Report of the Comptroller and Auditor General of India

for the year ended 31 March, 1999

No. 2
(Commercial)

Government of Uttar Pradesh

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PREFACE

Government commercial enterprises, the accounts of which are subject to audit by the Comptroller and Auditor General of India, fall under the following categories:

(i) Government companies,

(ii) Statutory corporations, and

(iii) Departmentally managed commercial undertakings.

2. This report deals with the results of audit of Government companies and Statutory corporations including Uttar Pradesh State Electricity Board and has been prepared for submission to the Government of Uttar Pradesh under Section 19A of the Comptroller and Auditor General's (CAG) (Duties, Power and Conditions of Service) Act, 1971, as amended from time to time. The results of audit relating to departmentally managed commercial undertakings are included in the Report of the Comptroller and Auditor General of India (Civil) – Government of Uttar Pradesh.

3. Audit of accounts of Government companies is conducted by the Comptroller and Auditor General of India under the provisions of Section 619 of the Companies Act, 1956. There are, however, certain companies which, in spite of Government investment are not subject to audit by the Comptroller and Auditor General of India as Government holds less than 51 *per cent* of their share capital.

4. In respect of Uttar Pradesh State Road Transport Corporation, Uttar Pradesh State Electricity Board, Uttar Pradesh Avas Evam Vikas Parishad which are Statutory corporations, the Comptroller and Auditor General of India is the sole auditor. In respect of Uttar Pradesh Financial Corporation, Uttar Pradesh State Warehousing Corporation, Uttar Pradesh Forest Corporation and Uttar Pradesh State Employees Welfare Corporation, he has the right to conduct the audit of their accounts in addition to the audit conducted by the Chartered Accountants

appointed by the State Government in consultation with CAG. The Audit Reports on the annual accounts of all these corporations are forwarded separately to the State Government.

5. The cases mentioned in this Report are those which came to notice in the course of audit during the year 1998-99 as well as those which came to notice in earlier years but were not dealt with in the previous Reports. Matters relating to the period subsequent to 1998-99 have also been included, wherever necessary.

Overview

1. General

- *The State had 97 Government companies (including 37 subsidiaries), five companies under the purview of section 619-B of the Companies Act, 1956 and eight Statutory corporations as on 31 March 1999. 12 companies were under the process of liquidation and three companies were under merger.*

  (Paragraph 1.1, 1.2.1 & 1.10)

- *The total investment in 105 Public Sector Undertakings (97 Government companies and eight Statutory corporations) was Rs. 20842.20 crore which comprised equity of Rs. 2409.58 crore (including share application money Rs. 27.23 crore) and long term loans of Rs. 18432.62 crore.*

  (Paragraph 1.2)

- *During the year the State Government guaranteed the repayment of loans and interest thereon amounting to Rs. 2017.07 crore obtained by 12 Government companies and four Statutory corporations. The outstanding amount of guarantees aggregated Rs. 2508.74 crore at the close of March 1999.*

  (Paragraph 1.4)

- *Of the 97 Government companies and eight Statutory corporations, only three companies and two Statutory corporations had finalised their accounts for the year 1998-99 and accounts of 91 Government companies and six Statutory corporations were in arrears for periods ranging from 1 to 24 years. Three companies under liquidation had no arrears in accounts.*

  (Paragraph 1.5.1)

- *According to the latest available accounts, 35 Government companies and two Statutory corporations had eroded their paid up capital as their accumulated loss amounting to Rs. 3286.44 crore, exceeded the paid up capital of Rs. 1443.66 crore.*

(Paragraph 1.6.1.2 & 1.6.2.2)

2. Review on Government company

WORKING OF UTTAR PRADESH STATE INDUSTRIAL DEVELOPMENT CORPORATION LIMITED

- *The Company engaged in acquisition and development of industrial areas had four subsidiaries in which its investment in their equity aggregating Rs. 3.45 crore was completely eroded.*

(Paragraph 2.1& 2.10.2)

- *Failure to assess the demand of power in respect of existing units at Jainpur industrial area prior to deposit of the cost for second feeder line with UPSEB resulted in avoidable expenditure of Rs. 0.70 crore.*

(Paragraph 2.6.1)

- *The Company without making any assessment deposited an amount of Rs. 0.78 crore with DoT for extending telecom facilities in eight industrial areas but due to non turning up of entrepreneurs the said amount remained locked up.*

(Paragraph 2.6.3)

- *Establishment of a second Software Technology Park at Kanpur without detailed study and identifying prospective units, not only led to blocking up of Company's funds of Rs. 23.76 lakh but also to avoidable loss of Rs. 134.64 lakh.*

(Paragraph 2.9.2)

3 Reviews related to Statutory Corporation

Uttar Pradesh State Electricity Board

3A. TARIFF, BILLING AND COLLECTION OF REVENUE

- *The Board suffered loss of Rs. 7913.45 crore during five years up to 1997-98 as the cost of supply of energy varied from 167 to 245 paise per unit as against average sales realisation of 120 to 177 paise during this period.*

  (Paragraph 3A.4.1 & 3A.4.1.2)

- *The arrears against sale of power under special tariffs to NOIDA Power Company Limited, NOIDA (NPCL) accumulated to Rs. 81.92 crore (up to March 1999) besides late payment surcharge of Rs. 22.73 crore. Further, NPCL was not billed at double the rates of the special tariff after 15 June 1998 on its failure to set up generating units in terms of the agreement of December 1993 which resulted in undercharge of Rs. 37.49 crore.*

  (Paragraph 3A.4.3.2)

- *Incorrect application of tariff resulted in undercharge of revenue amounting to Rs. 15.87 crore in respect of private tubewells/pumpsets (Rs. 12.68 crore and industrial consumers (Rs. 3.19 crore).*

  (Paragraph 3A.5.5)

- *Irregular reduction of contracted load, grant of concessions and rebates and incorrect application of multiplying factors resulted in undercharge/ loss of revenue of Rs. 5.02 crore. Further, non assessment/under assessment of energy due to defective meters resulted in under charge of Rs. 3.88 crore.*

  (Paragraph 3A.5.6 to 3A.5.9)

- *10 consumers were billed for lower than their contracted loads while 9 consumers were billed either for lower billable demands or at lower than the applicable rates of demand charges which resulted in undercharge of Rs. 8.57 crore.*

  (Paragraph 3A.5.10 and 3A.5.13)

- *Arrears of revenue increased from Rs. 2038.23 crore in 1993-94 to Rs. 5171.52 crore in 1997-98 which represented 8.94 to 12.95 months' assessments as against security deposit limited to only two months' assessments.*

(Paragraph 3A.6)

3B. PHYSICAL AND FINANCIAL PERFORMANCE OF POWER SECTOR DURING VII FIVE YEAR PLAN

- *Against the targeted addition of 1638 MW in generation capacity at the end of VII Five Year Plan, the actual addition was 1365.5 MW representing achievement of 83 per cent.*

(Paragraph3B.4.2)

- *Failure to achieve envisaged plant load factor in thermal plants resulted in loss of generation of 18806 MU valued at Rs. 1203.58 crore.*

(Paragraph 3B.4.3)

- *Loss of generation due to inordinate delay in commissioning of various projects due for commissioning during VII plan aggregated 44036.25 MU valued at Rs. 2791.89 crore.*

(Paragraph 3B.6.1)

- *Board's funds aggregating Rs. 222.18 crore spent on creation of common facilities/infrastructure consisting of coal handling plant, water treatment plant etc. of Anpara 'C' power station were locked up as the Government could not finalise modalities for execution of the project.*

{Paragraph 3B.6.1.2(c)}

3C. OUTSTANDING DUES AGAINST UTTAR PRADESH STATE ELECTRICITY BOARD

- *The total liabilities of Board as on 31 March 1999 aggregated Rs. 29954.53 crore which included current liabilities of Rs. 6427.12 crore.*

(Paragraph 3C.1)

- *The long term loan from Government and other financial institutions including interest accrued and due stood at Rs. 19205.68 crore and Rs. 3720.19 crore respectively as on 31 March 1999.*

(Paragraph 3C.5.3)

- *Board's funds to the extent of Rs. 497.16 crore were lying blocked due to non completion of various projects.*

(Paragraph 3C.6.1)

- *Subsidy of Rs. 136.44 crore only was received against Rs. 11266.38 crore receivable from Government during five years up to March 1999.*

(Paragraph 3C.6.3)

