	4.15	3.92:1 (3.92:1)	-
8	Uttar Pradesh Panchayati Raj Vitta Evam Vikas Nigam Limited	Panchyati Raj	24.04.1973	0.78	-	0.66	1.44	-	-	-	-	-	52
	Sector Wise Total			**0.78**	**0.00**	**1.72**	**2.50**	**0.00**	**0.00**	**4.15**	**4.15**	1.66:1 (1.66:1)	**52**

(1)	(2)	(3)	(4)	5(a)	5(b)	5(c)	5(d)	6(a)	6(b)	6(c)	6(d)	(7)	(8)
	INFRASTRUCTURE												
9	Uttar Pradesh Cement Corporation Limited	Industry Development	19.03.1972	66.28	-	-	66.28	124.77	-	-	124.77	1.88:1 (1.88:1)	
10	Uttar Pradesh State Mineral Development Corporation Limited	Industry Development	23.03.1974	59.43	-	-	59.43	18.24	-	1.50	19.74	0.33:1 (0.33:1)	
11	Vindhyachal Abrasives Limited (Subsidiary of Uttar Pradesh State Mineral Development Corporation Limited)	Industry Development	05.12.1985	-	-	0.08	0.08	-	-	0.84	0.84	10.50:1 (10.50:1)	-
	Sector wise Total			**125.71**	**0.00**	**0.08**	**125.79**	**143.01**	**0.00**	**2.34**	**145.35**	1.16:1 (1.16:1)	**0**
	MANUFACTURE												
12	Auto Tractors Limited	Industry Development	28.12.1972	5.63	-	1.87	7.50	0.38	-	-	0.38	0.05:1 (0.05:1)	-
13	Bhadohi Woollens Limited (Subsidiary of Uttar Pradesh State Textile Corporation Ltd.)	HatKargha & Vastra Udyog	14.06.1976	-	-	3.76	3.76	-	-	-	0.00	-	-
14	Chhata Sugar Company Limited (Subsidiary of Uttar Pradesh State Sugar Corporation Limited)	Sugar Industry and Cane Development	18.04.1975	-	-	81.38	81.38	-	4.00	18.98	22.98	0.28:1 (0.24:1)	11
15	Continental Float Glass Limited	Industry Development	12.04.1985	-	-	46.24	46.24	-	-	138.85	138.85	3:1 (3:1)	-
16	Electronics and Computers (India) Limited (619-B Company)				-		0.00	-	-	-	0.00	-	-
17	Ghatampur Sugar Company Limited (Subsidiary of Uttar Pradesh State Sugar Corporation Limited)	Sugar Industry and Cane Development	30.05.1986	-	-	147.72	147.72	-	-	13.24	13.24	0.09:1 (0.07:1)	13
18	Kanpur Components Limited (Subsidiary of Uttar Pradesh Electronics Corporation Ltd.)	Electronic & Information Technology	31.03.1978	-	-	0.05	0.05	-	-	-	0.00	0.00	-

(1)	(2)	(3)	(4)	5(a)	5(b)	5(c)	5(d)	6(a)	6(b)	6(c)	6(d)	(7)	(8)
19	Nandganj-Sihori Sugar Company Limited (Subsidiary of Uttar Pradesh State Sugar Corporation Limited)	Sugar Industry and Cane Development	18.04.1975	-	-	34.04	34.04	-	-	7.69	7.69	0.23:1 (0.23:1)	80
20	The Indian Turpentine and Rosin Company Limited	Industry Development	22.02.1974	0.19	-	0.03	0.22	5.33	-	1.88	7.21	32.77:1 (32.77:1)	-
21	Uttar Pradesh Abscott Private Limited (Subsidiary of Uttar Pradesh Small Industries Corporation Limited)	Laghu Udyog	18.6.1972	-	-	0.05	0.05	-	-	-	0.00	-	-
22	Uttar Pradesh Carbide and Chemicals Limited (Subsidiary of Uttar Pradesh State Mineral Development Corporation Ltd.)	Industry Development	23.04.1979	-	-	6.59	6.59	11.02	-	-	11.02	1.67:1 (1.67:1)	
23	Uttar Pradesh Instruments Limited (Subsidiary of Uttar Pradesh State Industrial Development Corporation Limited)	Industry Development	1.01.1975	0.09	-	1.93	2.02	5.55	-	11.49	17.04	8.44:1 (8.44:1)	259
24	Uttar Pradesh Plant Protection Appliances (Private) Limited (Subsidiary of Uttar Pradesh Small Industries Corporation Limited)	Laghu Udyog	28.6.1972	-	-	0.02	0.02	-	-	-	0.00	-	-
25	Uttar Pradesh State Brassware Corporation Limited	Niryat Protsahan	12.02.1974	5.28	0.10	-	5.38	1.94	-	-	1.94	0.36:1 (0.36:1)	
26	Uttar Pradesh State Textile Corporation Limited	HatKargha & Vastra Udyog	02.12.1969	197.10	-	-	197.10	7.15	-	-	7.15	0.04: 1 (0.4:1)	0

(1)	(2)	(3)	(4)	5(a)	5(b)	5(c)	5(d)	6(a)	6(b)	6(c)	6(d)	(7)	(8)
27	Uttar Pradesh Tyre and Tubes Limited (Subsidiary of Uttar Pradesh State Industrial Development Corporation Limited)	Industry Develoment	14.01.1976	-	-	1.83	1.83	-	-	-	0.00	-	-
	Sector Wise Total			**208.29**	**0.10**	**325.51**	**533.90**	**31.37**	**4.00**	**192.13**	**227.50**	0.42:1 (0.58:1)	**363**
	SERVICE SECTOR												
28	Agra Mandal Vikas Nigam Limited	Bhumi Vikas & Jal Sansadhan	31.03.1976	1.00	-	-	1.00	0.05	-	-	0.05	0.05:1 (0.05:1)	
29	Allahabad Mandal Vikas Nigam Limited	Bhumi Vikas & Jal Sansadhan	31.03.1976	0.67	-	-	0.67	0.66	-	-	0.66	0.99:1 (0.99:1)	-
30	Bareilly Mandal Vikas Nigam Limited	Bhumi Vikas & Jal Sansadhan	31.03.1976	1.25	-	-	1.25	-	-	-	0.00	-	-
31	Gorakhpur Mandal Vikas Nigam Limited	Bhumi Vikas & Jal Sansadhan	31.03.1976	0.94	-	0.32	1.26	0.65	-	0.27	0.92	0.73:1 (0.70:1)	-
32	Lucknow Mandaliya Vikas Nigam Limited	Bhumi Vikas & Jal Sansadhan	31.03.1976	0.70	-	-	0.70	0.86	-	-	0.86	1.23:1 (1.23:1)	-
33	Meerut Mandal Vikas Nigam Limited	Bhumi Vikas & Jal Sansadhan	31.03.1976	1.00	-	-	1.00	-	-	-	0.00	-	-
34	Moradabad Mandal Vikas Nigam Limited	Bhumi Vikas & Jal Sansadhan	30.03.1978	0.25	-	-	0.25	0.65	-	-	0.65	2.60:1 (2.60:1)	
35	Tarai Anusuchit Janjati Vikas Nigam Limited	Samaj Kalyan	2.08.1975	0.45	-	-	0.45	1.25	-	-	1.25	2.78:1 (2.78:1)	
36	Uttar Pradesh Bundelkhand Vikas Nigam Limited	Bhumi Vikas & Jal Sansadhan	30.03.1971	2.46	-	-	2.46	0.05	-	-	0.05	0.02:1 (0.04:1)	0
37	Uttar Pradesh Chalchitra Nigam Limited	Tax and Institutional Finance	10.09.1975	8.18	-	-	8.18	2.47	-	-	2.47	0.30:1 (0.30:1)	0

(1)	(2)	(3)	(4)	5(a)	5(b)	5(c)	5(d)	6(a)	6(b)	6(c)	6(d)	(7)	(8)
38	Uttar Pradesh Poorvanchal Vikas Nigam Limited	Bhumi Vikas & Jal Sansadhan	30.03.1971	1.30	-	-	1.30	0.35	-	-	0.35	0.27:1 (0.27:1)	-
39	Varanasi Mandal Vikas Nigam Limited	Bhumi Vikas & Jal Sansadhan	31.03.1976	0.70	-	-	0.70	0.00	-	-	0.00	(0.43:1)	-
	Sector wise Total			**18.90**	**0.00**	**0.32**	**19.22**	**6.99**	**0.00**	**0.27**	**7.26**	0.42:1 (0.41:1)	**0**
	Total C (All sector wise non working companies)			**364.46**	**2.01**	**328.92**	**695.39**	**192.64**	**4.00**	**198.89**	**395.53**	0.56:1 (0.69:1)	**764**
	Grand Total (A+B+C)			**57029.18**	**182.21**	**13236.70**	**70448.09**	**1517.94**	**4.00**	**84936.25**	**86458.19**	1.38:1 (0.78:1)	**81797**

156906.28
-27482.09
129424.19

Note 1: Above includes 619-B companies at Sl. No. A-18, C-1 and C-16.

Note 2 : Companies at Sl. No. A-46 to A-67 are subsidiaries of Uttar Pradesh State Tourism Development Corporation Limited

$ Paid up capital includes share application money

* Loans outstanding at the close of 2012-13 represents long term loans only.

** The audit of Accounts for the period 1999-2000 to 2007-08 was conducted by Local Audit and Audit for the year 2008-09 was entrusted to this Office as per order of the Forest Corporation dated 31 July 2010 after doing necessary amendments in the UP Forest Corporation Act, 1974.

Annexure-1.2

(Referred to in paragraph 1.10)

Statement showing grants and subsidy received/receivable, guarantees received, waiver of dues, loans written off and loans converted in to equity during the year and guarantee commitment at the end of March 2014

(Figures in column 3(a) to 6 (d) are ₹ in crore)

Sl. No.	Sector and name of the company	Equity / loans received out of budget during the year		Grants and subsidy received during the year				Guarantees received during the year and commitment at the end of the year		Waiver of dues during the year			
		Equity	Loans	Central Government	State Government	Others	Total	Received	Commitment @	Loan repayment written off	Loans converted into equity	Interest / penal interest waived	Total
1	2	3(a)	3(b)	4(a)	4(b)	4(c)	4(d)	5(a)	5(b)	6(a)	6(b)	6(c)	6(d)
A	**Working Government companies**												
	AGRICULTURE AND ALLIED												
1	UP Agro Industrial corporation Limited		85.00				0.00	85.00					
	Sector wise total	**0.00**	**85.00**	**0.00**	**0.00**	**0.00**	**0.00**	**85.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
	FINANCING												
2	Uttar Pradesh Scheduled Castes Finance and Development Corporation Limited	0.00			78.61		78.61						
3	The Pradeshiya Industrial and Investment Corporation of Uttar Pradesh Limited								5.52				
4	Uttar Pradesh Pichhara Varg Vitta Evam Vikas Nigam Limited								52.65				
	Sector wise total	**0.00**	**0.00**	**0.00**	**78.61**	**0.00**	**78.61**	**0.00**	**58.17**	**0.00**	**0.00**	**0.00**	**0.00**
	INFRASTRUCTURE												
5	Lucknow Metro Rail Corporation Limited	**0.05**											
	MANUFACTURE												
6	Uttar Pradesh Electronics Corporation Limited.				0.88		0.88						
7	UP State Spinning Company Ltd.		0.69				0.00						

1	2	3(a)	3(b)	4(a)	4(b)	4(c)	4(d)	5(a)	5(b)	6(a)	6(b)	6(c)	6(d)
8	Uttar Pradesh State Yarn Company Limited (Subsidiary of Uttar Pradesh State Textile Corporation Limited)		0.74				0.00						
	Sector Wise total	**0.00**	**1.43**	**0.00**	**0.88**	**0.00**	**0.88**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
	POWER												
9	Paschimanchal Vidyut Vitaran Nigam Limited (Subsidiary of Uttar Pradesh Power Corporation Limited)				1546.79		1546.79	4.68					
10	Uttar Pradesh Jal Vidyut Nigam Limited	1.39				0.68	0.68						
11	UP Rajya Vidyut Utapadan Nigam Limited	252.01					0.00		8894.00				
12	Uttar Pradesh Power Corporation Limited	5067.59					0.00		145.00	-	-	-	-
13	Kanpur Electricity Supply Company Limited				45.56		45.56						
	Sector wise total	**5320.99**	**0.00**	**0.00**	**1592.35**	**0.68**	**1593.03**	**4.68**	**9039.00**	**0.00**	**0.00**	**0.00**	**0.00**
	SERVICE												
14	Uttar Pradesh Food & Essential Commodities Corporation Limited		35.00				0.00	35.00		-	-	-	-
	Sector wise total	**0.00**	**35.00**	**0.00**	**0.00**	**0.00**	**0.00**	**35.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
	MISCELLANEOUS												
15	Uttar Pradesh Mahila Kalyan Nigam Limited	**0.00**	**0.00**	**0.00**	**2.38**	**0.00**	2.38						
	Sector wise total	**0.00**	**0.00**	**0.00**	**2.38**	**0.00**	**2.38**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
	Total A (All sector wise working Government companies)	**5320.99**	**121.43**	**0.00**	**1674.22**	**0.68**	**1674.90**	**124.68**	**9097.17**	**0.00**	**0.00**	**0.00**	**0.00**
B	**Working Statutory Corporations**												
	INFRASTRUCTURE												
1	Uttar Pradesh Jal Nigam	-	-	-	1215.17	-	1215.17	-	-	-	-	-	-
	Sector wise total	**0.00**	**0.00**	**0.00**	**1215.17**	**0.00**	**1215.17**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
	SERVICE												
2	Uttar Pradesh State Road Transport Corporation	3.43					0.00						

1	2	3(a)	3(b)	4(a)	4(b)	4(c)	4(d)	5(a)	5(b)	6(a)	6(b)	6(c)	6(d)
	Sector wise total	3.43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Total B (all sector wise statutory corporations)	**3.43**	**0.00**	**0.00**	**1215.17**	**0.00**	**1215.17**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
	Total (A+B)	**5324.42**	**121.43**	**0.00**	**2889.39**	**0.68**	**2890.07**	**124.68**	**9097.17**	**0.00**	**0.00**	**0.00**	**0.00**
C	**Non working Companies**												
	MANUFACTURE												
1	UP State Textile Corporation Ltd.	-	0.29	-	-	-	0.00	-	-	-	-	-	-
2	Uttar Pradesh State Handloom Corporation Limited		2.08				0.00						
3	Chhata Sugar Company Limited (Subsidiary of Uttar Pradesh State Sugar Corporation Limited)								22.98				
	Sector Wise Total	**0.00**	**2.37**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**22.98**	**0.00**	**0.00**	**0.00**	**0.00**
	Total C (All sector wise non working companies)	**0.00**	**2.37**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**22.98**	**0.00**	**0.00**	**0.00**	**0.00**
	Grand Total (A+B+C)	**5324.42**	**123.80**	**0.00**	**2889.39**	**0.68**	**2890.07**	**124.68**	**9120.15**	**0.00**	**0.00**	**0.00**	**0.00**

@ Figures indicate total guarantee outstanding at the end of the year.