3D. PERFORMANCE OF ELECTROSTATIC PRECIPITATORS

- *Out of 38 units at six Thermal Power Stations (TPS), Electrostatic Precipitators (ESPs) were installed at only 24 units. The actual emission levels at Obra TPS recorded abnormally high up to 8930 mg/Nm^3 as against the norm of 350 mg/Nm^3 prescribed by Uttar Pradesh Pollution Control Board (UPPCB).*

(Paragraph 3D.4)

- *There was a delay of 10 and 4 months in carrying out augmentation work at unit III and IV of Panki TPS which resulted in loss of generation of 348.87 MU valued at Rs. 45.55 crore.*

(Paragraph 3D.5)

- *Unit I and II of Panki TPS were lying closed since November 1995 and April 1997 respectively as per orders of Special Judicial Magistrate (Pollution Control) U.P. Lucknow due to Board's failure in installing the ESPs. This resulted in loss of generation of 489.14 MU valued at Rs. 80.22 crore for the period up to March 1999.*

(Paragraph 3D.7)

4. MISCELLANEOUS TOPICS OF INTEREST

Besides, the reviews mentioned above, a test check of the records of the Government Companies and Statutory Corporations in general disclosed the following miscellaneous points of interest:

Uttar Pradesh State Sugar Corporation Limited

- *Delay in completion of modernisation cum expansion project for increasing the capacity of Bulandshahar Sugar Factory resulted in cost over-run of Rs. 29.10 crore.*

  (Paragraph 4A.1)

- *Procurement of material for modernisation-cum-expansion project without ensuring financing arrangement and approval of Government resulted in locking up funds of Rs. 3.97 crore.*

  (Paragraph 4A.2)

The Pradeshiya Industrial and Investment Corporation of Uttar Pradesh Limited

- *Failure in verification of personal guarantee of partners, and lack of close monitoring resulted in loss of Rs. 5.60 crore to the company in respect of two loanees.*

  (Paragraph 4A.4)

- *Raising of additional fund of Rs. 50 crore by issue of bonds without prior approval of Government resulted in avoidable payment of interest of Rs. 0.97 crore.*

  (Paragraph 4A.5)

Uttar Pradesh Avas Evam Vikas Parishad

- *The drawal of loan without finalisation of rates for compensation of* *land in two cases resulted in avoidable payment of interest of Rs. 3.20 crore.*

(Paragraph 4B.4)

Uttar Pradesh State Electricity Board

- *Undue benefit to a consumer was given by way of short recovery of bay charges (Rs. 10.87 lakh) and security deposit (Rs. 79.50 lakh) coupled with non assessment for slow running of meter (Rs. 411.71 lakh).*

(Paragraph 4C.1)

- *The Board incurred extra expenditure of Rs. 0.60 crore for getting the routine and type test of transformers carried out by private firms.*

(Paragraph 4C.2)

- *The expenditure of Rs. 0.38 crore incurred on construction of 33/11 KV sub-station/lines remained unfruitful due to non replacement of conductor stolen in September 1995.*

(Paragraph 4C.3)

- *Out of funds of Rs. 325.03 crore provided by the State Government (up to March 1998) for electrification of 9787 Ambedkar Villages, the Board incurred expenditure of Rs. 173.18 crore only on electrification of 6738 villages up to March 1999, the balance Rs. 151.85 crore remaining in their current account resulting in recurring interest liability of Rs. 22.02 crore per annum.*

(Paragraph 4C.7)

Chapter I

General

Chapter 1

General

General View of Government Companies and Statutory Corporations

General View of Government Companies and Statutory Corporations

1.1 Introduction

As on 31 March, 1999 there were 97 Government companies (including 37 Subsidiaries) and eight Statutory corporations as against the same number of companies and Statutory corporations as on 31 March 1998 under the control of the State Government. The accounts of the Government companies (as defined in Section 617 of the Companies Act, 1956) are audited by Statutory Auditors appointed by Government of India on the advice of Comptroller and Auditor General of India (CAG) as per provision of Section 619 (2) of the Companies Act, 1956. These accounts are also subject to supplementary audit conducted by the CAG as per provisions of Section 619 of the Companies Act, 1956. The audit of the Statutory corporations are conducted under the provisions of the respective Acts as detailed below:

Sl. No.	Name of the Corporation	Authority for audit by the CAG	Audit arrangement
1.	Uttar Pradesh State Electricity Board	Section 69 (2) of the Electricity Supply Act, 1948	Sole audit by CAG
2.	Uttar Pradesh State Road Transport Corporation	Section 33(2) of the Road Transport Corporation Act, 1950	Sole audit by CAG
3.	Uttar Pradesh Financial Corporation	Section 37(6) of the State Financial Corporations Act, 1951	Chartered Accountants and supplementary audit by CAG
4.	Uttar Pradesh State Warehousing Corporation	Section 31(8) of the Warehousing Corporations Act, 1962	Chartered Accountants and supplementary audit by CAG
5.	Uttar Pradesh Avas Evam Vikas Parishad	Section 19(3) of the Comptroller and Auditor General's (Duties. Power and Conditions of Service) Act, 1971	Sole audit by CAG

Sl. No.	Name of the Corporation	Authority for audit by the CAG	Audit arrangement
6.	Uttar Pradesh Jal Nigam	Section 20(1) of the Comptroller and Auditor General's (Duties, Power and Conditions of Service) Act, 1971	Sole audit by CAG
7.	Uttar Pradesh Forest Corporation	Section 19(3) of the Comptroller and Auditor General's (Duties, Power and Conditions of Service) Act, 1971	Chartered Accountants and supplementary audit by CAG
8.	Uttar Pradesh State Employees Welfare Corporation	Section 19(3) of the Comptroller and Auditor General's (Duties, Power & Conditions of Service) Act, 1971	Chartered Accountants and supplementary audit by CAG

1.2 Investment in Public Sector Undertakings (PSUs)

As on 31 March 1999, the total investment in 105 Public Sector Undertakings (97 Government companies including 37 subsidiaries and eight Statutory corporations) was Rs. 20842.20 crore (equity: Rs. 2382.35 crore; long-term loans*: Rs. 18432.62 crore; share application money: Rs. 27.23 crore) as against a total investment of Rs. 20142.51 crore (equity: Rs. 2292.44 crore; long-term loans : Rs. 17831.89 crore; share application money: Rs. 18.18 crore) as on 31 March 1998. The analysis of investment in PSUs is given in the following paragraphs.

1.2.1 Government companies

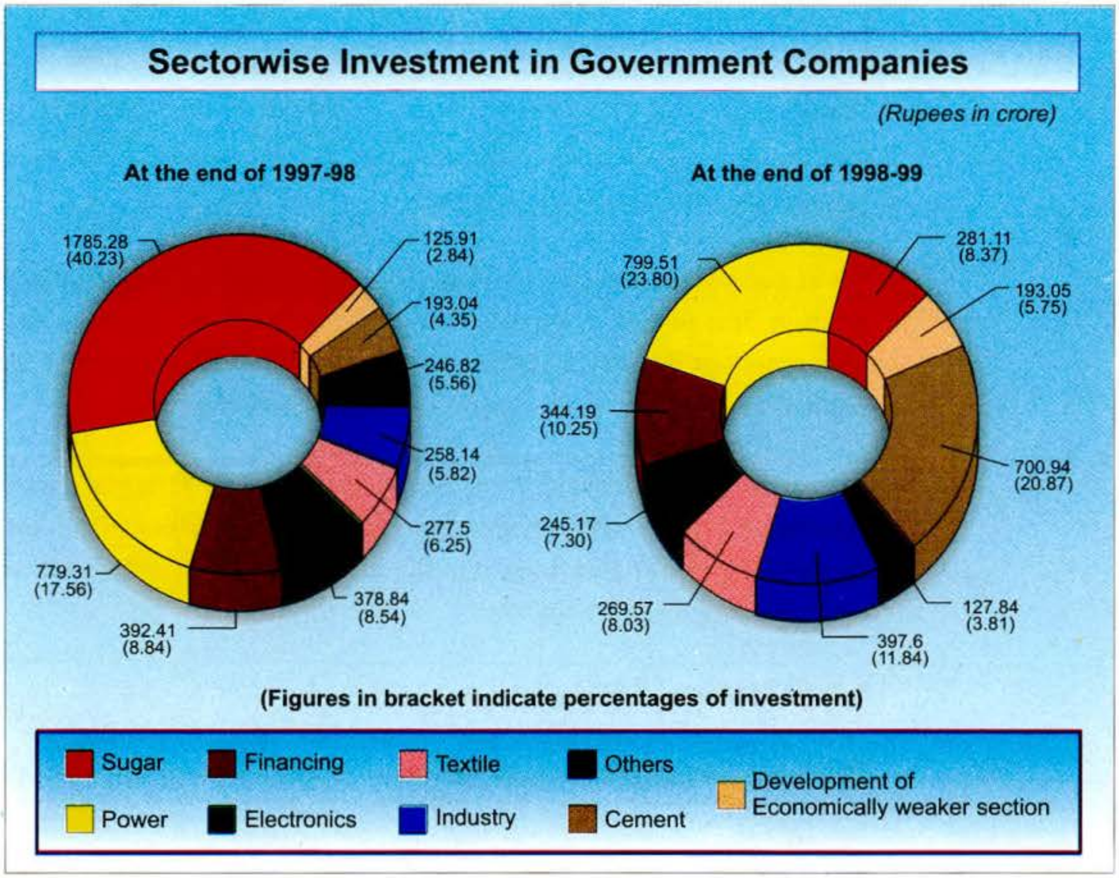
Total investment in 97 companies (including 37 subsidiaries) as on 31 March 1999 was Rs. 3358.98 crore (equity: Rs. 1948.01 crore; long-term loans: Rs. 1383.74 crore; share application money : Rs. 27.23 crore) as against total investment of Rs. 4437.25 crore (equity: Rs. 1865.24 crore; long-term loans: Rs. 2553.83 crore; share application money : Rs. 18.18 crore) as on 31 March 1998.

* Long term loans mentioned in para 1.2, 1.2.1 and 1.2.2 are excluding interest accrued and due on such loans.

Sectorwise Investment in Government Companies

As on 31 March 1999, of total investment in Government companies, 58.80 *per cent* comprised equity capital and 41.20 *per cent* comprised loans compared to 42.45 *per cent* and 57.55 *per cent* respectively as on 31 March 1998.

The Sectorwise investment (equity including share application money and long term loans) in Government companies as at the end of 1997-98 and 1998-99 is given below in the pie diagrams.



The classification of the Government companies was as under:

Status of companies	Number of companies	Investment (Rupees in crore)		Number of companies referred to BIFR
		Paid up capital	Long term loans	
(a) Working companies	56 (59)	1871.62 (1835.77)	1226.09 (2540.42)	10[d] (10)
(b) Non working companies:				
(i) Under liquidation	12[a] (12)	15.86 (15.86)	0.03 (0.03)	Nil
(ii) Under closure	Nil	Nil	Nil	Nil
(iii) Under merger	3[b] (3)	0.47 (0.31)	2.69 (2.69)	Nil
(iv) Others	26[c] (23)	87.29 (31.48)	154.93 (10.69)	Nil
Total	**97** **(97)**	**1975.24** **(1883.42)**	**1383.74** **(2553.83)**	**10** **(10)**

(figures in brackets are previous year figures)

As 41 companies were non working or under process of liquidation/closure under Section 560 of the Companies Act/merger for 3 to 24 years and substantial investment of Rs. 261.27 crore was involved in these companies, effective steps need to be taken for their expeditious liquidation or revival.

The summarised financial results of Government companies are detailed in Annexure-1 & 2. Due to decrease in long term loans of all sectors, except electronics, power and financing, the debt equity ratio decreased from 1.37:1 in 1997-98 to 0.70:1 in 1998-99.

1.2.2 Statutory corporations

The total investment in eight Statutory corporations at the end of March 1999

a Reference to Annexure-1 serial numbers 24, 25, 26, 27, 28, 37, 38, 39, 40, 45, 67 and 84 .

b Reference to Annexure-1 serial numbers 44,47 and 48

c Reference to Annexure-1 serial numbers 3, 9, 13, 14, 15, 18, 20, 23, 34, 35, 36, 50, 55, 56, 57, 58, 59, 60, 61, 62, 64, 65, 66, 71, 83 and 93.

d Reference to Annexure-1 serial numbers 31, 32, 41, 42, 43, 75, 78, 79, 80 and 82.

and March 1998 was as follows:

(Rupees in crore)

Sl. No.	Name of corporation	1997-98		1998-99	
		Capital	Loan	Capital	Loan
1.	Uttar Pradesh State Electricity Board	--	13598.31	--	15178.75
2.	Uttar Pradesh State Road Transport Corporation	315.83	97.10	321.57	105.82*
3.	Uttar Pradesh Financial Corporation	100.00	1391.22	100.00	1423.04
4.	Uttar Pradesh State Warehousing Corporation	11.37	1.82	12.77	1.43
5.	Uttar Pradesh Avas Evam Vikas Parishad	--	51.82	--	28.26
6.	Uttar Pradesh Jal Nigam	--	128.42	--	302.20
7.	Uttar Pradesh Forest Corporation	--	7.00	--	7.00
8.	Uttar Pradesh State Employees Welfare Corporation	--	2.37	--	2.37
	Total	**427.20**	**15278.06**	**434.34**	**17048.87**

Out of eight corporations, five corporations have no share capital. The total loans of these Statutory corporations outstanding as on 31 March 1999 was Rs. 17048.87 crore as against Rs. 15278.06 crore as on 31 March 1998. The increase in outstanding loans is attributed mainly to increase in loans of Uttar Pradesh Jal Nigam by 135 *per cent* and Uttar Pradesh State Electricity Board by 12 *per cent.*

The summarised financial results of all the Statutory corporations as per latest finalised accounts are given in Annexure –2 and financial position and working results of individual** Statutory corporations for the three years up to 1998-99 are given in Annexures-4 & 5 respectively.

1.3 Disinvestment, Privatisation and Restructuring*** of Public Sector Undertakings in Uttar Pradesh

The policy for privatisation/disinvestment of PSUs formulated (June 1994) by the Government provided for review of all enterprises, excluding those engaged

* Provisional

** Except Uttar Pradesh State Employees Welfare Corporation whose audit was entrusted to the Comptroller and Auditor General of India during 1997-98 but no account has been received so far.

*** Restructuring includes merger and closure of PSUs.

in social and welfare activities and public utilities, whose annual loss was more than Rs. 10 crore and which had eroded their net worth by 50 *per cent* or more. A comprehensive policy detailing the various modalities and basis of valuation of assets and liabilities, selection of entrepreneurs etc. is yet to be made by the Government.

An Empowered Committee (EC) was constituted (December 1995) to review and decide cases for privatisation/disinvestment/reference to BIFR and to recommend other alternatives such as partial privatisation, management by private entrepreneurs, lease to private entrepreneurs etc. The recommendations of the EC, if any, had not been seen by Audit.

1.4 Budgetary outgo, Subsidies, Guarantees and Waiver of dues

The details of budgetary outgo, subsidies, guarantees issued, waiver of dues and conversion of loans into equity by State Government to Government companies and Statutory corporations are given in Annexures 1 & 3.

The budgetary outgo from the State Government to Government companies and Statutory corporations for the three years up to 1998-99 in the form of equity capital, loans, grants and subsidy is given below:

(Amount : Rupees in crore)

	1996-97				1997-98				1998-99			
	Companies		Corporations		Companies		Corporations		Companies		Corporations	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
Equity Capital	11	33.63	-	-	11	48.94	2	1.16	9	26.48	2	7.14
Loans	14	117.25	2	974.81	12	109.95	2	829.50	13	113.80	4	1149.49
Grants	--	--	--	--	--	--	1	60.28	--	--	--	--
Subsidy towards												
(i) Projects/ Programmes/ Schemes	--	--	--	--	--	--	--	--	--	--	3	3.01
(ii) Other Subsidy	11	221.20	--	--	13	197.77	1	638.03	4	80.62	1	133.92
(iii) Total Subsidy	11	221.20	--	--	13	197.77	1	638.03	4	80.62	3	136.93
Total outgo	**25**	**372.08**	**2**	**974.81**	**26**	**356.66**	**2**	**1528.97**	**21**	**220.90**	**8**	**1293.56**

During the year 1998-99 the Government had guaranteed the loans aggregating Rs. 2017.07 crore obtained by 12 Government companies (Rs. 821.63 crore) and four Statutory corporations (Rs. 1195.44 crore). At the end of the year guarantees amounting to Rs. 2508.74 crore against 18 Government companies (Rs. 969.17 crore) and five Statutory corporations (Rs. 1539.57 crore) were outstanding. There were four cases of default (companies: one; corporations: three) in repayment of guaranteed loans during the year. The Government also converted its loans amounting to Rs. 51.53 crore into equity capital in one company (Rs. 46.53 crore) and one corporation (Rs. 5.00 crore) during the year. No guarantee commission was payable by Government companies and Statutory corporations to the Government.