Annexure -1.3

(Referred to in paragraph 1.13)

Summarised financial results of Government companies and Statutory corporations for the latest year for which accounts were finalised.

(Figures in columns 5(a) to 11 are ₹ in crore)

Sr. No.	Sector & Name of the Company	Period of accounts	Year in which finalised	Net profit(+) / Loss(-)				Turn over	Impact of accounts Comments #	Paid up capital	Acumulated Profit (+)/ Loss	Capital employed@	Return on capital employed$	Percen-tage return on capital emplo-yed
				Net profit/ loss before interest and Depreciation	Interest	Depreciation	Net Profit / Loss							
(1)	(2)	(3)	(4)	5(a)	5(b)	5(c)	5(d)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
A	**Working Government Companies**													
	AGRICULTURE AND ALLIED													
1	Uttar Pradesh (Madhya) Ganna Beej Evam Vikas Nigam Limited	2013-14	2014-15	0.07	0.00	0.00	0.07	0.14	-	0.23	-0.70	**1.92**	0.07	3.65
2	Uttar Pradesh (Paschim) Ganna Beej Evam Vikas Nigam Limited	2012-13	2012-13	-0.08	0.00	0.00	-0.08	0.03	-	0.64	0.75	1.44	-0.08	-
3	Uttar Pradesh Beej Vikas Nigam Limited	2010-11	2013-14	18.40	1.89	0.86	15.65	338.1	-	6.92	90.21	91.25	17.54	19.22
4	Uttar Pradesh Bhumi Sudhar Nigam	2008-09	2012-13	-0.03	-	0.10	-0.13	1.86	(DL) 34.27	1.50	0.23	23.59	-0.13	-
5	Uttar Pradesh Matsya Vikas Nigam Limited	2007-08	2013-14	0.71	0.00	0.10	0.55	2.16	(IP) 0.02 (DP) 2.263	1.07	0.47	5.26	0.55	10.46
6	U.P. Projects Corporation Limited	2011-12	2013-14	15.15	0.00	0.19	14.96	593.29	(DP) 24.80	6.40	45.23	51.63	14.96	28.98
7	Uttar Pradesh State Agro Industrial Corporation Limited	2008-09	2013-14	33.76	16.00	0.085	17.67	660.92	(DP) 3.31	40.00	-39.91	73.68	14.03	19.04
	Sector wise total			**67.91**	**17.89**	**1.33**	**48.69**	**1596.50**	**-**	**56.76**	**96.28**	**248.77**	**46.94**	**18.87**

(1)	(2)	(3)	(4)	5(a)	5(b)	5(c)	5(d)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	FINANCING													
8	The Pradeshiya Industrial and Investment Corporation of UP Limited	2011-12	2012-13	17.68	6.25	0.89	10.54	8.55	(DP) 8.46	135.58	-353.40	204.94	16.79	8.19
9	Uttar Pradesh Alpsankhyak Vittya Avam Vikas Nigam Limited	1995-96	2010-11	0.70	0.45	0.01	0.24	1.14	(DP) 5.29	14.23	0.12	20.94	0.69	3.30
10	Uttar Pradesh Pichhara Varg Vitta Evam Vikas Nigam Limited	2011-12	2014-15	2.42	2.42	0.01	-0.01	2.94	(IL) 23.75	8.10	7.17	62.71	2.41	3.84
11	Uttar Pradesh Scheduled Castes Finance and Development Corporation Limited	2010-11	2014-15	11.99	1.99	0.17	9.83	27.22	(IP) 0.88 (DP) 4.00	202.12	80.21	297.92	11.82	3.97
12	Uttar Pradesh State Industrial Development Corporation Limited	2009-10	2012-13	68.08	0.00	6.43	61.65	103.16	(DP) 1.52	24.08	0.01	244.36	61.65	25.23
	Sector wise total			**100.87**	**11.11**	**7.51**	**82.25**	**143.01**	**0.00**	**384.11**	**-265.89**	**830.87**	**93.36**	**11.24**
	INFRASTRUCTURE													
13	Uttar Pradesh Police Avas Nigam Limited	2012-13	2013-14	-4.36	0.003	0.11	-4.47	60.23	(IL) 0.82 (DL) 0.15	3.00	-8.64	11.64	-4.47	-38.38
14	Uttar Pradesh Rajkiya Nirman Nigam Limited	2010-11	2012-13	237.81	0.42	4.90	232.49	3680.72	(DP) 26.73	1.00	567.58	568.59	232.91	40.96
15	Uttar Pradesh Samaj Kalyan Nirman Nigam Limited	2012-13	2013-14	-1.17	0.01	1.25	-2.43	329.78	-	0.15	57.42	57.57	-2.42	-4.20
16	Uttar Pradesh State Bridge Corporation Limited	2011-12	2013-14	38.13	0.82	3.26	34.05	951.78	(IP) 4.29 (DP) 37.88	15.00	103.00	138.19	34.87	25.23
17	Lucknow Metro Rail Corporation Limited	Accounts not finalized		-	-	-	-	-	-	0.05	-	-	-	-
	Sector wise total			**270.42**	**1.26**	**9.52**	**259.64**	**5022.51**	**0.00**	**19.15**	**719.36**	**775.99**	**260.90**	**33.62**

(1)	(2)	(3)	(4)	5(a)	5(b)	5(c)	5(d)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	MANUFACTURE													
18	Almora Magnesite Limited(619-B Company)	2013-14	2014-15	-0.82	0.13	0.31	-1.26	22.78	-	2.00	0.78	2.82	0.17	2.73
19	Shreetron India Limited (Subsidiary of Uttar Pradesh Electronics Corporation Limited)	2013-14	2014-15	0.70	0.01	0.47	0.22	12.18	(IL) 1.51	7.22	4.36	14.22	0.23	1.61
20	Uptron India Limited (Subsidiary of Uttar Pradesh Electronics Corporation Limited)	1995-96	1997-98	-1.99	28.06	2.07	-32.12	97.15	-	53.16	-196.73	52.06	-4.06	-
21	Uptron Powertronics Ltd. (subsidiary of Uttar Pradesh Electronics Corporation)	2012-13	2013-14	0.62	0.01	0.41	0.20	20.07	(DP) 0.18	4.07	-5.99	6.79	0.21	3.09
22	Uttar Pradesh Drugs and Pharmaceuticals Limited	2009-10	2012-13	-8.13	0.26	0.14	-8.53	0.33	-	1.10	-26.59	-14.02	-8.27	-
23	Uttar Pradesh Electronics Corporation Limited.	2012-13	2013-14	1.82	0.08	0.05	1.69	29.15	-	87.66	2.99	**207.79**	1.78	0.86
24	Uttar Pradesh Rajya Chini Avam Ganna Vikas Nigam Limited	2010-11	2013-14	71.17	0.05	0.21	70.91	18.68	(DP) 0.28	880.13	-791.93	87.40	70.96	81.19
25	Uttar Pradesh Small Industries Corporation Limited	2003-04	2011-12	1.02	0.54	0.84	-0.36	15.75	(DL) 6.67	5.96	-17.06	8.96	0.18	2.01
26	Uttar Pradesh State Handloom Corporation Limited	1996-97	2010-11	-7.88	1.38	0.42	-9.68	29.18	(DP) 0.01	24.38	-47.83	31.59	-8.30	-
27	Uttar Pradesh State Leather Development and Marketing Corporation Limited	2000-01	2002-03	0.42	0.05	0.11	0.26	3.60	-	573.94	-6.85	4.81	0.31	6.44

(1)	(2)	(3)	(4)	5(a)	5(b)	5(c)	5(d)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
28	Uttar Pradesh State Spinning Company Limited	2012- 13	2013-14	-8.78	0.00	1.00	-9.78	40.09	(IL) 5.78	93.24	-216.2	35.03	-9.78	-
29	Uttar Pradesh State Sugar Corporation Limited	2010-11	2014-15	-6.55	13.97	2.27	-22.79	122.93	(IL) 0.89	1103.71	-86.47	**1027.47**	-8.82	-0.86
30	Uttar Pradesh State Yarn Company Limited (Subsidiary of Uttar Pradesh State Textile Corporation Limited)	2012- 13	2014-15	-2.07	3.08	0.19	-5.34	0.00		31.91	-177.69	-8.81	-2.26	-
	Sector wise total			**39.53**	**47.62**	**8.49**	**-16.58**	**411.89**	**0.00**	**2868.48**	**-1565.21**	**1456.11**	**32.35**	**2.22**
	POWER													
31	Dakshinanchal Vidyut Vitaran Nigam Limited (Subsidiary of Uttar Pradesh Power Corporation Limited)	2012- 13	2013-14	-1843.69	1354.95	165.42	-3364.06	3932.46	(IL) 28.00	1946.38	-13662.16	**641.74**	-2009.11	-
32	Kanpur Electricity Supply Company Limited	2012-13	2013-14	-340.73	186.88	17.26	-544.87	1145.72	(IL) 3.03 (DL) 0.42	163.15	-2646.87	-635.79	-357.99	-
33	Madhyanchal Vidyut Vitaran Nigam Limited (Subsidiary of Uttar Pradesh Power Corporation Limited)	2012-13	2013-14	-1244.38	675.19	113.43	-2033	3660.56	(IL) 59.41	2306.16	-8470.38	1849.09	-1357.81	-
34	Paschimanchal Vidyut Vitaran Nigam Limited (Subsidiary of Uttar Pradesh Power Corporation Limited)	2012-13	2013-14	-391.70	726.25	185.4	-1303.35	7352.87	(IL) 26.78 (DL) 7.41	1839.15	-7582.92	2460.61	-577.10	-
35	Purvanchal Vidyut Vitaran Nigam Limited (Subsidiary of Uttar Pradesh Power Corporation Limited)	2012-13	2013-14	-1531.25	870.04	131.55	-2532.84	4064.51	(IL) 76.86	2204.23	-11015.77	712.96	-1662.80	-

(1)	(2)	(3)	(4)	5(a)	5(b)	5(c)	5(d)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
36	Sonebhadra Power Generation Company Limited	2010-11	2013-14	-2.42	0.00	0.00	-2.42	0.00	-	0.07	-2.97	-2.90	-2.42	-
37	UCM Coal Company Limited	2013-14	2014-15	0.00	0.00	0.00	0.00	0.00	-	0.16	0.00	0.83	0.00	-
38	UPSIDC Power Company Limited (Subsidiary of Uttar Pradesh State Industrial Development Corporation Limited)	2011-12	2013-14	-0.02	0.00	0.00	-0.02	0.01	-	0.05	-0.22	-0.17	-0.02	-
39	Uttar Pradesh Jal Vidyut Nigam Limited	2011-12	2014-15	-62.31	22.53	10.38	-95.22	77.22	(DL) 11.42	431.75	-368.44	240.22	-72.70	-30.26
40	Uttar Pradesh Power Corporation Limited	2012 -13	2013-14	-3297.23	179.96	2.13	-3479.32	26617.01	(IL) 21.44	34948.78	-33189.92	31948.18	-3299.36	-
41	Uttar Pradesh Power Transmission Corporation Limited (Subsidiary of Uttar Pradesh Power Corporation Limited)	2012-13	2014-15	828.74	430.86	374.94	22.94	1308.78	(DP) 7.07	4575.55	-1123.86	10604.07	453.80	4.28
42	Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited	2011-12	2013-14	572.65	272.91	188.55	111.19	4586.04	(IP) 16.28 (DP) 9.69	6857.76	-364.14	15727.10	610.24	3.88
43	Western U.P. Power Transmission Company Limited	2011-12	2013-14	-0.65	0.00	0.00	-0.65	0.15	-	0.05	-4.89	0.10	-0.65	-
44	Jawahar Vidyut Utpadan Nigam Limited	2009-10	2011-12	-1.23	-	-	-1.23	-		0.05	-1.23	-1.18	-1.23	-
45	Yamuna Power Generation Corporation Limited (Incorporated w.e.f. 20-04-10)	Accounts not finalised												
	Sector wise total			**-7314.22**	**4719.57**	**1189.06**	**-13222.85**	**52745.33**	**0.00**	**55273.29**	**-78433.77**	**63544.86**	**-8277.15**	-

923.409

1174.64

(1)	(2)	(3)	(4)	5(a)	5(b)	5(c)	5(d)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	SERVICE													
46	Abhyaranya Paripath Paryatan Limited	2011-12	2012-13	-	-	-	-	-	-	0.05	-	0.05	-	
47	Adyhavasai Paripath Paryatan Limited	2011-12	2012-13	-	-	-	-	-	-	0.05	-	0.05	-	-
48	Awadh Paryatan Limited	2011-12	2012-13	-	-	-	-	-	-	0.05	-	0.05	-	-
49	Bithpur Paripath Paryatan Ltd.	2011-12	2012-13	-	-	-	-	-	-	0.05	-	0.05	-	-
50	Braj Darshan Paripath Paryatan Limited	2011-12	2012-13	-	-	-	-	-	-	0.05	-	0.05	-	-
51	Braj Paripath Paryatan Limited	2011-12	2012-13	-	-	-	-	-	-	0.05	-	0.05	-	-
52	Bundelkhand Paripath Paryatan Limited	2011-12	2012-13	-	-	-	-	-	-	0.05	-	0.05	-	-
53	Ganga Saryu Paripath Paryatan Limited	2011-12	2012-13	-	-	-	-	-	-	0.05	-	0.05	-	-
54	Garhmukteshwar Paryatan Limited	2011-12	2012-13	-	-	-	-	-	-	0.05	-	0.05	-	-
55	Gyanodaya Paripath Paryatan Limited	2011-12	2012-13	-	-	-	-	-	-	0.05	-	0.05	-	-
56	Hastinapur Paripath Paryatan Limited	2011-12	2012-13	-	-	-	-	-	-	0.05	-	0.05	-	-
57	Hindon Paryatan Limited	2011-12	2012-13	-	-	-	-	-	-	0.05	-	0.05	-	-
58	Madhyanchal Paripath Paryatan Limited	2011-12	2012-13	-	-	-	-	-	-	0.05	-	0.05	-	-
59	Paanchal Paripath Paryatan Limited	2011-12	2012-13	-	-	-	-	-	-	0.05	-	0.05	-	-
60	Pachimanchal Paripath Paryatan Limited	2011-12	2012-13	-	-	-	-	-	-	0.05	-	0.05	-	-
61	Sangam Paripath Paryatan Limited	2011-12	2012-13	-	-	-	-	-	-	0.05	-	0.05	-	-
62	Satyadarshan Paripath Paryatan Limited	2011-12	2012-13	-	-	-	-	-	-	0.05	-	0.05	-	-