1.5 Finalisation of accounts by PSUs

1.5.1 The accounts of the companies for every financial year ought to be finalised within six months from the end of relevant financial year under Section 166, 210, 230, 619 and 619-B of the Companies Act, 1956 read with Section 19 of Comptroller and Auditor General's (Duties, Power and Conditions of Service) Act, 1971. They are also to be laid before the Legislature within nine months from the end of financial year. Similarly, in case of Statutory corporations their accounts are finalised, audited and presented to the Legislature as per the provision of their respective Acts.

However, as could be noticed from Annexure-2, out of 97 Government companies only three companies (including one company which finalised accounts for the period from April 1997 to September 1998) and out of eight Statutory corporations, only two corporations finalised their accounts for the year 1998-99, within the stipulated period. During the period from October 1998 to September 1999, 40 Government companies (including 5 companies which are under liquidation/ merger) finalised 50 accounts (including 8 accounts of companies under liquidation/merger) for the year 1998-99 or previous years (47 accounts for previous years by 37 companies and three accounts for 1998-99 including one account for the period from April 1997 to September 1998) by three companies. Similarly, during this period, six Statutory corporations finalised six accounts for 1998-99 or previous years (five accounts for previous years by five corporations). The accounts of other 91* Government companies (including nine companies

* Companies at serial numbers 24, 25 and 67 of Annexure-2 are under liquidation and have no arrears.

under liquidation and three companies under merger) and seven Statutory corporations were in arrears for period ranging from one year to 24 years as on 30 September 1999 as detailed below:

Sl No	Year from which accounts are in arrear	Number of years for which accounts are in arrear	No of Companies/Corporations		Reference to serial No. of Annexure-2	
			Government Companies	Statutory Corporations	Government Companies	Statutory Corporations
1	1975-76	24	1		14	
2	1977-78	22	1		13	
3	1978-79	18	1		40#	
4	1982-83	17	1		60	
5	1980-81	16	1		38#	
6	1983-84	16	1		71	
7	1984-85	15	1		58	
8	1985-86	14	2		9,59	
9	1986-87	13	4		35, 62,70,74	
10	1987-88	12	2		57,61	
11	1988-89	11	6		36, 50,56,65,66,69	
12	1976-77	10	1		26#	
13	1989-90	10	2		46,83	
14	1990-91	9	4		18,34,89,90	
15	1991-92	8	3		3,11,21	
16	1992-93	7	4		15,20,55,95	
17	1993-94	6	3		12,63,68	
18	1986-87	5	1		28#	
19	1994-95	5	2		33,64	
20	1987-88	4	1		48**	
21	1993-94	4	1		37#	
22	1995-96	4	5	1	2,17,49,73,75	6

Sl No	Year from which accounts are in arrear	Number of years for which accounts are in arrear	No of Companies/Corporations		Reference to serial No. of Annexure-2	
			Government Companies	Statutory Corporations	Government Companies	Statutory Corporations
23	1993-94	3	1		27#	
24	1996-97	3	7		23,32,54,78,80,92,97	
25	1989-90	2	1		44**	
26	1997-98	2	8		16,19,22,77,79,93,94, 96	
27	1990-91	1	1		47**	
28	1993-94	1	1		84#	
29	1995-96	1	1		45#	
30	1996-97	1	1		39#	
31	1998-99	1	22	5	1,4,5,6,7,8,10, 29,41,42,43,51,52,53, 72, 76,81,85,86,87, 88,91	2,3,5, 7, 8

Of the above 91 Government companies, whose accounts are in arrears, 38* companies were non working companies.

The administrative departments have to oversee and ensure that the accounts are finalised and adopted by the PSUs within the prescribed period. Though the concerned administrative departments and officials of the Government were appraised quarterly by the Audit regarding arrears in finalisation of accounts, no effective measures had been taken by the Government and as a result, the investments made in these PSUs could not be assessed in Audit.

Companies at Sl. Nos. 26, 27, 28, 37, 38, 39, 40, 45 and 84 of Annexure-2 are under liquidation; therefore, the arrears are up to the date of their going into liquidation.

* Serial numbers 3, 9, 13, 14, 15, 18, 20, 23, 26, 27, 28, 34, 35, 36, 37, 38, 39, 40, 44, 45, 47, 48, 50, 55, 56, 57, 58, 59, 60, 61, 62, 64, 65, 66, 71, 83, 84 and 93 of Annexure-2.

** Companies at serial numbers 44,47 and 48 of Annexure-2 are under merger; therefore, the arrears are up to the date of merger.

1.5.2 Status of placement of Separate Audit Reports of Statutory corporations in Legislature

The table given below indicates the status of placement of various Separate Audit Reports (SARs) on the accounts of Statutory corporations issued by the Comptroller and Auditor General of India in the Legislature by the Government.

Sl No.	Name of Statutory corporation	Year up to which SARs placed in Legislature	Years for which SARs. not placed in Legislature		
			Year of SAR	**Date of issue to the Government**	**Reasons for delay in placement in Legislature**
1.	Uttar Pradesh State Electricity Board	1989-90	1990-91 to 1992-93 1993-94	06.08.1997 18.06.1998	Information is awaited.
2.	Uttar Pradesh State Road Transport Corporation	1993-94	1994-95 1995-96 1996-97	08.11.1996 20.01.1998 10.09.1999	Information is awaited.
3.	Uttar Pradesh Financial Corporation	1992-93	1993-94 1994-95 1995-96	07.07.1995 18.04.1996 28.08.1998	Information is awaited.
4.	Uttar Pradesh State Warehousing Corporation	1997-98	1998-99	Under finalisation	NA
5.	Uttar Pradesh Forest Corporation[A]	--	--	--	--
6.	Uttar Pradesh Avas Evam Vikas Parishad	**	1990-91 1991-92 1992-93 1993-94	23.02.1998 23.02.1998 27.02.1998 19.08.1999	Information is awaited.
7.	Uttar Pradesh Jal Nigam	**	1995-96 1996-97	21.10.1997 18.02.1999	Information is awaited.
8.	Uttar Pradesh State Employees Welfare Corporation[B]	--	--	--	--

A Audit has been entrusted from 1997-98. First SAR is under issue.

** Information is awaited from Government.

B Audit has been entrusted from 1997-98. Accounts have not been received so far.

1.6 Working results of Public Sector Undertakings

According to latest finalised accounts of 93* Government companies (including one company under construction - Sl. No. 23 of Annexure-2) and seven** statutory corporations, 60 companies and three corporations had incurred an aggregate loss of Rs. 223.24 crore and Rs. 70.86 crore respectively, and the remaining 32 companies and four corporations earned aggregate profit of Rs. 45.15 crore and Rs. 451.02 crore respectively.

The summarised financial results of Government companies and Statutory corporations as per latest finalised accounts are given in Annexure-2. Besides, working results of individual corporations for the latest three years for which accounts are finalised are given in Annexure-5.

1.6.1 Government companies

1.6.1.1 Profit earning companies and dividend

Out of three companies (including two subsidiaries) which finalised their accounts for 1998-99 by September 1999, one company (Sl. No. 31 of Annexure-2) earned a profit of Rs. 0.10 crore but did not declare dividend.

Similarly, out of 40 companies which finalised their accounts for previous years by September 1999, 19 companies earned an aggregate profit of Rs. 41.64 crore and only 14 companies earned profit for two or more successive years.

The Government has not formulated any dividend policy for PSUs. However, the Government ordered (June 1994) for making corporate plans by the PSUs and specifying plans for future development but no such plans had been prepared by the PSUs.

1.6.1.2 Loss incurring companies

Out of three companies (including two subsidiaries) which finalised their accounts for 1998-99 by September 1999, two companies (Sl. No. 30 & 82 of Annexure-2) incurred loss aggregating Rs. 4.31 crore.

* Four companies at Serial number 35, 36, 40 and 83 of Annexure-2 have not finalised their accounts since inception.

** One Corporation at Sl. No. 8 of Annexure-2 whose audit has been entrusted from 1997-98 had not submitted accounts.

Similarly, out of 40 companies which finalised their accounts for previous years by September 1999, 21 companies incurred an aggregate loss of Rs. 77.00 crore.

Of the 60 loss incurring companies, 35 companies had accumulated losses aggregating Rs. 2026.52 crore which had far exceeded their aggregate paid up capital of Rs. 1022.09 crore.

In spite of poor performance leading to complete erosion of paid up capital, the State Government continued to provide financial support to these companies in the form of contribution towards equity, further grant of loans, conversion of loans into equity, subsidy, etc. According to available information, the total financial support so provided by the State Government by way of further grant of loans and conversion of loans into equity during 1998-99 to six companies out of these 35 companies amounted to Rs. 129.57 crore.