(1)	(2)	(3)	(4)	5(a)	5(b)	5(c)	5(d)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
63	Shajhanpur Paripath Paryatan Limited	2011-12	2012-13	-	-	-	-	-	-	0.05	-	0.05	-	-
64	Siddartha Paripath Paryatan Limited	2011-12	2012-13	-	-	-	-	-	-	0.05	-	0.05	-	-
65	Taj Shilp Paryatan Limited	2011-12	2012-13	-	-	-	-	-	-	0.05	-	0.05	-	-
66	Taj Virasat Paripath Paryatan Limited	2011-12	2012-13	-	-	-	-	-	-	0.05	-	0.05	-	-
67	Triveni Paripath Paryatan Limited	2011-12	2012-13	-	-	-	-	-	-	0.05	-	0.05	-	-
68	Uttar Pradesh Development Systems Corporation Limited	2011-12	2014-15	0.92	0.00	0.04	0.88	5.98	(DP) 0.24	1.00	0.53	**1.53**	0.88	57.52
69	Uttar Pradesh Handicraft & Marketing Development Corporation Limited(Formerly Uttar Pradesh Export Corporation Limited)	2006-07	2014-15	-0.64	0.00	0.06	-0.70	7.48	-	7.24	21.92	7.51	-0.70	-9.32
70	Uttar Pradesh Food and Essential Commodities Corporation Limited	2005-06	2013-14	5.42	3.95	0.21	1.26	683.76	(DP) 0.2 (IL) 12.8	10.00	19.21	118.50	5.21	4.40
71	Uttar Pradesh State Tourism Development Corporation Limited	2012-13	2014-15	0.89	0.02	1.72	-0.85	31.57	(IL) 2.39	18.60	-13.34	6.67	-0.83	-12.44
	Sector wise total			**6.59**	**3.97**	**2.03**	**0.59**	**728.79**	**0.00**	**37.94**	**28.32**	**135.31**	**4.56**	**3.37**
	MISCELLENEOUS													
72	Uttar Pradesh Mahila Kalyan Nigam Limited	2012-13	2014-15	0.17	0.00	0.12	0.05	0.14	under process	13.36	1.72	16.34	0.05	0.31
73	Uttar Pradesh Purva Sainik Kalyan Nigam Limited	2011-12	2014-15	14.95	0.00	0.20	14.75	137.14	(IP) 0.287 (DP) 0.039	0.43	81.19	81.62	14.75	18.07
74	Uttar Pradesh Waqf Vikas Nigam Limited	1998-99	2007-08	0.01	-	0.01	-	0.28	(IL) 0.002	3.50	0.02	2.11	-	-

(1)	(2)	(3)	(4)	5(a)	5(b)	5(c)	5(d)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
75	Lucknow City Transport Services Limited	Accounts not finalised												-
76	Meerut City Transport Services Limited	2010-11	2012-13	0.00	0.00	0.00	0.00	0.00	(IL) 0.09	0.05	0.00	0.40	0.00	-
77	Allahabad City Transport Services Limited	Accounts not finalised												
78	Agra Mathura City Transport Services Limited	Accounts not finalised												
79	Kanpur City Transport Services Limited (Incorporated w.e.f. 28-04-10)	Accounts not finalised												
80	Varanasi City Transport Services Limited (Incorporated w.e.f.15-06-10)	Accounts not finalised												
	Sector wise total			**15.13**	**0.00**	**0.33**	**14.80**	**137.56**	**0.00**	**17.34**	**82.93**	**100.47**	**14.80**	**14.73**
	Total A (All sector wise working Government companies)			**-6813.77**	**4801.42**	**1218.28**	**-12833.47**	**60785.59**		**58657.07**	**-79337.98**	**67092.38**	**-7824.25**	**-**
	Working Statutory corporations													
B	**AGRICULTURE & ALLIED**													
1	Uttar Pradesh State Warehousing Corporation	2011- 12	2014-15	70.59	0.00	8.82	61.77	215.46	0.37(IP) 16.02(DP)	11.17	325.49	338.86	61.80	18.24
	Sector wise total			**70.59**	**0.00**	**8.82**	**61.77**	**215.46**	**0.00**	**11.17**	**325.49**	**338.86**	**61.80**	**18.24**
	FINANCE													
2	Uttar Pradesh Financial Corporation	2011-12	2013-14	17.53	0.01	0.00	17.52	21.71	(DP) 13.68	179.28	-915.76	969.80	17.53	1.81
	Sector wise total			**17.53**	**0.01**	**0.00**	**17.52**	**21.71**	**0.00**	**179.28**	**-915.76**	**969.80**	**17.53**	**1.81**

(1)	(2)	(3)	(4)	5(a)	5(b)	5(c)	5(d)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
	INFRASTRUCTURE													
3	Uttar Pradesh Avas Evam Vikas Parishad	2012-13	2014-15	484.17	0.37	27.05	456.75	512.31	(IP) 45.24 (DP) 756.70	0.00	4180.38	4180.38	457.12	10.93
4	Uttar Pradesh Jal Nigam	2010-11	2012-13	60.05	39.70	0.25	20.10	655.51	0.00	0.00	-63.52	9741.13	59.80	0.61
	Sector wise total			**544.22**	**40.07**	**27.30**	**476.85**	**1167.82**	**0.00**	**0.00**	**4116.86**	**13921.51**	**516.92**	**3.71**
	SERVICE													
5	Uttar Pradesh State Road Transport Corporation	2012- 13	2013- 14	-32.73	28.33	21.54	-82.6	2493.7	(IL) 4.05	414.64	-1189.04	-380.57	-54.27	-
6	Uttar Pradesh Government Employees Welfare Corporation	2011-12	2014-15	22.95	0.83	0.07	22.05	637.96	(DP) 2.73	0.00	30.11	45.97	22.88	49.77
	Sector wise total			**-9.78**	**29.16**	**21.61**	**-60.55**	**3131.66**	**0.00**	**414.64**	**-1158.93**	**-334.60**	**-31.39**	**-**
	MISCELLANEOUS													
7	Uttar Pradesh Forest Corporation*	2012-13	2014-15	117.02	0.00	2.22	114.8	361.14	(DP) 2.14 (IP) 0.0016	1390.16	1390.16	1409.07	114.80	8.15
	Sector wise total			**117.02**	**0.00**	**2.22**	**114.80**	**361.14**	**0.00**	**1390.16**	**1390.16**	**1409.07**	**114.80**	**8.15**
	Total B (All sector wise working Statutory corporations)			**739.58**	**69.24**	**59.95**	**610.39**	**4897.79**	**0.00**	**1995.25**	**3757.82**	**16304.64**	**679.66**	**4.17**
	Grand Total (A + B)			**-6074.19**	**4870.66**	**1278.23**	**-12223.08**	**65683.38**		**60652.32**	**-75580.16**	**83397.02**	**-7144.59**	**-**
C	**Non working Government companies**													
	AGRICULTURE AND ALLIED													
1	Command Area Poultry Development Corporation Limited (619-B company)	1994-95	-	0.02	-	0.01	0.01	0.96	-	0.24	-	-	0.01	-
2	Uttar Pradesh (Poorva) Ganna Beej Evam Vikas Nigam Limited	2002-03 (UL from 01-07-03)	2004-05	-0.14	0.04	-	-0.18	0.04	-	0.31	-0.55	1.53	-0.14	-

(1)	(2)	(3)	(4)	5(a)	5(b)	5(c)	5(d)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
3	Uttar Pradesh (Rohilkhand Tarai) Ganna Beej Evam Vikash Nigam Limited	2006-07 (ULfrom 01.07.0)	2008-09	0.06	1.10	0.01	-1.05	0.11	-	0.71	-8.01	3.31	0.05	1.51
4	Uttar Pradesh Pashudhan Udyog Nigam Limited	2009-10	2014-15	0.22	0.11	0.01	0.099	0.47	(DP) 0.89	2.73	-7.60	3.49	0.21	-
5	Uttar Pradesh Poultry and Livestock Specialties Limited	2009-10	2014-15	-0.01	0.16	0.001	-0.17	0.015	(IL) 0.31	2.94	-4.00	0.04	-0.01	-
6	Uttar Pradesh State Horticultural Produce Marketing & Processing Corporation Limited	1984-85	1994-95	-0.51	0.15	0.01	-0.67	0.27	-	1.90	-2.55	80.72	-0.52	-
	Sector wise total			**-0.36**	**1.56**	**0.04**	**-1.96**	**1.87**	**0.00**	**8.83**	**-22.71**	**89.09**	**-0.40**	**-0.45**
	FINANCE													
7	Uplease Financial Services Limited (Subsidiary of Uttar Pradesh Electronics Corporation Limited)	1997-98	1998-99	0.37	0.54	0.23	-0.40	1.29	-	1.05	-0.40	5.34	0.14	2.62
8	Uttar Pradesh Panchayati Raj Vitta Evam Vikas Nigam Limited	1994-95	2012-13	-0.09	0.03	0.00	-0.12	0.36	-	1.47	-0.36	1.17	-0.12	-
	Sector wise total			**0.28**	**0.57**	**0.23**	**-0.52**	**1.65**	**0.00**	**2.52**	**-0.76**	**6.51**	**0.02**	**0.31**
	INFRASTRUCTURE													
9	Uttar Pradesh Cement Corporation Limited	1995-96 (UL from 08-02-1999)	1996-97	-20.07	24.84	2.84	-47.75	113.01	-	68.28	-425.99	-239.80	-22.91	-
10	Uttar Pradesh State Mineral Development Corporation Limited	2011-12	2013-14	1.33	1.55	0.05	-0.27	1.76	-	59.43	-77.36	-0.09	1.28	-

(1)	(2)	(3)	(4)	5(a)	5(b)	5(c)	5(d)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
11	Vindhyachal Abrasives Limited (Subsidiary of Uttar Pradesh State Mineral Development Corporation Limited)	1987-88 (UL from 28-11-2002)	1995-96	-0.11	0.01		-0.12	-	-	-	-0.11	0.01	-0.11	-
	Sector wise total			**-18.85**	**26.40**	**2.89**	**-48.14**	**114.77**	**0.00**	**127.71**	**-503.46**	**-239.88**	**-21.74**	**-**
	MANUFACTURE SECTOR													
12	Auto Tractors Limited	1991-92 (UL from 14-02-2003)	1995-96	0.37	0.26	-	0.11	6.31	-	7.50	-	11.14	0.37	3.32
13	Bhadohi Woollens Limited (Subsidiary of Uttar Pradesh State Textile Corporation Ltd.)	1994-95 (UL from 20-02-96)		0.85	2.51	-	-1.66	0.27	-	3.76	-11.95	-0.49	0.85	-
14	Chhata Sugar Company Limited (Subsidiary of Uttar Pradesh State Sugar Corporation Limited)	2011-12	2012-13	-0.66	0.75	0.14	-1.55	0.02	-	81.38	-96.81	11.42	-0.80	-
15	Continental Float Glass Limited	1997-98 (UL from 01-04-2002)	2002-03	-	-	-	-	-	-	46.24	-	83.87	Company went into Liqidation (since inception)	-
16	Electronics and Computers (India) Limited (619-B Company)	(UL from (14-07-1981)	-	-	-	-	-	-	-	-	-	-	-	-
17	Ghatampur Sugar Company Limited (Subsidiary of Uttar Pradesh State Sugar Corporation Limited)	2012-13	2013-14	-0.58	0.39	0.06	-1.03	0.00	-	8.95	-154.21	-6.60	-0.64	-

(1)	(2)	(3)	(4)	5(a)	5(b)	5(c)	5(d)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
18	Kanpur Components Limited (Subsidiary of Uttar Pradesh Electronics Corporation Ltd.)	(UL from 10-06-1996)	-	-	-	-	-	0.05	-	--	-	-	-	-
19	Nandganj-Sihori Sugar Company Limited (Subsidiary of Uttar Pradesh State Sugar Corporation Limited)	2010-11	2012-13	-5.81	-	0.09	-5.90	0.05	-	239.38	-245.18	12.82	-5.90	-
20	The Indian Turpentine and Rosin Company Limited	2010-11	2012-13	-0.49	0.10	0.01	-0.60	0.03	-	0.22	-32.93	-25.54	-0.50	-
21	Uttar Pradesh Abscott Private Limited (Subsidiary of Uttar Pradesh Small Industries Corporation Limited)	1975-76 (UL from 19-04-1996)		-0.01	0.01	-	-0.02	-	-	0.05	-	0.12	-0.01	-
22	Uttar Pradesh Carbide and Chemicals Limited (Subsidiary of Uttar Pradesh State Mineral Development Corporation Limited)	1992-93 (UL from 19-02-94)	-	-0.15	5.67	0.36	-6.18	2.26	-	6.58	-35.32	-18.45	-0.51	-
23	Uttar Pradesh Instruments Limited (Subsidiary of Uttar Pradesh State Industrial Development Corporation Limited)	2001-02	2005-06	-0.26	0.02	0.01	-0.29	0.16	-	1.93	-38.75	0.35	-0.27	-

(1)	(2)	(3)	(4)	5(a)	5(b)	5(c)	5(d)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
24	Uttar Pradesh Plant Protection Appliances (Private) Limited (Subsidiary of Uttar Pradesh Small Industries Corporation Limited)	1974-75 (UL from 11/2003)	1984-85	-0.01	-	-	-0.01	0.04	-	0.01	0.01	-0.34	-0.01	-
25	Uttar Pradesh State Brassware Corporation Limited	1997-98	2007-08	2.52	0.12	0.01	2.39	0.53	-	5.38	-6.04	3.59	2.51	69.92
26	Uttar Pradesh State Textile Corporation Limited	2012-13	2013-14	-0.52	6.85	0.26	-7.63	0.00	(DL) 12.89	160.79	-498.63	-330.43	-0.78	-
27	Uttar Pradesh Tyre and Tubes Limited (Subsidiary of Uttar Pradesh State Industrial Development Corporation Limited)	1992-93 (UL from 09-01-1996)	-	2.10	4.27	-	-2.17	1.38	-	1.83	-9.96	-4.06	2.10	-
	Sector wise total			**-2.65**	**20.95**	**0.94**	**-24.54**	**11.10**	**0.00**	**564.00**	**-1129.77**	**-262.60**	**-3.59**	**-**
	SERVICE SECTOR													
28	Agra Mandal Vikas Nigam Limited	1988-89	2007-08	-0.08	-	0.01	-0.09	3.91	-	1.00	-0.35	0.92	-0.09	-
29	Allahabad Mandal Vikas Nigam Limited	1983-84	1992-93	-0.03	0.01	0.07	-0.11	2.74	-	0.55	-0.11	0.99	-0.10	-
30	Bareilly Mandal Vikas Nigam Limited	1988-89	2011-12	-0.22	0.12	0.05	-0.39	3.33	-	1.00	-1.52	4.63	-0.27	-
31	Gorakhpur Mandal Vikas Nigam Limited	1988-89	2013-14	-0.15	0.01	0.03	-0.07	0.25	-	1.26	-1.59	0.59	-0.07	-
32	Lucknow Mandaliya Vikas Nigam Limited	1981-82	1992-93	0.54	-	0.53	0.01	1.70	-	0.50	1.49	0.61	0.01	1.64
33	Meerut Mandal Vikas Nigam Limited	2008-09	2010-11	-0.03	-	-	-0.03	-	-	1.00	-1.50	-0.01	-0.03	-