1.6.2 Statutory corporations

1.6.2.1 Profit earning Statutory corporations and dividend

Out of two Statutory corporations which finalised their accounts for 1998-99 by September 1999 and earned an aggregate profit of Rs. 414.38 crore, only one Statutory corporation (Sl. No. 4 of Annexure-2B) which earned a profit of Rs. 3.74 crore declared a dividend of Rs. 0.31 crore. The dividend as percentage of share capital in the above profit earning corporation worked out to 2.43 *per cent*. The total return by way of above dividend of Rs. 0.31 crore worked out to 0.07 *per cent* in 1998-99 on total equity investment of Rs. 434.34 crore in all Statutory corporations as against 1.85 *per cent* in the previous year.

Similarly, out of five corporations which finalised their accounts for previous years by September 1999 two corporations (Sl. Nos. 5 & 6 of Annexure-2) earned an aggregate profit of Rs. 36.64 crore and all these corporations earned profit for two or more successive years.

1.6.2.2 Loss incurring Statutory corporations

Out of five corporations which finalised their accounts for previous years by September 1999, three corporations incurred an aggregate loss of Rs. 70.86 crore.

Of the three loss incurring corporations two corporations had accumulated losses aggregating to Rs. 1259.92 crore which had far exceeded their aggregate paid up capital of Rs. 421.57 crore.

In spite of poor performance leading to complete erosion of paid-up capital, the State Government continued to provide financial support to these corporations in the form of contribution towards equity and further grant of loans, conversion of loans into equity, subsidy etc. According to available information, the total financial support so provided by the State Government by way of contribution towards equity and conversion of loans into equity during 1998-99 to one corporation amounted to Rs. 10.74 crore.

1.6.2.3 Operational performance of Statutory corporations

The operational performance of the Statutory corporations is given in Annexure-6 which brings out the following facts:

(i) The percentage of transmission and distribution losses in Uttar Pradesh State Electricity Board increased from 24.58 in 1996-97 to 26.86 *per cent* in 1998-99. This indicated increased leakage of power.

(ii) While the average number of own vehicles held by Uttar Pradesh State Road Transport Corporation dropped by 9.4 *per cent* in 1998-99 as compared to 1996-97, the average number of hired buses held increased by 97.6 *per cent* during the same period. This showed increased dependence on hired buses. The occupancy ratio also declined from 67 in 1996-97 to 65 in 1998-99.

(iii) The disbursement of loan by Uttar Pradesh Financial Corporation decreased from Rs. 423.14 crore (1491 cases) in 1996-97 to Rs. 129.39 crore (637 cases) in 1998-99 which was detrimental to the industrial development of the State.

(iv) The sale of various products by Uttar Pradesh Forest Corporation showed a declining trend during 1997-98 as compared to 1995-96.

1.7 Return on Capital Employed

During 1998-99 the capital employed* worked out to Rs. 2060.69 crore in 97

* Capital employed represents net fixed assets (including capital work-in-progress) plus working capital except in finance companies and corporations where it represents a mean of aggregate of opening and closing balances of paid up capital, free reserves and borrowings (including refinance).

companies and total return* thereon amounted to Rs. 96.43 crore which is 4.68 *per cent* as compared to total return of Rs. 177.97 crore (9.30 *per cent*) in 1997-98. Similarly during 1998-99, the capital employed and total return thereon in case of Statutory corporations amounted to Rs. 12065.18 crore and Rs. 2114.12 crore (17.52 *per cent)* respectively against the total return of Rs. 2053.46 crore (18.58 *per cent*) for 1997-98. The details of capital employed and total return on capital employed in case of Government companies and corporations are given in Annexure-2.

1.8 Results of audit by Comptroller and Auditor General of India

During the period from October 1998 to September 1999, the audit of accounts of 34 companies and six corporations were selected for review. The net impact of the important audit observations as a result of review of the PSUs is detailed below:

Details		No. of accounts		Rupees in lakh	
		Government companies	Statutory corporations	Government companies	Statutory corporations
(i)	Decrease in profit	4	1	276.78	221361.86
(ii)	Increase in profit	--	--	--	--
(iii)	Increase in losses	3	1	206.60	591.88
(iv)	Decrease in losses	1	--	6.05	--
(v)	Non disclosure of material facts	1	--	81.98	--
(vi)	Errors of classification	1	--	119.99	--

Some of the major errors and omissions noticed in the course of review of annual accounts of some of the above companies and corporations

* For calculating total return on capital employed, interest on borrowed funds is added to net profit/ subtracted from the loss as disclosed in the profit and loss account.

are mentioned below:

A. Errors and omissions noticed in case of Government companies

The Pradeshiya Industrial and Investment Corporation of Uttar Pradesh Limited (1997-98)

(i) Investments were overstated and loss for the year was understated by Rs. 71.62 lakh due to non provision towards permanent diminution in the value of long term investment.

(ii) Loss for the year (Rs. 3794.18 lakh) was understated by Rs. 75 lakh due to non provision of retirement benefits payable to employees towards encashment of earned leave at the time of retirement.

Uttar Pradesh Projects and Tubewells Corporation Limited (1997-98)

The liability for payment of premium on the policy taken by the Company under 'Gratuity-cum-Life Insurance Scheme' was not provided for resulting in understatement of current liabilities and provisions by Rs. 30.22 lakh, loss for the year by Rs. 7.53 lakh and accumulated loss by Rs. 30.22 lakh.

Uttar Pradesh Chalchitra Nigam Limited (1995-96)

Amount recoverable on account of sale of cinema house (Rs. 264.58 lakh) included a sum of Rs. 15.70 lakh being balance amount recoverable on account of sale of a cinema hall. Due to non payment, possession of the cinema hall was taken back by the Company and nothing was recoverable. Thus, amount recoverable was overstated and accumulated loss understated by Rs. 15.70 lakh, respectively.

Uttar Pradesh Rajkiya Nirman Nigam Limited (1997-98)

(i) Sundry Debtors (Rs. 4031.00 lakh) were overstated by Rs. 348.43 lakh on account of non provision of dues relating to 92 old works completed during 1979-80 to 1991-92 where revised estimates could not be obtained. Consequently, provision for bad and doubtful debts were understated by the same amount.

(ii) 32 works where revised estimates for claiming extra cost of Rs. 304.70 lakh were either not submitted or not sanctioned and remained unpaid. Neither, provision had been made nor the facts disclosed in the accounts.

(iii) Gross profit transferred from Contract Account (Rs. 2297.04 lakh) was overstated by Rs. 79.66 lakh due to accounting of centage charges on tender work (Rs. 57.60 lakh), 29 cost plus and budget works at the rate of 15 *per cent* instead of 12.5 *per cent* (Rs. 18.11 lakh) and 100 *per cent* charging of depreciation instead of 15.33 *per cent* on unlisted steel shuttering material of cost plus and budget works (Rs. 3.95 lakh).

(iv) Other Receipts (Rs. 463.50 lakh) were overstated by Rs. 49.56 lakh due to excess accounting of lease rent on machines (Rs. 16.57 lakh) and accounting of previous year's ownership and spare part charges in the current year (Rs. 32.99 lakh).

(v) Provision for employees (Rs. 2019.18 lakh) was understated by Rs. 47.99 lakh due to non provision of retirement benefits payable to employees.

Uttar Pradesh Hill Electronics Corporation Limited (1993-94)

(i) Sundry Debtors (Rs. 75.38 lakh) included debtors worth Rs. 21.90 lakh remaining outstanding for over seven years for which no provision had been made.

(ii) Loans and Advances (Rs. 160.01 lakh) included Rs. 21.08 lakh recoverable against firms which were either sick or closed and neither any provision had been made nor factual disclosure was made.

(iii) Other Current Assets (Rs. 241.07 lakh) included Rs. 8.81 lakh for cost of feasibility reports, got prepared in 1986-87 and 1987-88 for setting up Electrical and Electronic Industries in joint/assisted sector but no unit could be established. No provision thereagainst had been made resulting in overstatement of current assets and understatement of loss by Rs. 8.81 lakh.

Kumaon Mandal Vikas Nigam Limited (1995-96)

(i) Sundry Debtors (Rs. 83.34 lakh) included Rs. 46.99 lakh due on account of sale of polythene bags and barbed wire up to 1991 at increased rates which were not accepted by the customers. Due to non provision of doubtful debts sundry debtors were overstated and the loss understated by Rs. 46.99 lakh.

(ii) Loans and Advances (Rs. 794.84 lakh) included Rs. 23.79 lakh on account of Trade Tax for earlier years and should have been charged to Profit and Loss Account. Thus, the Loans and Advances were overstated and the loss was understated by Rs. 23.79 lakh.