(1)	(2)	(3)	(4)	5(a)	5(b)	5(c)	5(d)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
34	Moradabad Mandal Vikas Nigam Limited	1991-92	2011-12	-0.08	0.11	-	-0.19	0.85	-	0.25	-0.78	0.12	-0.08	-
35	Tarai Anusuchit Janjati Vikas Nigam Limited	1982-83	1990-91	-0.04	-	-	-0.04	0.01	-	0.25	-	0.70	-0.04	-
36	Uttar Pradesh Bundelkhand Vikas Nigam Limited	2008-09	2010-11	0.25	-	-	0.25	0.20	-	1.23	-1.57	-0.29	0.25	-
37	Uttar Pradesh Chalchitra Nigam Limited	2009-10	2011-12	0.03	0.40	0.01	-0.38	0.12	(IL) 0.14	8.18	-14.80	-4.14	0.02	-
38	Uttar Pradesh Poorvanchal Vikas Nigam Limited	1987-88	1994-95	-0.11	-	0.03	-0.14	1.30	-	1.15	-1.08	0.19	-0.14	-
39	Varanasi Mandal Vikas Nigam Limited	1987-88	1993-94	-0.02	-	0.01	-0.03	1.47	-	0.70	-0.26	0.88	-0.03	-
	Sector wise total			**0.06**	**0.65**	**0.74**	**-1.21**	**15.88**	**0.00**	**17.07**	**-22.07**	**5.19**	**-0.57**	-
	Total C (All sector wise non working Government Companies)			**-21.52**	**50.13**	**4.84**	**-76.37**	**145.27**	**0.00**	**720.13**	**-1678.77**	**-401.69**	**-26.28**	-
	Grand Total (A + B + C)			**-6095.71**	**4920.79**	**1283.07**	**-12299.45**	**65828.64**	**0.00**	**61372.45**	**-77258.93**	**82995.33**	**-7170.87**	-

Note: IL indicates increase in loss, DL indicates decrease in loss, IP indicates increase in profit and DP indicates decrease in profit.

Impact of accounts comments include the net impact of comments of Statutory Auditor and CAG.

@ Capital employed represents net fixed assets (including capital work in progress) plus working capital except in case of finance companies/corporations where the capital employed is worked out as a mean of aggregate of the opening and closing balances of paid up capital, free reserves, bonds, deposits and borrowings including refinance.

$ Return on capital employed has been worked out by adding profit and interest charged to profit and loss account.

* The audit of Accounts for the period 1999-2000 to 2007-08 was conducted by Local Audit and Audit for the year 2008-09 was entrusted to this Office as per order of the Forest Corporation dated 31 July 2010 after doing necessary amendments in the UP Forest Corporation Act, 1974.

Annexure- 1.4
(Referred to in paragraph 1.13)
Statement showing financial position of Statutory corporations

Working Statutory corporations

1. Uttar Pradesh State Road Transport Corporation

(₹ in crore)

Particulars	2010-11	2011-12	2012- 13
A. Liabilities			
Capital (including capital loan and equity capital)	369.13	408.64	414.64
Borrowings:			
Government:			
Central	-	-	-
State	-	-	-
Others	243.09	290.78	258.52
Funds	8.69	25.85	135.31
Trade dues and other current liabilities (including provisions)	1012.24	1112.95	1196.75
Uttar Pradesh and Uttaranchal State Road Transport Corporation reorganisation settlement account	26.41	26.41	26.41
Total A	**1659.56**	**1864.63**	**2031.63**
B. Assets			
Gross Block	1189.61	1194.58	1271.73
Less: Depreciation	730.85	752.97	774.51
Net fixed assets	458.76	441.61	497.22
Capital work in progress (including cost of chassis)	13.13	-	-
Investments	-	13.33	13.33
Current Assets, Loans and Advances	252.84	371.27	332.04
Accumulated Losses	934.83	1038.42	1189.04
Total B	**1659.56**	**1864.63**	**2031.63**
C. Capital employed	**(-)287.51**	**(-)313.15***	**(-)380.57**

2. Uttar Pradesh Financial Corporation

(₹ in crore)

Particulars	2009-10	2010-11	2011-12
A. Liabilities			
Paid-up capital	179.28	179.28	179.28
Share application money	-	-	-
Reserve fund and other reserves and surplus	19.36	19.25	19.13
Borrowings:			
(i) Bonds and debentures	217.32	167.16	103.09
(ii) Fixed deposits	0.03	0.009	0.009
(iii) Industrial Development Bank of India and Small Industries Development Bank of India	374.94	374.84	372.84
(iv) Reserve Bank of India			
(v) Loans in lieu of share capital:			
(a) State Government	228.25	269.27	292.99
(b) National Handicapped Finance and Development Corporation	0.53	0.43	0.38
(vi) Others (including State Govt.)	-	-	0
Other Liabilities and Provisions	407.38	390.67	374.66
Total A	**1427.09**	**1400.91**	**1342.38**
B. Assets			
Cash and Bank balances	9.49	26.41	41.65
Investments	15.10	15.10	0.10
Loans and Advances	414.88	387.76	362.55
Net Fixed Assets	10.42	10.08	9.76
Other Assets	25.85	28.57	12.56
Miscellaneous Expenditure	-	-	-
Profit and Loss Account	951.35	932.99	915.76
Total B	**1427.09**	**1400.91**	**1342.38**
C. Capital Employed#	**1008.23**	**995.65**	**969.80**

* Capital employed represents shareholders fund plus long term borrowings.

\# Capital employed represents the mean of the aggregate of opening and closing balances of paid-up capital, seed money, debentures, reserves (other than those which have been funded specifically and backed by Investment outside), bonds, deposits and borrowings (including refinance).

3. Uttar Pradesh State Warehousing Corporation

(₹ in crore)

Particulars	2009-10	2010-11	2011-12
A. Liabilities			
Paid up capital*	13.37	13.37	13.37
Reserves and surplus	299.43	286.43	325.49
Subsidy	-		
Borrowings:			
Government	-	-	
Others	-	-	
Deferred tax liability	-	16.62	14.53
Trade Dues and Current Liabilities (including provisions)	74.59	91.51	101.33
Total A	**387.39**	**407.93**	**454.72**
B. Assets			
Gross Block	274.34	292.68	303.57
Less Deprecation	52.80	64.31	73.13
Net Fixed Assets	221.54	228.37	230.44
Capital work-in-progress	(-)0.82	3.64	14.08
Current Assets, Loans and Advances	166.67	175.92	210.20
Profit and Loss Account	-		
Total B	**387.39**	**407.93**	**454.72**
C. Capital Employed	**312.80**	**299.80**Ω	**338.86**

4. Uttar Pradesh Forest Corporation

(₹ in crore)

Particulars	2010-11	2011-12	2012-13
A. Liabilities			
Reserve and Surplus	1173.95	1298.29	1390.16
Borrowings	15.75	13.50	18.91
Current Liabilities (including provisions)	189.00	187.34	216.87
Other Liabilities	-		
Total A	**1378.70**	**1499.13**	**1625.94**
B. Assets			
Net Fixed Assets	17.59	19.07	20.83
Current Assets, Loans and Advances	1307.13	1426.12	1551.17
Accumulated loss	-	-	-
Uttaranchal Forest Development Corporation, Dehradun. (Net assets under its possession)	53.77	53.77	53.77
Miscellaneous Expenditure	0.21	0.17	0.17
Total B	**1378.70**	**1499.13**	**1625.94**
C. Capital employed	**1135.72**	**1311.79**Ω	**1409.07**

5. Uttar Pradesh Avas Evam Vikas Parishad

(₹ in crore)

Particulars	2010-11	2011-12	2012-13
A. Liabilities			
Parishad Fund	3275.04	3719.70	4180.38
Surplus	-	-	-
Borrowings	-	90.39	
Deposits	137.64	121.26	331.11
Reserve for maintenance of unsold property	-	-	
Current Liabilities (including Registration Fee)	3379.60	3692.93	4616.73
Excess of assets over liabilities	-	-	
Total A	**6792.28**	**7624.28**	**9128.22**
B. Assets			
Net Fixed Assets	30.31	27.29	33.33
Investments	2151.55	2037.36	2086.13
Current Assets, Loans and Advances	4610.42	5559.63	7008.76
Total B	**6792.28**	**7624.28**	**9128.22**
C. Capital employed	**1261.13**	**3810.09**Ω	**4180.38**

* Including share capital pending allotment ₹ 2.20 crore.

Ω Capital employed represents shareholders fund plus long term borrowings.

6. Uttar Pradesh Jal Nigam

(₹ in crore)

Particulars	2008-09	2009-10	2010-11
A. Liabilities			
Borrowings			
Loans fund:			
(i) From LIC	-	-	-
(ii) From UP Government	393.14	509.54	524.02
(iii) From Banks	-	-	
Grants from Government	6150.13	7626.65	9420.49
Deposits	-	-	-
Current Liabilities:			
Centage on material unconsumed	73.67	109.96	120.22
Other liabilities	4952.03	4541.27	5963.42
Deposits (deposit received for project)	3088.47	4132.16	5066.94
Provision for gratuity	6.50	6.50	6.50
Project transferred from LSGED to Jal Nigam	9.47	9.49	9.44
Total A	**14673.41**	**16935.57**	**21111.03**
B. Assets			
Gross Block	23.49	23.51	23.50
Less: Depreciation	9.20	9.53	9.79
Net Fixed Assets	14.29	13.98	13.71
Investments	-	-	
PF Invested	144.19	143.31	142.85
Project:			
(i) Material	725.74	862.56	927.53
(ii) Work in progress	6329.45	7851.64	10313.50
(iii) Completed rural water project maintained by Uttar Pradesh Jal Nigam	735.04	823.17	804.03
(iv) Rural water work project cost of LSGED transferred to Uttar Pradesh Jal Nigam	9.08	9.08	9.08
Current Assets	5824.90	6131.37	7551.58
Loans and advances	806.28	1015.07	1281.69
Deficit	84.44	85.39	67.06
Total B	**14673.41**	**16935.57**	**21111.03**
C. Capital employed	**6321.53**[Ω]	**7913.99**[Ω]	**9877.45**[#]

Ω Capital employed represents net fixed assets (including capital work-in-progress) plus working capital.

\# Capital employed represents shareholders fund plus long term borrowings.

Annexure- 1.5
(Referred to in paragraph 1.13)
Statement showing working results of Statutory corporations

A. Working Statutory corporations

1. Uttar Pradesh State Road Transport Corporation

(₹ in crore)

Particulars	2010-11	2011-12	2012-13
Operating			
(a) Revenue	2038.56	2291.66	2493.70
(b) Expenditure	2092.45	2322.82	2583.62
(c) Surplus (+)/Deficit (-)	(-)53.89	(-)31.16	(-)89.92
Non operating			
(a) Revenue	35.84	32.32	35.65
(b) Expenditure	20.44	35.73	28.33
(c) Surplus (+)/Deficit (-)	15.40	(-)3.41	7.32
Total			
(a) Revenue	2074.40	2323.98	2529.35
(b) Expenditure	2112.89	2358.55	2611.95
(c) Net Profit (+)/Loss (-)	(-)38.49	(-)34.57	82.60
Interest on Capital and Loans	20.44	35.73	28.33
Total return on Capital employed	(-)18.05	1.16	(-)54.27

2. Uttar Pradesh Financial Corporation

(₹ in crore)

Particulars	2009-10	2010-11	2011-12
1 Income			
(a) Interest on loans	14.61	20.93	21.71
(b) Other Income	1.68	7.36	2.81
(c)Interest Provision written back	-	-	-
(d) NPA Provision written back	6.51	18.58	16.67
(e) Depreciation investment written back	-	-	-
Total 1	**22.80**	**46.87**	**41.19**
2. Expenses			
(a) Interest on long term loan	0.48	0.05	0.01
(b) Provision for non performing assets	1.44	0.003	-
(c) Other expenses	20.52	28.47	23.66
(d) Loss on sale of fixed assets	-	-	-
Total 2	**22.44**	**28.52**	**23.67**
3. Profit (+)/Loss (-) before tax (1-2)	0.36	18.35	17.52
4. Other appropriations	-	-	-
5. Amount available for dividend*	-	-	-
6. Dividend paid/payable	-	-	-
7. Total return on capital employed	0.84	18.40	17.53
8. Percentage of return on capital employed	0.08	1.85	1.81

3. Uttar Pradesh State Warehousing Corporation

(₹ in crore)

Particulars	2009-10	2010-11	2011-12
1. Income:			
(a) Warehousing charges	214.37	162.43	215.45
(b) Other Income	4.35	7.56	7.05
Total 1	**218.72**	**169.99**	**222.50**
2. Expenses:			
(a) Establishment charges	46.86	63.74	67.56
(b) Interest	0.49	0.08	0.06
(c) Other expenses	106.95	87.87	93.11
Total 2	**154.30**	**151.69**	**160.73**
3.Profit (+)/Loss (-) before tax (1-2)	64.42	18.30	61.77
4 Appropriations:			

* Represents profit of current year available for dividend after considering the specific reserves and provision for taxation.

(i) Payment of income tax	28.41	8.33	19.52
(ii) Provision for tax:			
(a) Income tax	-	-	
(b) Dividend tax	0.28	0.28	0.38
Particulars	**2009-10**	**2010-11**	**2011-12**
(iii) Profit after tax (Amount available for dividend)	35.73	9.69	41.87
(iv) Dividend proposed for the year	1.67	1.68	2.34
(v) Other appropriations	34.06	7.20	38.94
5 Profit transferred to Balance Sheet	-	0.81	0.59
Total return on capital employed	64.91	18.38	61.77
Percentage of return on capital employed	20.75	6.10	18.23

4. Uttar Pradesh Forest Corporation

(₹ in crore)

Particulars	2010-11	2011-12	2012-13
1. Income:			
Sales	329.90	339.91	361.14
Other Income	69.62	67.85	100.48
Closing Stock	136.62	131.04	174.20
Total 1	**536.14**	**538.80**	**635.82**
2. Expenditure:			
Purchases	119.01	100.66	149.29
Other Expenses	168.60	175.44	241.41
Opening Stock	123.36	136.62	131.04
Total 2	**410.97**	**412.72**	**521.74**
Net Profit	125.17	126.08	114.80
Total return on capital employed	125.17	126.08	114.80
Percentage of return on capital employed	11.02	9.61	8.15

5. Uttar Pradesh Avas Evam Vikas Parishad

(₹ in crore)

Particulars	2009-10	2010-11	2011-12
1 Income:			
(a) Income from property	508.44	397.40	461.67
(b) Other Income	326.33	395.12	533.60
Total 1	**834.77**	**792.52**	**995.27**
2. Expenditure:			
(a) Cost of property sold	332.62	211.37	336.20
(b) Establishment	119.95	180.44	185.84
(c) Interest	-	-	-
(d) Other expenses	43.74	41.91	42.19
Total 2	**496.31**	**433.72**	**564.23**
3. Excess of income over expenditure	338.46	358.80	431.05
4. Total return on capital employed	338.46	358.80	431.44
5. Percentage of total return on capital employed	26.37	28.45	9.89

6. Uttar Pradesh Jal Nigam

(₹ in crore)

Particulars	2008-09	2009-10	2010-11
1.Income:			
Centage	164.34	229.10	311.18
Survey and project fee	4.20	-	17.81
Receipt from consumers for scheme maintained by Uttar Pradesh Jal Nigam	23.60	25.28	26.55
Other income	19.18	22.16	31.85
Income from financing activities	43.64	30.17	31.98
Revenue grant:			
(i) From UP Government for maintenance	153.28	134.91	132.78
(ii) From Government for HRD			
Income of C&DS	69.90	92.35	100.21
Income of Nalkoop wing	2.91	2.36	3.14

Interest	-	-	-
Grant	-	-	-
Others	-	-	
Total 1	**481.05**	**536.33**	**655.50**
2. Expenditure			
Establishment charges/operating expenses	237.59	235.37	275.52
Particulars	**2008-09**	**2009-10**	**2010-11**
Expenditure on maintenance	122.34	169.31	228.29
Interest	21.29	40.16	39.70
Other expenses	-	-	
Depreciation	0.31	0.35	0.25
Expenditure of C&DS	31.38	39.28	90.01
Expenditure of Nalkoop Nigam	1.60	1.35	1.63
Grant to Jal Sansthan	-	-	-
Grant to Irrigation	-	-	-
Total 2	**414.51**	**485.82**	**635.40**
Deficit (-)/Surplus (+)	**66.54**	**50.51**	**20.10**
Total return on capital employed	**87.83**	**90.67**	**59.80**

Source: Latest finalised accounts of the PSUs

Annexure-1.6
(Referred to in paragraph 1.21)

Statement showing investment made by the Government in the form of equity, loans, grants/subsidies in the Government companies/Statutory corporations which had arrears in finalisation of Accounts.

(₹ in crore)

Sl. No.	Name of company/corporation	Year up to which accounts finalised	Paid up capital as per latest finalised accounts	Investment made by state Government during the year for which accounts were not finalised			
				Equity	Loans	Grants	Subsidies
A. Working Government Companies							
1	UP Agro Industrial corporation Limited	2008-09	40.00	-	85.00	-	-
2	Uttar Pradesh Scheduled Castes Finance and Development Corporation Limited	2010-11	202.12	-	-		78.61
3	Lucknow Metro Rail Corporation Limited	Accounts not finalised	0.05	-	-	-	-
4	Uttar Pradesh Electronics Corporation Limited.	2012-13	91.54	-	-	0.88	-
5	UP State Spinning Company Ltd.	2012-13	93.24	-	0.69	-	-
6	Uttar Pradesh State Yarn Company Limited (Subsidiary of Uttar Pradesh State Textile Corporation Limited)	2011-12	31.91	-	0.74	-	-
7	Uttar Pradesh Power Corporation Limited	2012-13	34948.78	5067.59	-	-	-
8	Paschimanchal Vidyut Vitaran Nigam Limited (Subsidiary of Uttar Pradesh Power Corporation Limited)	2012-13	2478.20	-	-	-	1546.79
9	Uttar Pradesh Jal Vidyut Nigam Limited	2011-12	431.75	1.39	-	-	0.68
10	UP Rajya Vidyut Utapadan Nigam Limited	2011-12	6857.76	252.01	-	-	
11	Kanpur Electricity Supply Company Limited	2012-13	163.15	-	-	-	45.56
12	Uttar Pradesh Mahila Kalyan Nigam Limited	2012-13	5.19	-	-	2.38	-
13	Uttar Pradesh Food & Essential Commodities Corporation Limited	2005-06	5.50	-	35.00	-	-
TOTAL A			**45349.14**	**5320.99**	**121.43**	**3.26**	**1671.64**
B. Working Statutory Corporations							
1	UP Jal Nigam	2010-11	-	-	-	1215.17	-
2	Uttar Pradesh State Road Transport Corporation	2012-13	-	3.43	-	-	-
	Total B	-	**0.00**	**3.43**	**0.00**	**1215.17**	**0.00**
C.	**Non-Working Companies**	-	-	-	-	-	-
1	UP State Textile Corporation Ltd.	2012-13	-	-	0.29	-	-
2	Uttar Pradesh State Handloom Corporation Limited	1996-97	-	-	2.08	-	-
	Total C	-	**0.00**	**0.00**	**2.37**	**0.00**	**0.00**
Total C			**0.00**	**0.00**	**2.37**	**0.00**	-
Grand Total (A+B+C)			**45349.14**	**5324.42**	**123.80**	**1218.43**	**1671.64**

Annexure-2.1.1
(Referred to in paragraph 2.1.12)
Norms for production of firewood

Category of Forest	Particulars of trees	Norm for production of firewood against the production of round timber (in *per cent*)	Particulars of trees	Norm for production of firewood against the production of round timber (in *per cent*)
Social Forestry	Lots of dry and fallen trees	5-10	Lots of green/ dense dry felling	20-25
General Forest area	Lots in Tarai Bhamar forest area	30-35	Lots of Eucalyptus forest area	10-15
Vindhya/ Bundelkhand forest area	Lots of timber	70-75	Lots of Firewood	100

Annexure-2.1.2
(Referred to in paragraph 2.1.12)

Statement showing short production of firewood

(Quantity in CuM)

Sl. No.	Area	Number of Divisions	Actual production of round timber	Minimum Norm (in *per cent*)	Required production as per norms	Actual production of firewood		Short Production of firewood	Range of production (in *per cent*)
						(in cum)	(in *per cent*)		
1	Social forestry	1[1]	25211	5	1261	789	3.13	472	3.13
2	Reserve Forest	8[2]	583018	20	116604	38496	6.60	78108	1.66 to 12.50
3	Vindhya/ Bundelkhand forest area	4[3]	27978	70	19585	7548	26.98	12037	24.31 to 61.12
	Total	**12[4]**	**636207**		**137450**	**46833**		**90617**	

Source: Annual accounts

1 DLM- Bahraich
2 DLMs- Bijnor, Meerut, Lakhimpur, Pilibhit, Gorakhpur, Gonda, Bahraich and Shravasti
3 DLMs- Renukoot, Obra, Karwi and Lalitpur
4 DLMs- Bijnor, Meerut, Lakhimpur, Pilibhit, Gorakhpur, Gonda, Bahraich, Shravasti, Renukoot, Obra, Karwi and Lalitpur

Annexure-2.1.3
(Referred to in paragraph 2.1.23)
Statement showing analysis of average weight of *tendu* leaves with the average weight of preceding three years

Sl. No.	Season	Karwi		Renukoot		Total	
		2012	2013	2012	2013	2012	2013
1	Total no. of units	60	60	105	105	165	165
2	No. of units not analysed due to non availability of comparable data	2	9	7	4	9	13
3	No. of units where data could be compared	58	51	98	101	156	152
4	No. of units where avg. weight increased as compared to respective avg weight of the preceding three years	39	44	57	80	96	124
	(Percentage of units)	67.24	86.27	58.16	79.21	61.54	81.58
5	No. of units where avg. weight. decreased as compared to respective avg weight of the preceding three years	19	7	41	21	60	28
	(Percentage of units)	32.76	13.73	41.84	20.79	38.46	18.42
6	Decrease in weight (Kg/ std. bag)	0.10 to 8.43	0.02 to 14.25	0.01 to 6.39	0.06 to 3.46	0.01 to 8.43	0.02 to 14.25

Annexure-2.1.4
(Referred to in paragraph 2.1.23)
Statement showing analysis of average weight of tendu leaves with average weight of preceding year

Sl. No.	Season	Karwi				Renukoot			
		2010	2011	2012	2013	2010	2011	2012	2013
1	Total no. of units	60	60	60	60	105	105	105	105
2	No. of units not analysed due to non availability of comparable data	0	0	2	9	1	6	10	9
3	No. of units where data could be compared	60	60	58	51	104	99	95	96
4	No. of units where avg. weight increased as compared to respective avg. weight of the preceding years	15	57	13	38	81	40	51	79
	(Percentage of units)	25	95	22.41	74.51	77.88	40.40	53.68	82.29
5	No. of units where avg. weight. decreased as compared to respective avg. weight of the preceding years	45	3	45	13	23	59	44	17
	(Percentage of units)	75	5	77.59	25.49	22.12	59.60	46.32	17.71
6	Decrease in weight (Kg/ std. bag)	0.13 to 11.88	0.57 to 3.23	0.08 to 8.38	0.69 to 16.80	0.05 to 4.53	0.32 to 9.61	0.02 to 6.36	0.07 to 4.53

Annexure-2.1.5

(Referred to in paragraph 2.1.26)

Statement showing disposal of *tendu* leaves of previous years

Name of the division	Year in which sold	2009-10		2010-11	2011-12	2012-13	2013-14		Total
	Year pertaining to which sold	**2006-07**	**2008-09**	**2009-10**	**-**	**2011-12**	**2011-12**	**2012-13**	
Obra	Quantity sold (in standard bags)	915.603	9890.23	-	-	1730.003	-	1267.64	**13803.476**
	Amount of sale (in ₹)	9137	790920	-	-	2978803	-	2271656	**6050516**
	Rate per standard bag (in ₹)	9.98	79.97	-	-	1721.85	-	1792.04	-
	Average rate in the respective year of production (in ₹)	1166.4	1247.18	-	-	3132.99	-	2286.07	-
	Difference in rate (in ₹)	1156.42	1167.21	-	-	1411.14	-	494.04	-
	Amount of loss (in ₹)	1058818	11543969	-	-	2441281	-	626261	**15670329**
Renukoot	Quantity sold (in standard bags)	58	13589.58	1911.915	-	2162.055	573.5	16060.464	**34355.514**
	Amount of sale (in ₹)	1254	987567	1681506	-	4067981	15954	14384785	**21139047**
	Rate per standard bag (in ₹)	21.62	72.67	879.49	-	1881.53	27.82	895.66	-
	Average rate in the respective year of production (in ₹)	901.54	1086.18	1321.34	-	2337.59	2337.59	1659.11	-
	Difference in rate (in ₹)	879.92	1013.51	441.85	-	456.05	2309.77	763.44	-
	Amount of loss (in ₹)	51035	13773163	844779	-	986008	1324651	12261223	**29240859**
Total	**Quantity sold (in standard bags)**	**973.603**	**23479.81**	**1911.915**	**0**	**3892.058**	**573.5**	**17328.104**	**48158.99**
	Amount of loss (in ₹)	**1109853**	**25317132**	**844779**	**0**	**3427289**	**1324651**	**12887484**	**44911188**

Annexure-2.2.1

(Referred to in paragraph 2.2.7, 2.2.27 and 2.2.46)

Statement showing position of network development by the DISCOM

Sl. No.	Description	2009-10	2010-11	2011-12	2012-13	2013-14	2009-10	2010-11	2011-12	2012-13	2013-14	2009-10	2010-11	2011-12	2012-13	2013-14
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
		MVVNL					DVVNL					PuVVNL				
A.	**No. of Sub-stations (33/11KV)**															
1	At the beginning of the year	497	518	534	548	567	567	610	662	726	751	603	613	644	664	678
2	Additions planned for the year	25	20	20	25	18	-	-	-	-	-	10	31	20	14	75
3	Additions made during the year	21	16	14	19	12	43	52	64	25	30	10	31	20	14	20
4	At the end of the year	518	534	548	567	579	610	662	726	751	781	613	644	664	678	698
5	Shortage in addition (2 - 3)	04	04	06	06	06	-	-	-	-	-	-	-	-	-	55
B.	**HT Lines (in CKM)**															
1	At the beginning of the year	101373	105563	112400	116408	125814	76331	95211	114895	132129	150627	116320	122220	124468	126573	128240
2	Additions planned for the year	5000	7000	5000	10000	5000	-	-	-	-	-	5900	2248	2105	1667	1878
3	Additions made during the year	4190	6837	4008	9406	4511	18880	19684	17234	18498	22594	5900	2248	2105	1667	1878
4	At the end of the year	105563	112400	116408	125814	130325	95211	114895	132129	150627	173221	122220	124468	126573	128240	130118
5	Shortage in addition (2 - 3)	810	163	992	594	489	-	-	-	-	-	-	-	-	-	-
C.	**LT Lines (in CKM)**															
1	At the beginning of the year	290669	295249	300863	305678	315256	513539	516575	520130	520398	520552	368799	372959	374185	375617	377289
2	Additions planned for the year	5000	6000	5000	10000	12000	-	-	-	-	-	4160	1226	1432	1672	1988
3	Additions made during the year	4580	5614	4815	9578	10780	3036	3555	268	154	381	4160	1226	1432	1672	1988
4	At the end of the year	295249	300863	305678	315256	326036	516575	520130	520398	520552	520933	372959	374185	375617	377289	379277
5	Shortage in addition (2 -3)	420	386	185	422	1220	-	-	-	-	-	-	-	-	-	-
D.	**Transformation Capacity (In MVA)**															
1	At the beginning of the year	4460	4615	4885	5091	5257	4969	5566	5960	6421	6754	5176	5334	5649	5926	6241
2	Additions planned for the year	200	300	300	200	500	-	-	-	-	-	195	363	435	395	290
3	Additions made during the year	155	270	206	166	341	597	394	461	333	367	158	315	277	315	290
4	At the end of the year	4615	4885	5091	5257	5598	5566	5960	6421	6754	7121	5334	5649	5926	6241	6531
5	Shortage in addition (2 - 3)	45	30	94	34	159	-	-	-	-	-	37	48	158	80	-

Source: Information furnished by DISCOMs

Annexure-2.2.2
(Referred to in paragraph 2.2.7, 2.2.27 and 2.2.46)
Statement showing details of consumers and transformation capacity

Sl. No.	Particulars	2009-10	2010-11	2011-12	2012-13	2013-14
	1	2	3	4	5	6
	MVVNL					
1	Consumers	2691568	2864268	3029242	3157661	3336182
2	Connected load (in MVA)	5627	5915	6367	6664	7096
3	Spin Reserve[5] (in MVA)	296	311	335	351	374
4	Actual Transformation capacity (in MVA)	4615	4885	5091	5257	5598
5	Transformation capacity after 5 *per cent* spin reserve (connected load plus spin reserve) (in MVA) (2+3)	5923	6226	6702	7015	7470
6	Required Transformation capacity at 80 *per cent* (in MVA) (5 X100/80)	7404	7783	8378	8769	9338
7	Gap in actual and required transformation capacity (in MVA) (*per cent*) ((6-4)X100/6)	2789 (37.67)	2898 (37.23)	3287 (39.23)	3512 (40.05)	3740 (40.05)
	DVVNL					
1	Consumers	2137858	2056873	2280313	2426261	2566261
2	Connected load (in MVA)	6480	6728	7189	8358	8536
3	Spin Reserve (in MVA)	341	354	378	440	449
4	Actual Transformation capacity (in MVA)	5566	5960	6421	6754	7121
5	Transformation capacity after 5 *per cent* spin reserve (connected load plus spin reserve) (in MVA) (2+3)	6821	7082	7567	8798	8985
6	Required Transformation capacity at 80 *per cent* (in MVA) (5 X100/80)	8526	8853	9459	10998	11231
7	Gap in actual and required transformation capacity (in MVA) (*per cent*) ((6-4)X100/6)	2960 (34.72)	2893 (32.68)	3038 (32.12)	4244 (38.59)	4110 (36.60)
	PuVVNL					
1	Consumers	2912000	3123000	3314000	3575000	3810000
2	Connected load (in MVA))	7972	9066	9239	9758	10557
3	Spin Reserve (in MVA)	420	477	486	514	556
4	Actual Transformation capacity (in MVA)	5334	5649	5926	6241	6531
5	Transformation capacity after 5 *per cent* spin reserve (connected load plus spin reserve) (in MVA) (2+3)	8392	9543	9725	10272	11113
6	Required Transformation capacity at 80 *per cent* (in MVA) (5 X100/80)	10490	11929	12156	12840	13891
7	Gap in actual and required transformation capacity (in MVA) (*per cent*) ((6-4)X100/6)	5156 (49.15)	6280 (52.64)	6230 (51.25)	6599 (51.39)	7360 (52.98)

Source: Information furnished by DISCOMs

[5] Spin Reserve is calculated by bifurcating the transformation capacity in the ratio of 95:5 (Connected Load: Spin Reserve).