(iii) The Company had not provided for interest receivable and payable (Rs. 12.86 lakh each) on loan of Rs. 21.99 lakh sanctioned by Government resulting in understatement of Unsecured Loans and Loans and Advances.

B. Errors and omissions noticed in case of Statutory corporations

Uttar Pradesh State Road Transport Corporation (1996-97)

(i) Gratuity (Rs. 735.59 lakh) did not include Rs. 33.72 lakh on account of gratuity payable for the year 1996-97 in respect of Nainital Region and Central Workshop, Kanpur.

(ii) Reserve and Funds (Rs. 34821.03 lakh) included Depreciation Reserve Fund: Rs. 34790.99 lakh, Insurance Reserve Fund: Rs. 11.91 lakh, Pension Fund: Rs. 8.39 lakh and Other Reserves: Rs. 9.74 lakh which had not been invested in outside securities. Rules for operation of these funds had not been made (March 1997).

(iii) Building - Work-in-progress (Rs. 257.34 lakh) included four completed works for Rs. 93.23 lakh. The non-capitalisation of these works resulted in short provision of depreciation for previous years by Rs. 10.74 lakh and for the current year by Rs. 8.24 lakh and consequent understatement of accumulated loss by Rs. 18.98 lakh and loss for the year by Rs. 8.24 lakh.

Audit assessment of the working results of Uttar Pradesh State Electricity Board

Based on the audit assessment of the working results of the Uttar Pradesh State Electricity Board (UPSEB) for three years up to 1998-99 and taking into consideration the major irregularities and omissions pointed out in the Separate Audit Reports (SARs) on the annual account of the UPSEB and not taking into account the subsidy/subventions receivable from the State Government, the net surplus/deficit and the percentage of return on capital employed of the UPSEB will be as given below:

(Rupees in crore)

Sl No	Particulars	1996-97	1997-98	1998-99
1.	Net surplus/(-)deficit as per books of accounts	170.79	291.64	410.64
2.	Subsidy receivable from the State Government	1556.77	1839.61	2157.55
3.	Net surplus/(-) deficit before subsidy from the State Government (1 - 2)	(-) 1385.98	(-) 1547.97	(-)1746.91
4.	Net increase/decrease in net surplus/(-)deficit on account of audit comments on the annual accounts of the UPSEB	(-) 120.33	(-) 116.39	(-)56.07
5.	Net surplus/(-)deficit after taking into account the impact of audit comments but before subsidy from the State Government (3-4)	(-) 1506.31	(-) 1664.36	(-)1802.98
6.	Total return# on capital employed	(-) 44.65	(-) 62.81	(-)274.00
7.	Percentage of total return on capital employed	--	--	--

C. *Persistent irregularities and system deficiencies in financial matters of PSUs*

The following persistent irregularities and system deficiencies in the financial matters of PSUs had been repeatedly pointed out during the course of Audit of their accounts but no corrective action had been taken by these PSUs so far:

C.1 *Government companies*

Uttar Pradesh Scheduled Castes Finance and Development Corporation Limited

(i) Under the procedure followed in respect of Special Component Plan and Self Employment Scheme financing, company's share of the admissible amount

Total return on capital employed represents net surplus/deficit plus total interest charged to profit and loss account (less interest capitalised).

of subsidy and margin money loan is paid by field offices to the lead banks by cheques. Thus, accountal of subsidy utilised and margin money loan distributed by the company during an year represented the subsidy and margin money paid to the banks for disbursement to the beneficiaries and not the actual utilisation. Undisbursed amount lying with various banks in respect of 61 units of the Company up to 31 March 1993 amounted to Rs. 271.44 lakh.

(ii) The amount of undisbursed loans refunded by the banks are not being credited to the loanee's account, consequently the interest is being charged on the undisbursed amount. This resulted in overstatement of interest (amount indeterminate) on refunded amount of Rs. 33.35 lakh up to 31 March 1993 (previous year: Rs. 26.58 lakh).

C.2 Statutory corporations

Uttar Pradesh State Electricity Board

(i) The amount of stock shown in accounts represented the balances as per Central Account without reconciliation with the Priced Store Ledger which were not posted up to date. The value of scrap was also not based on physical balances.

(ii) Year wise break up of loans and advances was not available with the Board.

(iii) Receipt and consumption of coal in Thermal Power Stations were accounted for on estimated basis instead of actuals.

Uttar Pradesh State Road Transport Corporation

Depreciation Reserve Fund Investment Account appearing under the "Investment" amounting to Rs. 23.77 lakh remained unverified from July 1975 by the treasury and therefore, could not be realised. Provision for this amount was also not made in the Accounts.

1.9 Position of discussion of Audit Reports (Commercial) by the Committee on Public Undertakings

Period of Audit Reports	Total number of reviews/paragraphs appeared in Audit Report		Number of reviews / paragraphs pending for discussion	
	Reviews	Paragraphs	Reviews	Paragraphs
1976-77	2	53	--	5
1977-78	5	28	1	3
1979-80	6	59	--	7
1980-81	6	30	--	2
1981-82	4	73	4	39
1982-83	5	50	4	21
1983-84	4	60	4	10
1984-85	2	14	1	7
1985-86	6	22	6	11
1986-87	3	28	2	19
1987-88	8	23	7	12
1988-89	5	22	5	13
1989-90	6	14	3	10
1990-91	6	21	5	21
1991-92	4	38	4	35
1992-93	5	33	4	28
1993-94	5	31	5	31
1994-95	5	41	5	38
1995-96	7	39	7	30
1996-97	8	40	8	30

1.10 619-B Compaines

There were five companies covered under Section 619-B of the Companies Act, 1956. The table indicates the details of paid up capital and working results of these companies based on the latest available accounts

(Rupees in crore)

Name of company	Year of accounts	Paid-up capital	Investment by			Profit (+)/Loss (-)	Accumulated loss
			State Government	Government companies	Others		
Almora Magnesite Limited	1998-99	2.00	--	1.22	0.78	(+) 1.40	2.59
Command Area Poultry Development Corporation Limited	1994-95	0.24	--	--	0.24	(+) 0.00003*	0.07
Electronics and Computers (India) Limited	Accounts not finalised since inception (1975-76)						
Steel and Fasteners Limited	1978-79	0.90	--	0.55	0.35	(-) 0.45	--
Uttar Pradesh Seeds and Tarai Development Corporation Limited	1997-98	2.77	0.83	--	1.94	(+) 3.07	--

1.11 Readiness of PSUs for facing Y2K problem

As per information received out of 97 Government companies and eight Statutory corporations in the State, six** companies and two*** Statutory corporations have gone for partial computerisation. These PSUs are Y2K compliant. The information in respect of the remaining PSUs was not available.

* Rs. 316 only.

** Sl. No. 2, 10, 30, 31, 88 and 94 (A-Government companies) of Annexure-2.

*** Sl No. 2 and 3 (B-Statutory corporations) of Annexure-2.

Chapter II

Review on Government Company

Chapter 2

Review on Government Company

Uttar Pradesh State Industrial Development Corporation Limited

Uttar Pradesh State Industrial Development Corporation Limited

Working of Uttar Pradesh State Industrial Development Corporation Limited

HIGHLIGHTS

The Company engaged in acquisition and development of industrial areas had four subsidiaries in which its investment in their equity aggregating Rs. 345.04 lakh was completely eroded.

(Paragraph 2.1& 2.10.2)

Withdrawal of unsuitable proposals for land acquisition resulted into infructuous expenditure of Rs. 26.37 lakh which could have been avoided had acquisition proceedings been initiated after detailed study and firm commitment from prospective buyers.

(Paragraph 2.5.2)

Failure to assess the demand of power in respect of existing units at Jainpur industrial area prior to deposit of the cost for second feeder line with UPSEB had resulted in avoidable expenditure of Rs. 70 lakh.

(Paragraph 2.6.1)

The Company without making any assessment deposited an amount of Rs. 77.83 lakh with DoT for extending telecom facilities in eight industrial areas but due to non turning up of entrepreneurs the said amount remained locked up.

(Paragraph 2.6.3)

Acquisition of land for setting up of second Export Promotion Industrial Park (EPIP) at Varanasi without assessing the operational success of first park resulted in locking up of Rs. 42.91 lakh.

(Paragraph 2.9.1)

Establishment of a second Software Technology Park (STP) at Kanpur without detailed study and identifying prospective units, not only led to locking up of Company's funds of Rs. 23.76 lakh but also to avoidable loss of Rs. 134.64 lakh.

(Paragraph 2.9.2)

2.1 Introduction

The Uttar Pradesh State Industrial Development Corporation Limited was incorporated on 29 March 1961 as a wholly owned Government Company for promoting industrial development of the State. At present, the Company is engaged in land acquisition, development of industrial areas, identification and implementation of joint sector projects and undertaking civil works on behalf of the Government and autonomous bodies.

2.2 Organisational set-up

The Management of the Company is vested in a Board of Directors consisting of 19 Directors including the Managing Director (MD) and a part time Chairman. The MD is the Chief Executive of the Company and is assisted by a Joint Managing Director, a General Manager and a Financial Controller. The Company has ten regional offices and ten divisional offices headed by Regional Managers and Executive Engineers, respectively.

2.3 Scope of Audit

A sectoral review on development of industrial areas, allotment of plots and recovery of dues against allottees was featured in the Report of the Comptroller and Auditor General of India for the year ended 31 March 1991 (Commercial) Government of Uttar Pradesh. The Committee on Public Undertakings has not so far taken up the Report for discussion (March 1999). The present review covers the overall performance of the Company for the last five years up to 1997-98.

2.4 Financial position and working results

The financial position and working results of the company for the five years up to 1997-98 as summarised in Annexure-7 & 8 bring out the following facts:

(i) The increase in profit before tax during 1996-97 and 1997-98 as compared to 1995-96 was due to change in accounting policy from cash basis to mercantile basis which had the effect of increasing interest income by Rs. 6.92 crore; and

(ii) Write back of repairs relating to industrial areas charged to Profit & Loss Account in earlier years (Rs. 10.74 crore) and now debited to development expenditure under assets.

2.5 Acquisition of land

2.5.1 Withdrawal of acquisition proposals

Land acquisition proceedings were initiated without obtaining firm commitment and assessing the suitability of site

Acquisition of land for industrial development is one of the main activities on which expenditure incurred varied from Rs. 9.7 crore in 1993-94 to Rs. 20.0 crore in 1997-98. It was noticed in Audit that in most of the cases the Company submitted acquisition proposals to district authorities without obtaining firm commitment by way of deposit from units and without proper assessment of suitability of sites for potential industries. This resulted in withdrawal of proposals after commencement of acquisition proceedings leading to wasteful expenditure and locking up of funds as discussed below:

2.5.2 Wasteful expenditure on proposals withdrawn

Loss of Rs. 23.50 lakh was incurred due to withdrawal of land acquisition proposal

(i) The Company submitted proposal (August 1989) for acquiring 72 acres of land in three villages near Agra city and deposited Rs. 50 lakh with Special Land Acquisition Officer (SLAO) in August 1989 as advance. The acquisition proceedings started in February 1991 were completed by May 1992. However, no industry came forward for setting up any unit as land was covered under Taj Trapezium. Therefore, the Company requested SLAO in April 1994 to drop the proposal which was agreed to after deduction of Rs. 23.50 lakh representing acquisition expenses.

(ii) The Company submitted (October 1987) a proposal for acquisition of 261 hectare land valued at Rs. 46.20 lakh in three villages of Mathura district for Modi Rubber Works. In October 1988, the Chief Project Engineer (CPE) of the Company stated that proposed site was submerged and was unfit for development of industrial area. The Company did not stop the acquisition proceedings which were completed in November 1990. The firm, for which acquisition was initiated, did not take any interest in setting up the industry and as such the proposal was dropped by the Company for which the SLAO recovered Rs. 4.62 lakh towards acquisition expenses out of which Rs. 1.75 lakh was adjusted by the Company by forfeiture of the earnest money deposited by Modi Rubber.

Thus, infructuous expenditure of Rs. 26.37* lakh in the above two cases could have been avoided had the acquisition proceedings been initiated after detailed study and firm commitment from prospective buyers.

2.5.3 Selection of unsuitable site

Under the Central Assistance Scheme (1983) for setting up industrial areas with infrastructure facilities in 'No Industry Districts' (NID) of the State, the Company identified Chamoli as one of the eight districts of the State for implementing the scheme. Site Selection Committee comprising five officers of the Company and a representative of industry department selected (February 1985) the site in village Simli near Pindar river for which initial survey had already been done in 1982-83 by Irrigation Department for construction of a dam. The Company paid Rs. 47.63 lakh during January 1987 to February 1990 and acquired 28.58 acres of land in February 1989 without consulting the Irrigation Department. It, thereafter, came to the Company's notice in September 1989 that the area may be submerged after construction of the nearby dam. Therefore, the Company decided (November 1989) not to take up development work on the acquired land.

Out of 45 plots developed up to March 1992 in Chamoli, 22 plots could not be allotted

The Government after considering the matter (March 1992) directed the Company to take up the development work. The Company spent Rs. 33.46 lakh on infrastructure development of 45 plots and allotted 23 plots so far (July 1999) and the balance 22 plots (10.56 acres valued at Rs. 35.58 lakh) remained unallotted (July 1999); thus defeating the purpose of industrial development of the area to that extent.

2.5.4 Land acquired remaining undeveloped

The following table shows summarised position of acquisition of land and undeveloped land in respect of cases test checked in Audit.

* Rs. 23.50 lakh recovered by SLAO plus Rs. 2.87 lakh being balance of acquisition expenses borne by the Company.

Name of Industrial area	Year of acquisition	Land acquired	Land undeveloped	Cost of acquisition of undeveloped land	Subsidy utilised on undeveloped land
		(In acres)		(Rs. in lakh)	
Trisundi and Utelwa (Sultanpur)	1985-86	845	835	145.87	145.87
Salempur, Aligarh	1991-92	1124	1054	144.73	NIL
Ferozabad	1990-91	482	215	137.52	NIL
Bhogaon (Mainpuri)	1989-90	242	230	41.90	41.87
Deoria	1989-90	148	59	35.66	29.48
Farukhabad	1991-92	266	266	28.50	25.24
Etah	1989.90	160	85	16.98	16.67
Sandila (Hardoi)	1972-73	1847	1040	14.34	NIL
Total		**5114**	**3784**	**565.50**	**259.13**

Subsidy of Rs. 2.59 crore was irregularly adjusted against undeveloped land

Major part of acquired land remaining undeveloped in these areas was indicative of lack of proper exercise in assessing the need before starting the process of land acquisition which had resulted in blocking of Company's funds of Rs. 565.50 lakh for 6 years and more. According to instructions of the Government the subsidy could be adjusted only against allotment and transfer of possession of land to the entrepreneurs. However, the Company adjusted Rs. 259.13 lakh, subsidy received from the State Government in respect of undeveloped land also in violation of the Government instructions.

The Management stated (August 1999) that the undeveloped land had been acquired as per policy of the State Government and the subsidy had been adjusted against the acquisition cost as per rules and procedure laid down by the Government. The reply is not tenable in view of the facts brought out above.

2.6 Development of infrastructure

Development of infrastructure facilities by the Company includes construction of roads, drains, culverts, common facility centres and extension of electricity, water, telecommunication facilities etc. The cost of development of infrastructure facilities is included while determining the rate of premium recoverable from allottees. It was noticed in Audit that in the following cases the Company started infrastructure development without properly assessing its need and formulating procedure for recovery of the entire cost from allottees.

2.6.1 Infructuous expenditure on power line

Expenditure of Rs. 70 lakh could have been avoided if the requirement of power had been properly assessed

In June 1993, the Company without assessing the present demand of power of the industrial units vis-a-vis installed capacity of the existing sub station Jainpur (District: Kanpur Dehat), deposited Rs. 70 lakh with the UPSEB for construction of second line of 30 Kms from its nearest 132 KV sub station at Ghatampur to Jainpur sub station (which was needed only if the existing load was above 10 MVA). While the second circuit line from 132 KV Ghatampur was in initial stage of construction, the UPSEB informed (February 1995) of its proposal to construct 132 KV sub station at Jainpur itself. The Company in October 1995 assessed the load at 3 MVA and held that balance 7 MVA capacity available at sub station against the existing first circuit line (completed in 1991) itself was sufficient to meet requirement for next three years and any increase over 10 MVA could be met from nearby 132 KV sub station proposed by the UPSEB. Therefore, the Executive Engineer (Electrical) of the Company proposed (October 1995) to request the Board for winding up the work of second circuit line at present stage which would result in saving of Rs. 56.40 lakh on balance works not yet taken up by the Board. The Company, however, belatedly approached the Board (June 1996) for winding up the work at present stage. In response, the Board informed (September 1997) that Rs. 52 lakh had already been spent and the line will be completed by them to serve as additional line which the Company felt (October 1997) will not be of use.