Annexure-2.2.3

(Referred to in paragraph 2.2.10)

Statement showing details of allowed and allowable package rate of HV/LV leg coils

Tender Nos	Item	Capacity of T/Fs (KVA)	Package rate of coil per T/F (₹)	Average weight of coil (Kg.)	Rate per Kg allowed (₹)	Allowable rate per Kg (₹)	Allowable rates lower than allowed rates (*per cent*)
1	2	3	4	5	6	7	8
MVVNL							
MEDCO/MVVNL/MM/04/2003 (Agreements executed in 2005-06)	**Aluminium wound DTs**	25 63 100 160 250	5355 8715 10567 15851 19320	25.26 47.81 70.18 83 116.50	212.00 182.28 150.57 190.97 165.84	110.49	47.88 39.38 26.62 42.14 33.38
MEDCO/MVVNL/MM/03/2 (Agreements executed in 2005-06)	**Copper wound DTs**	400 630	71017 82836	244.67 321.17	290.25 257.92	157.58	45.71 38.90
DVVNL							
DVVNL/MM/05/2003 (Agreements executed in 2005-06)	**Aluminium wound DTs**	25 63 100 160 250	5355 8715 10567 15851 19320	25.26 47.81 70.18 83 116.50	212.00 182.28 150.57 190.97 165.84	110.49	47.88 39.38 26.62 42.14 33.38
DVVNL/MM/06/2003 (Agreements executed in 2005-06)	**Copper wound DTs**	400 630	71017 82836	244.67 321.17	290.25 257.92	157.58	45.71 38.90

Source: Information furnished by the MVVNL and DVVNL

Annexure-2.2.4
(Referred to in paragraphs 2.2.15, 2.2.33 and 2.2.52)
Statement showing loss of energy due to non-installation of Capacitor Bank

Sl. No.	Name of Division	Nos. of sub station	Capacity of SS in MVA	Annual loss of energy in MUs
		MVVNL		
1	EDD Ambedakarnagar	10	76	1.794
2	EDD, Bahraich	12	98	2.313
3	EDD, CESS-II, Lucknow	7	84	1.982
4	EDD-I, Lakhimpur Kheri	15	109	2.572
5	EDD-I, Bareilly	16	99	2.336
6	EDD-I, Hardoi	14	93	2.195
7	EUDD, Aishbagh	3	50	1.180
8	EDD-I, Sultanpur	8	75	1.770
9	EDD-II, Hardoi	25	168	3.965
10	EDD-I, Shahjahanpur	12	132	3.115
11	EDD-II, Sitapur	12	86	2.030
12	EDD, BKT	8	93	2.195
13	EDD-Barabanki	6	75	1.770
14	EDD-Tanda	9	110	2.596
15	EDD, CESS-I, Lucknow	3	88	2.077
16	EDD, Rahimnagar	4	71	1.676
17	EDD-II, Bareilly	10	104	2.454
	Total	**174**	**1611**	**38.020**
	Loss			**₹ 16.04 crore**[6]
		DVVNL		
1	EDD-II, Agra	27	278	6.561
2	EDD-II, Orai	14	114	2.690
3	EDD-I, Agra	25	265	6.254
4	EDD-I, Aligarh	21	206	4.862
5	EDD-I, Kanpur	14	152	3.587
6	EDD-I, Orai	12	100	2.360
7	EDD-II, Aligarh	13	123	2.903
8	EDD-III, Fatehabad, Agra	37	333	7.859
9	EDD-II, Chaubeypurs	9	76	1.794
	Total	**172**	**1647**	**38.870**
	Loss			**₹ 16.40 crore**[6]
		PuVVNL		
1	EDD-II Mugal Sarai	10	110	2.596
2	EDD Chunar	9	81	1.9116
3	EDD-I Mau	12	132	3.1152
4	EDD-II Jaunpur	21	175	4.13
5	EDD-I Jaunpur	19	143	3.3748
6	EDD-II Ballia	14	145	3.422
7	EDD I Azamgarh	13	135	3.186
8	EDD-I Ballia	21	168	3.9648
9	EDD-II Mau	13	123	2.9028
10	EUDD-II, Varanasi	4	95	2.242
11	EDD-I, Chandauli	11	100	2.36
12	EDD-I Ghazipur	16	136	3.210
	Total	**163**	**1543**	**36.415**
	Loss			**₹ 15.37**[6]
	Total loss of energy			**113.305**
	Total Loss			**₹ 47.81 crore**

Source: Information furnished by the divisions

[6] Worked out at the rate of ₹ 4.22 per unit average realization rate for the year 2012-13

Annexure-2.2.5

(Referred to in paragraphs-2.2.18, 2.2.35 and 2.2.53)

Statement showing details of short billing done by DISCOMs

Divisions	Amount of short billing (₹ in crore)	Period	No. of consumers	Category of consumers	Reasons for short billing	Management Reply
1	2	3	4	5	6	7
				MVVNL		
1. EDD-I Shahjahanpur 2. EDD Ambedkarnagar	0.89	April 2012 to March 2014	10	HV-1 and HV-2	As per Rate Schedule, the billable demand shall be the actual maximum demand or 75 *per cent* of the contracted load, whichever is higher. The divisions had not billed the demand as per aforesaid provision.	In respect of EDD-I Shahjahanpur, Management stated (December 2014) that bills were issued to the consumers and efforts were being made for recovery. The facts remained that the recovery was awaited.
1. EDD-I Shahjahanpur 2. EDD-I Sultanpur	0.42	October 2012 to January 2014	2	HV-2 and HV-3	As per Rate Schedule, actual demand exceeding the contracted demand up to 10 *per cent* was to be billed at the normal rate and the actual demand exceeding the contracted demand beyond 10 *per cent* was to be billed at twice the normal rate. The divisions did not bill the excess demand of the consumers as per above provisions.	Management stated in respect of EDD-I Shahajahanpur that ₹ 21000 were charged in the bill of the consumer and bill amount of ₹ 5.43 lakh was found correct. The reply is not acceptable as no documents in support of recovery of ₹ 21000 was furnished along with reply .Further, the bill amount of ₹ 5.43 lakh was also recoverable from consumer on the basis of provisions of the Tariff Order.
1. EDD-II Hardoi, 2. EDD Barabanki 3.EDD CESS-I Lucknow)	0.64	September 2010 to February 2014	5	HV-2	As per Rate Schedule approved by UPERC read with clarification by UPERC (August 2007), load factor rebate was not admissible to consumers having arrears of dues/arrears of additional security. The divisions, despite the above restrictions, provided the load factor rebate to the consumers.	In respect of EDD-II Hardoi, Management stated (December 2014) that the consumer had deposited the security amount to whom, load factor rebate was provided. The reply is not acceptable as the security amount was deposited after the default period during which, load factor rebate was not admissible.
1. EDD-II Bareilly	1.09	June 2013 to March 2014	1	HV-3	Rate Schedule (June 2013) approved for HV-3 provided for recovery of the demand charges at ₹ 280/KVA/month and energy charges at ₹ 5.90/kVAh. The division did not apply the above rates for billing of the consumer.	Management did not furnish reply.
Total	**3.04**					

DVVNL						
1. EDD-III, Fatehabad Agra	0.91	July 2009 to March 2014	8554	LMV-1	Sub-division, Fatehabad and Shamsabad of the division were covered under Taj Trapezium Zone (TTZ) and were exempted from scheduled rostering. So, energy charges as per urban schedule were applicable on the consumers of above sub-divisions. The division, however, billed the consumers as per rate allowed in rural schedule.	Management accepted the audit observation and stated that special attention would be given in respect of issue of bills to the consumers as per applicable provisions.
1. EDD-I Kanpur	0.11	June 2013 to May 2014	1	HV-2	As per Rate Schedule approved by UPERC read with clarification by UPERC (August 2007), load factor rebate was not admissible to consumers having arrears of dues/arrears of additional security. The divisions, despite the above restrictions, provided the load factor rebate to the consumers.	Management accepted the audit observation and stated that special attention would be given in respect of issue of bills to the consumers as per applicable provisions.
1. EDD-I Orai	0.11	October 2012	1	HV-2	Excess adjustment given to the consumer, while applying the Tariff order of October 2012 with effect from 1 November 2012.	Management accepted the audit observation and stated that special attention would be given in respect of issue of bills to the consumers as per applicable provisions.
1. EDD-II Etawah	5.78	February 2012 to October 2014	5037 to 5865	LMV-5	Consumers were getting supply geographically through rural feeders but remained exempted from scheduled rostering/restrictions applicable to Rural Schedule. This led to short billing of ₹ 5.78 crore worked out at differential rate between the rates applicable to Rural Schedule and Urban Schedule.	Management accepted (December 2014) and stated that bills are being issued to the consumers. Fact remains as no recovery has yet taken place.
1. EDD Auraiya	84.88	April 1998 to March 2014	1	HV-2	Division provided the facility of Protective Load to GAIL (India) Limited and released continuous supply of power at contracted load without load shedding/rostering through independent feeder since 1998 but no agreement was entered in this regard. Moreover, no protective load charges of ₹ 84.88 crore were levied and recovered from GAIL.	Management stated (December 2014) that GAIL is using direct supply as part of the grid system hence will be irrespective of the load pattern and billed under continuous process tariff. Reply is not acceptable as all consumers are to be billed under the provisions of Tariff order issued by UPERC and there is no separate tariff for direct supply or continuous process consumers.

1. EDD Auraiya	6.38	February 2012 to November 2013		HV-2	As per Rate Schedule approved by UPERC read with clarification issued (August 2007) by UPERC, load factor rebate was not admissible to consumers having arrears of dues/arrears of additional security. The division, despite the above restrictions, provided the load factor rebate to the GAIL (India) Limited.	Management stated (December 2014) that bill against Load Factor Rebate for the period February 2012 to October 2014 was issued to consumer. Reply is not tenable because mere issue of bill is not sufficient unless it is acknowledged by the consumer and recovery is made there against.
Total	**98.17**					
					PuVVNL	
1. EDD- Chunar	0.08		3	HV-2	As per Rate Schedule approved by UPERC read with clarification by UPERC (August 2007), load factor rebate was not admissible to consumers having arrears of dues/arrears of additional security. The divisions, despite the above restrictions, provided the load factor rebate to the consumers.	In respect of EDD Chunar, Management stated that short-billed amount had been charged in the bill. The reply itself indicated that the recovery was still awaited.
1.EDD-I, Ghazipur	0.06	April 2013 to March 2014	11	HV-2	As per Rate Schedule, the billable demand shall be the actual maximum demand or 75 *per cent* of the contracted load, whichever is higher. The divisions had not billed the demand as per aforesaid provision.	Management did not furnish reply.
1.EDD Kaushambi	0.88	April 2010 to December 2011	1	HV-4	Kishanpur Pump Canal having contracted load of 7000 KVA under HV-4 category as per Rate Schedule of UPERC, was wrongly short billed by the division on tariff applicable to HV-2 category.	Management accepted (June 2014) the audit observation and issued supplementary bill (December 2014). Recovery was still pending (January 2015).
Total	**1.02**					
Grand Total	**102.23**		**13576**			

Annexure-2.2.6
(Referred to in paragraph-2.2.19, 2.2.36 and 2.2.54)
Statement showing details of issue of incorrect bills and their revision by DISCOMs

Name of DISCOM	Nos./Name of divisions involved	Nos. of consumers	Original amount of bills (₹ in crore)	Revised amount of bills (₹ in crore)	Amount waived off (₹ in crore)	Range of reduction in original billed amount (*percentage*)
1	2	3	4	5	6	7
MVVNL	1.EDD Bahraich, 2.EDD-I Lakhimpur 3.EDD-I Bareilly 4. EDD-I Hardoi, 5. EDD Barabanki 6. EDD Rahimnagar 7. EDD-II Bareilly 8. EUDD Aishbagh 9. EDD Tanda 10. EDD CESS-I Lucknow	13270	222.59	12.64	209.95	28.72 to 99.07
DVVNL	1. EDD-I Agra 2.EDD-II Agra 3. EDD-I Aligarh 4. EDD-II Aligarh 5. EDD-III Fatehabad 6.EDD-II Chaubeypur	39946	52.24	41.22	11.02	0.75 to 74.98
PuVVNL	1. EDD-II Jaunpur 2. EDD-II Mau 3. EUDD-II Varanasi 4. EDD-I Chandauli	8413	5.55	1.18	4.37	9.79 to 95.09
	Total	**61629**	**280.38**	**55.04**	**225.34**	

Annexure-2.2.7

(Referred to in paragraphs 2.2.25 and 2.2.44)

Statement showing details of complaints received and their disposal

Period	Total no. of complaints registered in CCCs	Total no. of complaints attended/closed	Total no. of unattended complaints	Percentage of unattended complaints
1	2	3	4	5
MVVNL				
April 2012 to March 2013	20106	12258	7848	39.03
April 2013 to March 2014	13392	4715	8677	64.79
Total	**33498**	**16973**	**16525**	**49.33**
DVVNL				
April 2012 to December 2012	269	121	148	55.02
January 2013 to December 2013	2269	1011	1258	55.44
January 2014 to February 2014	2325	2085	240	10.32
Total	**4863**	**3217**	**1646**	**33.85**
Grand Total	**38361**	**20190**	**18171**	**47.37**

Source: Information furnished by the DISCOMs

Annexure-2.2.8

(Referred to in paragraph 2.2.29)

Statement showing details of avoidable expenditure on the work of underground cabling

(₹ in crore)

Place of Work	Date of award of work	Awarded Amount	Value of material supplied with cablel as per contract	Value of material supplied with cable as per stock issue rate of cable	Avoidable extra expenditure (4-5)
1	2	3	4	5	6
Mainpuri	21.12.13	33.05	21.42	18.45	2.97
Saifai, Etawah	28.02.14	32.56	24.67	21.21	3.46
Kannauj	21.02.14	28.76	15.78	13.07	2.71
Total					**9.14**

Source: Tender records of DVVNL

Annexure-2.2.9

(Referred to in paragraph 2.2.29)

Statement showing details of centage charges on the work of underground cabling

(₹ in crore)

Work Place	Basic Cost of work	DPR cost including inadmissible charges	Cost allowed by ETF & PWD	Centage charges due but not allowed/passed on to DVVNL
1	2	3	4	5
Saifai, Etawah	32.56	45.51	32.56	3.87[7]
Tirawa, Kannuaj	29.33	40.26	29.53	3.48[8]
Mainpuri	31.89	38.07	30.43	3.10
Total				**10.45**

Source: Estimates and DPR of the project

[7] ₹ 386.70 lakh = {(3256.43 lakh -5 *per cent* of 3256.43 lakh) x12.5 *per cent* }
[8] ₹ 348.32 lakh ={(2933.19 lakh -5 *per cent* of 2933.19 lakh) x12.5 *per cent* }

Annexure- 2.2.10
(Referred to in paragraphs 2.2.35 and 2.2.53)
Statement showing details of Excess billing done by DISCOMs

Divisions	Amount of Excess billing (₹ in crore)	Period	Nos. of consumer	Category	Reasons for excess billing	Management Reply
1	2	3	4	5	6	7
					DVVNL	
1. EDD-I Orai	0.17	September 2012 to March 2014	1627	LMV-5	As per Scetion-3 of Uttar Pradesh Electricity (Duty) Act, 1952, ED was exempted for PTW consumers. The division, however, levied ED on such consumers.	Management did not furnish reply.
1. EDD-I Aligarh, 2. EDD-I Kanpur, 3. EDD-I Orai 4. EDD-II Aligarh 5 EDD-II Chaubeypur 6 EDD-I Agra	2.56	October 2012	63	HV-2	Tariff orders issued on 19 October 2012 was effective from 01 November 2012 for LMV-6 and HV- 2 consumers. The divisions billed by applying the above tariff from 01 October 2012 instead of 01 November 2012.	Management stated that credit had been given to the consumers for the difference amount. The reply is deficient as no documents in support of credit given to the consumers, were furnished along with reply.
1. EDD-I Agra 2. EDD-I Aligarh 3. EDD-I Kanpur, 4.EDD-II Aligarh 5. EDD-III Fatehabad 6. EDD-II Chaubeypur	5.21	2009-10 to 2013-14	83691	LMV-1	Provisional billing in case of defective meters (IDF/ADF/) of LMV-1 consumers was done on the basis of 120 units/KW/month instead of 80 units/KW/month, as provided for in the Computerised billing system.	Management stated that billing as per 80 units was being taken for 16 hour supply and 120 units for 24 hour supply. The reply is not acceptable as fixed 80 units were to be billed in case of provisional billing and it was not linked with the supply hour.
1. EDD-I Agra 2. EDD-I Aligarh, 3.EDD-I Orai 4.EDD-II Aligarh 5.EDD-II	4.48	October 2010 to March 2014	29	HV-2	ED was exempted as per Government notification dated 21 January 2010 for all new industrial units established after the date of notification and new units declared as Pioneer Units. Despite the	Management stated that to get exemption from ED, Industry was required to submit true copy of certificate issued by Industrial department to the effect that unit

Chaubeypur					above exemption, the divisions levied ED on the consumers.	had started w.e.f. 21.01.2010 and it had been declared as pioneer unit. The reply is not acceptable as exemption was for new as well as units declared as pioneer units. We have pointed out the cases of new industrial units which were released connections after 21 January 2010, which itself indicated that these were new industrial units.
Total	**12.42**		**85410**			
1	**2**	**3**	**4**	**5**	**6**	**7**
					PuVVNL	
1. EDD-I Azamgarh	0.15	October 2012 to March 2014	8	HV-2	Levy of LT surcharge at the rate of 15 *per cent* of rate of charge was not applicable as per Tariff order of October 2012. The division, however, levied LT surcharge on the consumers.	Management stated (December 2014) that adjustment was given to the consumer for adjustment of LT line surcharge. Reply is not acceptable as no document in support of adjustment given to consumers was furnished along with reply.
2. EDD-I Varanasi	0.04	July 2011 to May 2013	1	HV-2	As per Tariff orders, power factor surcharge was not to be levied on the consumers being billed on kVAh basis. The division, however, levied above surcharge on the consumer.	Management stated (December 2014) that adjustments were being given to the consumers in the forthcoming bills.
3. EDD-I Jaunpur	0.13	June 2013 to March 2014	11	HV-2	As per the provision of Tariff orders, protective load charges were to be levied only on consumers getting supply through Independent feeder. However, protective load charges were levied on the consumers connected on common feeders.	Management stated that all connections were of industrial process; hence, protective load clause was applied on these consumers. The reply is not acceptable as the protective load clause was

						applicable only in case of consumers getting supply through independent feeder, where as the above consumers were connected through mixed industrial feeder.
1. EDD-I Ballia 2. EDD-I Gorakhpur 3. EDD-II Jaunpur	0.98	October 2012	23	HV-2	Tariff orders issued on 19 October 2012 was effective from 01 November 2012 for LMV-6 and HV- 2 consumers. The divisions billed by applying the above tariff from 01 October 2012 instead of 01 November 2012.	Management stated (December 2014) that in respect of EDD-II Jaunpur, excess amount charged in the bill of October 2012 was being adjusted in bill of December 2014 and in respect of EDD-I Ballia, it was stated that adjustment were given to the consumers in the bill of November 2014. However, no supporting documents were furnished along with reply.
1. EDD-I Gorakhpur 2. EDD-I Varanasi 3. EDD-I Chandauli	0.28	May 2012 to March 2014	13	HV-2	Electricity Duty (ED) was exempted as per Government notification dated 21 January 2010 for all new industrial units established after the date of notification and new units declared as Pioneer Units. Despite the above exemption, the divisions levied ED on the consumers.	Management stated (December 2014) that in respect of EDD-I Varanasi that exemption of ED was not given to the consumers, no industrial units had made such claims.
Total	**1.58**		**56**			
Grand Total	**14.00**		**85466**			

Annexure-3.1
(Referred to in Para 3.1.1)
Statement showing details of ESIC work

Sl. No.	Name of work	Construction basis	Sanctioned Cost (₹ in lakh)	Revised Cost (₹ in lakh)	Date of Start	Scheduled Date of Completion
WORKS DONE ON DCU BASIS						
1	Dispensary & Branch Office, Maargaon, Goa	DCU	171.56	171.56	May-10	Jan-11
2	ESIC Dispensary Korlim, Goa	DCU	556	556	Mar-09	Feb-11
3	SRO, Panjim, Goa	DCU	730	730	Aug-11	Dec-11
4	SRO, Thade, Mumbai	DCU	1298.26	1298.26	Feb-09	Sep-13
5	SRO, Maroll, Mumbai	DCU	1017.36	1017.36	Oct-08	Mar-12
6	Staff Quarter, SRO, Nagpur	DCU	447.14	447.14	Sep-11	May-13
7	ESIC Headquarter, CIG Road, New Delhi	DCU	4821	4821	Feb-10	Jul-13
Total 'A'			**9041.32**	**9041.32**		
WORKS DONE ON BACK TO BACK BASIS						
1	ESIC Hospital, Rajajinagar, Bangalore	Back to back	25210	25210	Aug-08	Mar-14
2	Renovation of RD Office, Bangalore	Back to back	1725.63	1725.63	Jan-10	Mar-14
3	ESIC Hospital, Piniya, Bangalore	Back to back	11048	11048	Feb-09	Mar-13
4	ESIC Medical College, Rajajinagar, Bangalore	Back to back	29410	29410	Jan-11	Sep-14
5	ESIC Super Speciality Hospital, Sanathnagar, Hyderabad	Back to back	13156	13156	Sep-08	Nov-10
6	ESIC face lifting/ interior and extension of regional office, Aadarsh Nagar, Hyderabad	Back to back	2381.18	2381.18	Jun-09	Jun-11
7	ESIC Medical College, Sanathnagar, Hyderabad	Back to back	54897.17	54897.17	Dec-10	Apr-14
8	ESIC Dental College, Nachcharam, Hyderabad	Back to back	25515.55	25515.55	Dec-10	Mar-14
9	ESIC, 100 Beded Hospital, Tirupati (Andhra Pradesh)	Back to back	12212.78	12212.78	Aug-10	Mar-14
10	ESIC Branch Office & Dispensary, Auto Nagar, Vijayvada, (Andhra Pradesh)	Back to back	653.03	653.03	Jul-10	Feb-12
11	ESI Construction of Sub-reasonal Office, Gundala, Vijayavada	Back to back	2276.97	2276.97	Jul-10	Mar-14
12	100 Beded Hospital, Morgaon, Goa	Back to back	8659.14	8659.14	Sep-08	Sep-13
13	Detal College, Vaasi, Navi Mumbai	Back to back	20076.27	20076.27	Sep-09	Mar-14
14	SRO, Aurangabad	Back to back	1892.14	1892.14	Jun-09	Dec-12
15	Dispensary Branch Office, Baluj, Aurangabad	Back to back	629.46	629.46	Jun-09	Mar-13
16	Dispensary Branch Office, Chhinwada, Pune	Back to back	1279.98	1279.98	Jun-09	Mar-13
17	SRO, Bivaibadi, Pune	Back to back	2275	2275	Jun-09	Jul-11
18	SRO, Nagpur	Back to back	988	988	Jun-09	Jul-11
19	ESIC Hospital, Kandiwali, Mumbai	Back to back	17566	17566	Feb-10	Sep-13
20	RO Kolaba, Mumbai	Back to back	1286	1286	Feb-11	Dec-13
21	ESIC Medical College Unit, Basaidarapur, New Delhi (Non-medical furniture & equipment ESIC Aujangpura, ESIC)	Back to back	72875.07	74737.06	Mar-12	June-14
22	ESIC Medical College, Faridabad	Back to back	54470.44	59057.37	Feb-10	July-13
23	ESIC Medical College, Alwar, Rajasthan	Back to back	64024.64	64024.64	Mar-12 Sep-12	Dec-14
24	Staff Quarter, Andheri, Mumbai	Back to back	12096.95	12096.95	--	--
Total 'B'			**436605.4**	**443054.32**		
Grand Total (A + B)			**445646.72**	**452095.64**		

Annexure 3. 2
(Referred to in Para 3.1.4)
Statement showing details of items on which higher rates were allowed against the DSR rates

B.O.Q item no./description Faridabad work	Quantity executed in Faridabad (in Cum)	B.O.Q item no. Basaidarapur work	Rate paid in Faridabad (in ₹)	Rate paid in Basaidarapur (in ₹)	Difference in rate (in ₹)	Amount excess paid (in ₹)
1	2	3	4	5	6=4-5	7=2x6
17/1.7/a(1.1.2)/disposal of earth up to 5 KM	258205.91	1.4a/disposal of earth	76.48	66.51	9.97	2574313
68/5.1/(10.16.2)/Steel work welded in built up sections/framed work including cutting, hoisting, fixing in position and applying a priming coat of approved steel	349489.78	6.1/(10.16..2)	95.65	66.35	29.30	10240051
69/5.2/(10.16.2)/ Structural Steel Work /Hot finished welded type tubes in Trusses etc.	54387.00	6.2/(10.16.2) a	95.65	66.35	29.30	1593539
Total						**14407903**

Annexure 3. 3
(Referred to in Para 3.1.8)
Statement showing amount paid by ESIC against escalation bill

(₹ in crore)

Sl. No.	Name of work	No. of escalation bill	Amount of escalation bill	Amount of centage claimed	Total	Total amount paid by ESIC
1	Faridabad	9th	41.56	2.08	43.64	41.56
2	Basaidarapur	4th	26.54	1.33	27.87	26.54
3	Alwar	4th	44.06	2.20	46.26	44.06
Total			**112.16**	**5.61**	**117.77**	**112.16**

Annexure 3.4
(Referred to Para 3.2)
Statement showing excess payment by UPRNN to the sub-contractors

(₹ in lakh)

Name of Sub-station	Amount of Contract	Work awarded to UPRNN by:	Year of award of work to UPRNN	Date of LOI	Capacity of Transformers/ (No. of Transformers)	Cost of transformer billed by sub-contractor to UPRNN	Cost of transformer billed by the suppliers to the sub-contractor	Total Payment made by UPRNN to the sub-contractor	Total Payment made by sub-contractor to the supplier	Excess payment by UPRNN to the sub-contractors after allowing contractor's margin of 10 percent	Difference of costs in percentage
132/33 KV Khurja-II	1294.98	UPPTCL	2010	15.12.2010	40 MVA (2)	196.55 each	137.00 each	393.1	274	91.7	23
132/33KV Dharampur	1215.42	UPPTCL	2010	19.09.2011	20 MVA (2)	138.92 each	88.00 each	277.84	176	84.24	30
132 KV, Jahangirpur	1073.8	UPPTCL	2010	15.12.2010	40 MVA (1)	196.55 each	137	196.55	137	45.85	23
132 KV sub-stations at Jalilpur	1553.36	UPPTCL	2011	15.12.2011	40 MVA (2)	201.02 each	129.05 each	402.04	258.1	118.13	29
132 KV sub-stations at Nagina	1469	UPPTCL	2011	26.12.2011	40 MVA (1)	201.02	129.05	201.02	129.05	59.065	29
220/132 KV,Motiram adda	4590	UPPCL	2009	30.11.2009	160 MVA (2)	710.04 each	529.06 each	1420.08	1058.12	256.148	18
220/132 KV, Jhoosi	4169	UPPCL	2009	14.12.2009	160 MVA (2)	637.44 each	537.79 each	1274.88	1075.58	91.742	7
33/11 KV, Latifpur	361	UPPCL	2010	08.09.2010	5 MVA (1)	43.9	18	43.9	18	24.1	55
33/11 KV, Sahimapur	340	UPPCL	2010	08.09.2010	5 MVA (1)	43.9	18	43.9	18	24.1	55

Name of Sub-station	Amount of Contract	Work awarded to UPRNN by:	Year of award of work to UPRNN	Date of LOI	Capacity of Transformers/ (No. of Transformers)	Cost of transformer billed by sub-contractor to UPRNN	Cost of transformer billed by the suppliers to the sub-contractor	Total Payment made by UPRNN to the sub-contractor	Total Payment made by sub-contractor to the supplier	Excess payment by UPRNN to the sub-contractors after allowing contractor's margin of 10 percent	Difference of costs in percentage
33/11 KV, Sabya	230	UPPCL	2010	08.09.2010	5 MVA (1)	43.9	18.4	43.9	18.4	23.66	54
33/11 KV,Prakashnagar	401	UPPCL	2010	08.09.2010	5 MVA (1)	43.9	18.4	43.9	18.4	23.66	54
33/11 KV, Kotwa	270	UPPCL	2010	08.09.2010	5 MVA (1)	43.9	18.4	43.9	18.4	23.66	54
33/11 KV, Sheikhpura	348	UPPCL	2010	08.09.2010	5 MVA (1)	43.9	18	43.9	18	24.1	**55**
132/33 KV,dhanapur	1441	UPPTCL	2011	19.10.2011	20 MVA (2)	136 each	89.36 each	272	178.72	75.408	28
33/11 KV at Ghosi, Mau	387	UPPCL	2010	08.09.2010	5 MVA (1)	43.9	18.4	43.9	18.4	23.66	54
220/132/33 KV S/S, Rampur	2210	UPPTCL	2010	28.06.2011	40 MVA (2)	220 each	140.00 each	440	280	132	30
220/132 KV S/S, Nighasan	1590	UPPTCL	2010	21.05.2011	40 MVA (1)	215	143.82	215	143.82	56.798	26
132/33 KV S/S, Gangeri	1924	UPPTCL	2009	11.10.2009	40 MVA (2)	361.43 each	207.86 each	722.86	415.72	265.568	37
132 KV S/S, Shahabad	1914	UPPTCL	2009	16.07.2009	40 MVA (2)	363 each	224.41 each	726	448.82	232.298	32
132/33 KV S/S, Bagholi	1355	UPPTCL	2011	23.11.2011	20 MVA (2)	136 each	89.36 each	272	178.72	75.408	28
TOATL					**30 Transformers**			**7120.67**	**4881.25**	**1751.295**	

Annexure 3.5
(Referred to Para 3.3)
Excess employer contribution to Employees Provident Fund

Sl. No.	Name of Unit	Period	No. of employees having salary ₹ 6500 or more during the period (in numbers)	Actual contribution made into EPF (amount in ₹)	Required Employer contribution in the EPF at statutory wage ceiling of ₹ 6500 p.m. (amount in ₹)	Total Employer contribution in the EPF for the year as per statutory wage ceiling of ₹ 6500 (col. 4* col.6*12) (amount in ₹)	Excess contribution (col. 5- col.7) (amount in ₹)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	UPRNN, Head Office	2011-12 to 2013-14	4848	214014958	780	45377280	168637678
2	Lucknow Zone -1	2007-08 to 2013-14	2305	37692239	780	21574800	16117439
3	South East Zone	2007-08 to 2011-12	1229	17812606	780	11503440	6309166
4	Faizabad Zone	2011-12 to 2013-14	872	10488956	780	8161920	2327036
5	North Zone Dehradun	2007-08 to 2011-12	926	13329998	780	8667360	4662638
6	Lucknow Zone -2	2007-08 to 2011-12	1111	15095892	780	10398960	4696932
7	Technical Zone	2007-08 to 2013-14	747	12012788	780	6991920	5020868
8	Delhi, Zone	2007-08 to 2013-14	1264	22109783	780	11831040	10278743
9	Haldwani Zone	2010-11 to 2011-12	161	1778659	780	1506960	271699
10	North West Zone Bareily	2011-12	99	1898962	780	926640	972322
TOTAL			**13562**	**346234841**		**126940320**	**219294521**

Annexure 3.6
(Referred to in paragraph 3.4.1)
Statement showing details of Purchase Orders issued

Sl. No.	Month	No. of POs issued	Total Value (in ₹)
1	January 2011	2	1992200
2	April 2011	3	2144923
3	June 2011	1	998000
4	July 2011	1	999000
5	September 2011	20	17496506
6	January 2012	21	18057698
7	February 2012	7	6036810
8	May 2012	8	7932250
9	June 2012	36	35991920
10	July 2012	14	13986770
11	October 2012	1	153900
12	December 2012	13	12994190
TOTAL		**127**	**118784167**

Annexure 3.7

(Referred to in paragraph 3.4.2)

Statement showing Purchase Orders issued without inviting tender

Sl. No.	Tender No.	PO No. /date	Name of the firm	Value of material (in ₹)
1	945/2011-12	2433 dt. 18.9.12	Alok Enterprise, Mainpuri	999500
2	940/2011-12	2430 dt. 18.9.12	Alok Enterprise, Mainpuri	999940
3	1060/2011-12	2572 dt. 29.9.12	Alok Enterprise, Mainpuri	1000000
4	1062/2011-12	2574 dt. 29.9.12	Alok Enterprise, Mainpuri	998000
5	1069/2011-12	2581 dt. 29.9.12	Alok Enterprise, Mainpuri	1000000
6	1071/2011-12	2583 dt. 29.9.12	Alok Enterprise, Mainpuri	1000000
7	1072/2011-12	2584 dt. 29.9.12	Alok Enterprise, Mainpuri	1000000
8	974/2011-12	2469 dt. 20.9.12	Amit Engineering Corpo. Mainpuri	999900
9	1067/2011-12	2579 dt. 29.9.12	Amit Engineering Corpo. Mainpuri	999700
10	958/2011-12	2459 dt. 20.9.12	Amit Engineering Corpo. Mainpuri	999875
11	956/2011-12	2457 dt. 20.9.12	Amit Engineering Corpo. Mainpuri	999900
12	957/2011-12	2466 dt. 20.9.12	Amit Engineering Corpo. Mainpuri	999875
13	972/2011-12	2468 dt. 20.9.12	Amit Engineering Corpo. Mainpuri	999875
14	1065/2011-12	2577 dt. 29.9.12	Amit Engineering Corpo. Mainpuri	999845
15	1066/2011-12	2578 dt. 29.9.12	Amit Engineering Corpo. Mainpuri	999550
16	1068/2011-12	2580 dt. 29.9.12	Amit Engineering Corpo. Mainpuri	999990
17	1064/2011-12	2576 dt. 29.9.12	Amit Engineering Corpo. Mainpuri	999540
18	984/2011-12	1498 dt. 24.7.12	Aditi Enterprises Jhansi	1000000
19	918/2011-12	2413 dt. 18.9.12	Seema Engineering & Suppliers Mainpuri	999750
20	920/2011-12	2415 dt. 18.9.12	Seema Engineering & Suppliers Mainpuri	1000000
21	927/2011-12	2421 dt. 18.9.12	Seema Engineering & Suppliers Mainpuri	999905
22	935/2011-12	2426 dt. 18.9.12	Seema Engineering & Suppliers Mainpuri	999740
23	976/2011-12	1423 dt. 23.7.12	Aditi Enterprises Jhansi	1000000
24	977/2011-12	1424 dt. 23.7.12	Aditi Enterprises Jhansi	1000000
25	978/2011-12	1425 dt. 23.7.12	Aditi Enterprises Jhansi	998000
26	979/2011-12	1426 dt. 23.7.12	Aditi Enterprises Jhansi	990000
27	980/2011-12	1427 dt. 23.7.12	Aditi Enterprises Jhansi	1000000
28	981/2011-12	1428 dt. 23.7.12	Aditi Enterprises Jhansi	1000000
29	982/2011-12	1429 dt. 23.7.12	Aditi Enterprises Jhansi	998000
30	983/2011-12	1430 dt. 23.7.12	Aditi Enterprises Jhansi	990000
31	985/2011-12	1499 dt. 24.7.12	Aditi Enterprises Jhansi	997000
32	986/2011-12	1506 dt. 24.7.12	Aditi Enterprises Jhansi	1000000

Annexure-3.9

(Referred to in paragraph 3.5.2(i))

Statement showing excess payment made to supplier

(Amount in ₹)

		Desktop			Access device			Printer			UPS			Table Chair set			Wiring, flooring, Ceiling		
Name of District	**No. of items**	**Rate**	**Differ-ence per item**	**Total differe-nce**	**Rate**	**Differ-ence per item**	**Total diffre-nce**	**Rate**	**Differ-ence per item**	**Total diffe-rence**	**Rate**	**Diffe-rnece per item**	**Total Diffe-rence**	**Rate**	**Differ-ence per item**	**Total differ-ence**	**Rate**	**Differ-ence per item**	**Total differ-ence**
Lowest rate		**34650**			**6190**			**9429**			**6667**			**12858**			**8571**		
CSM Nagar	**42**	39048	4398	184716	8571	2381	100002	9429	0	0	6667	0	0	14001	1143	48006	9428	857	35994
Chitrakoot	**30**	39048	4398	131940	8571	2381	71430	9429	0	0	6667	0	0	14001	1143	34290	9428	857	25710
Chandauli	**38**	39048	4398	167124	8571	2381	90478	9429	0	0	6667	0	0	14001	1143	43434	9428	857	32566
Firozabad	**40**	35238	588	23520	8381	2191	87640	10095	666	26640	8571	1904	76160	14001	1143	45720	9428	857	34280
Gorakhpur	**42**	35000	350	14700	7333	1143	48006	11550	2121	89082	8429	1762	74004	14001	1143	48006	9333	762	32004
Balrampur	**42**	35143	493	20706	6190	0	0	10762	1333	55986	8095	1428	59976	13715	857	35994	9428	857	35994
Baghpat	**39**	34650	0	0	7143	953	37167	11550	2121	82719	8095	1428	55692	12858	0	0	8571	0	0
Faizabad	**40**	34762	112	4480	7143	953	38120	11048	1619	64760	8095	1428	57120	12858	0	0	9428	857	34280
Kushinagar	**20**	35238	588	11760	7619	1429	28580	11524	2095	41900	8571	1904	38080	14001	1143	22860	9428	857	17140
Ghazipur	**40**	39048	4398	175920	8571	2381	95240	9429	0	0	6667	0	0	14000	1142	45680	9428	857	34280
Total	**373**			**734866**			**596663**			**361087**			**361032**			**323990**			**282248**
Grand Total																			**2659886**

Annexure-3.10

(Referred to in paragraph 3.16.1)

Statement showing paragraphs/Performance Audit for which replies were not received

Sl. No.	Name of Department	2008-09		2009-10		2010-11		2011-12		2012-13	
		No. of paragraphs in Audit Report	No. of paragraphs for which reply not received	No. of paragraphs in Audit Report	No. of paragraphs for which reply not received	No. of paragraphs in Audit Report	No. of paragraphs for which reply not received	No. of paragraphs in Audit Report	No. of paragraphs for which reply not received	No. of paragraphs in Audit Report	No. of paragraphs for which reply not received
1.	Energy (Power)	13	12	7	5	4	4	9	9	8	8
2.	Transport	1	1	--	--	2	1	--	--	--	--
3.	Co-operative	--	--	--	--	--	--	1	1	--	--
4.	Samaj Kalyan	2	1	--	--	--	--	--	--	--	--
5.	Agriculture	--	--	1	1	--	--	--	--	--	--
6.	Vastra Udyog	--	--	1	1	--	--	--	--	--	--
7.	Industrial Development	3	2	--	--	2	2	1	1	--	--
8.	Public Works	1	1	2	1	--	--	--	--	6	6
9.	Small Industries	--	--	--	--	--	--	---	--	--	--
10.	Sugar Industry and Cane Development	--	--	--	--	1	--	--	--	--	--
11.	Urban Development	1	1	2	1	--	--	3[9]	3[9]	3	3
12.	Housing and Urban Planning	1	--	--	--	2[10]	2[10]	--	--	1	1
13.	Irrigation	---	--	1	--	2	2	3	3	1	1
14.	Matsya Evam Pashudhan	1	1	--	--	--	--	--	--	--	--
15.	Electronics and Information Technology	--	--	--	--	--	--	--	--	--	--
16.	Public Enterprises	2[11]	--	--	--	--	--	--	--	--	--
17.	Food and civil supplies	--	--	--	--	--	--	--	--	--	--
18.	Minerals and Mining	2	2	2	2	3	3	--	--	--	--
19.	Forest	--	--	--	--	1	--	--	--	1	1
	Total	**27**	**21**	**16**	**11**	**16**	**13**	**16**	**16**	**20**	**20**

9 This includes a para on Avoidable expenditure on procurement of cement on two PSUs under two different departments (Uttar Pradesh Jal Nigam: Urban Development Department and U.P. Projects Corporation Limited: Irrigation Department). As this para is included twice i.e. at Sl. No. 11 and 13, hence, it has been counted as only one para in total.

10 This includes a para on Non-recovery of Trade Tax/VAT on two PSUs under two different departments (Uttar Pradesh Avas Evam Vikas Parishad: Housing and Urban Planning Department and Uttar Pradesh State Industrial Development Corporation Limited: Minerals and Mining Department). As this para is included twice i.e. at Sl. No. 12 and 18, hence it has been counted as only one para in total.

11 This relates to 13 departments including departments of Niryat Protsahan, Tax and Institutional Finance, Forest, Panchayati Raj, Pichra Varg Kalyan and Tourism not appearing in column of name of department.

Annexure-3.11
(Referred to in paragraph 3.16.3)
Statement showing the department-wise outstanding Inspection Reports

Sl. No.	Name of Department	No. of PSUs	No. of outstanding IRs	No. of outstanding Paragraphs	Year from which paragraphs outstanding
1.	Irrigation	1	7	75	2004-05
2.	Small Industries	1	8	54	2005-06
3.	Industrial Development	4	102	518	1987-88
4.	Information Technology and Electronics	5	20	73	2004-05
5.	Public Works	2	411	1707	2004-05
6.	Samaj Kalyan	3	12	41	2007-08
7.	Transport	7	93	516	2004-05
8.	Forest	1	31	137	2004-05
9.	Energy	15	2102	8788	2004-05
10.	Housing and Urban Planning	1	217	773	2004-05
11.	Urban Development	1	798	3127	2004-05
	Total	**41**	**3801**	**15809**	

Source: Progress register of AIRs.

Annexure-3.12
(Referred to in paragraph 3.16.3)
Statement showing the department-wise draft paragraphs/Performance Audit, replies to which were awaited

Sl. No.	Name of Department	No of Performance Review	Period of issue
1	Forest	1	August 2014
2	Energy	1	October 2014
Sl. No.	**Name of Department**	**No of draft paragraphs**	**Period of issue**
1.	Energy	6	May 2014 to October 2014
2.	Public Works	3	July 2014
3.	Transport	1	July 2014
	Total	**10**	