Had the company assessed the demand of power in respect of existing units prior to depositing the cost for second feeder line, it could have avoided expenditure of Rs. 70 lakh.

2.6.2 Defective agreement leading to avoidable loss of interest

During the period November 1991 and March 1997, the Company disbursed 14 loans aggregating Rs. 1521.41 lakh to the UPSEB to enable them to construct sub-stations in respective industrial areas. As per agreements, the loans were to be refunded by the UPSEB within five years of disbursements in quarterly instalments along with interest at 12 *per cent* per annum. However, the agreement did not provide for any provision for payment of interest for the delayed period in repayment of instalment on due date.

Non provision for contingency of default resulted in loss of interest

It was noticed that the UPSEB failed to make payment of 74 instalments of different loans amounting to Rs. 768.46 lakh on due dates and remitted the amounts after 1 to 438 days. In absence of any enabling provision in the agreements, the Company could not claim any interest on outstanding balance beyond schedule date of payment. Thus, execution of agreement without providing for contingency of default, led to loss of interest of Rs. 14.74 lakh at the rate of 12 *per cent*.

The Management stated in reply (August 1999) that penal interest clause would be included in future agreements.

2.6.3 Development of telecommunication facilities without recovery of cost

On request of the Company, Department of Telecommunication (DoT) agreed (September 1986) for extending telecom facilities in eight industrial areas located in 'No Industry Districts', with the condition that Rs. 10.75 lakh per area (for 25 telephone connections at Rs. 0.25 lakh each and 10 telex connections at Rs. 0.45 lakh each) would be deposited by the Company which shall be refunded by way of rebate in rentals and call charges.

As no allotment had been made to any entrepreneur in any of the industrial area under development, the Company decided to deposit the amount from its own resources and recover the same later on from entrepreneurs. The Company paid Rs. 82.48 lakh between September 1988 and September 1989 to DoT without executing any agreement or detailing procedure for refund of amount to entrepreneurs by way of rebate in rentals. After recovery of full cost by the Company, the DoT was to release direct connections to entrepreneurs at their own rate of charge.

The Company locked its funds of Rs. 77.83 lakh in providing telecommunication facilities

In absence of any agreement, the DoT, without waiting for directives of the Company started releasing direct connection to entrepreneurs at their tariff (Rs. 1000 per connection) which was far lower than the expenditure incurred by the Company per connection (Rs. 25000). The Company could recover Rs. 4.65 lakh only from allottees till December 1998 as against Rs. 82.48 lakh paid by it, thus leaving Rs. 77.83 lakh unrecovered for over nine years resulting in loss of interest of Rs. 83.16 lakh (worked out at 12 *per cent* per annum on term deposits).

2.6.4 Extra expenditure on construction of road

The Civil Division II Ghaziabad executed (June 1997) an agreement for Rs. 37.13

lakh with K.S. Construction and Engineers for strengthening of road in industrial area Sahibabad. The agreement inter alia provided that in case the contractor left the work unfinished, any excessive expenditure in getting the left over work completed through other contractor shall be deducted from security or any amount due to original contractor. The contractor left after executing works valued at Rs. 1.43 lakh up to July 1997, and therefore, the agreement was terminated in January 1998 by forfeiting his earnest money of Rs. 0.53 lakh. In April 1998, the Company awarded the balance work to Quality Construction, Ghaziabad for Rs. 47.51 lakh at item rates which were higher than the rates of terminated agreement. However, extra expenditure of Rs. 11.29 lakh was not recovered from the previous contractor.

2.6.5 Avoidable expenditure on maintenance of roads and drains

Expenditure of Rs. 46.78 lakh on maintenance of road was incurred even after handing over the developed areas to City Boards

The industrial areas developed by the Company within the municipal limits are handed over to respective City Boards who take over the same after satisfying themselves about adequacy of development works. The responsibility for maintenance of roads and drains, after handing over the area by the Company, rests with the City Board. It was seen that even after handing over seven industrial areas at Ghaziabad to City Board long back during August 1973 to February 1981, the Company spent Rs. 46.78 lakh on maintenance of roads and drains during the five years up to 1997-98 which could not be claimed from City Board as the expenditure was incurred without their concurrence.

The Management stated (August 1999) that expenditure on maintenance had been incurred to prevent loss of Company's goodwill. However, the fact remains that before spending such a substantial amount of Rs. 46.78 lakh, the company should have taken prior concurrence of the City Board so that claim could be lodged.

2.6.6 Construction of Common Facility Centres (CFCs)

CFCs valuing Rs. 16.13 lakh were lying unalloted for over 8 years

Two CFCs constructed during 1989-90 and 1990-91 at a cost of Rs. 16.63 lakh in industrial areas of Agra (412 sqm) and Dehradun (371 sqm) were lying vacant except meagre allotment of 27 sqm at Dehradun. Blockage of funds of Rs. 16.13 lakh could have been avoided if the requirements from banks, post office, telecom department etc. had been assessed prior to taking up the construction work.

The Management stated (August 1999) that CFCs were provided to create demand and it was mandatory as per 'No Industry District' (NID) of Dehradun. The reply is not tenable in view of the fact that as per Government of India instructions (June 1984) CFC was to be provided as per actual need and was not mandatory.

2.7 Allotment of plots and further follow up

The Company on the request of entrepreneurs allots developed and undeveloped plots for setting up their units and industrial housing. Besides, it also allots land to real estate dealers for development and sale by them. While land is allotted to units at premium fixed by the Company from time to time, it is sold on lease against offers received in tenders.

The details of land acquired, plots available, allotted etc. (including undeveloped) as on 31 March 1998 are given below:

Sl. No	Particulars	Area (Acre)
1.	Land acquired	38174.783*
2.	Land available for allotment (excluding area for roads, parks etc.)	32262.367
3.	Land allotted	22445.726
4.	Land not available for allotment due to litigation	458.558
5.	Balance land available for allotment (including undeveloped land of 7332.34 acres)	9358.083

Some irregularities noticed by Audit in allotment of land are discussed below:

2.7.1 Undue favour in allotment of commercial plot

Loss of Rs. 47.28 lakh was incurred due to determining the selling rate after deduction of cost of internal development of plot

(a) The Company without estimating the realisable value and fixing reserve price, floated tender notice in October 1996 for sale of 15761 sqm commercial land in Surajpur Industrial area. Against three offers received, the Company accepted the offer of Rs. 252.17 lakh holding the highest bid of Rs. 1600 per sqm as against estimated realisable value of Rs. 1085 per sqm derived from prevailing selling rate of commercial land at Rs. 1900 per sqm after deduction of Rs. 815 for cost of development including land to be utilised in development.

* The expenditure incurred on the acquisition of land up to 31.3.1998 worked out to Rs. 19944.45 lakh.

However, the deduction for internal development cost was not in order as the Company had allotted plots up to 16000 sqm land in same industrial area at its prevailing selling rate of developed land without any deduction on this account. This resulted in disposal of land at lower rates leading to loss of Rs. 47.28 lakh.

The Management stated (August 1999) that plot was alotted to builders for further development which resulted in loss of allotable area due to common passage etc. and hence deduction was made. The reply is not convincing as the internal development of the area is the responsibility of the allottee.

Loss of Rs. 11.41 lakh was incurred due to sale of additional land at old rate

(b) Further upon the request (January 1997) of the firm for allotment of additional 5540 sqm commercial plot adjacent to the above referred plot, the Company allotted (March 1997) the land at same rate which along with interest for intervening period aggregated Rs. 1694 per sqm. The resultant loss in disposal below prevailing selling rate amounted to Rs. 11.41 lakh.

The Management stated (August 1999) that there was not much gap in period of allotment; hence fresh bids were not invited and plot was sold at old rates. The reply is not tenable as there was a gap of 6 months which could have resulted in better realisable value if fresh efforts had been made.

2.7.2 Allotment of land to Lohia Machines Limited (LML)

Proposal for sale of land to LML was approved without waiting for report on pricing of land

On 15 October 1994, LML requested the Government for allotment of approximately 13 acres of land for expansion scheme. The Empowered Committee (EC) under the Chief Secretary in its meeting on 18 October 1994 authorised Principal Secretary, Industries (PSI) to determine the rate after obtaining report from the Company. On 21 October 1994, the PSI while forwarding the draft Memorandum of Understanding (envisaging the rate of Rs. 500 per sqm for developed land and Rs. 200 per sqm for undeveloped land) to be executed by the Company with the firm held that the report on pricing of land would be submitted by Director of Industries (DI). However, without collection of relevant cost data, the DI submitted report on 22 October 1994 assenting to the proposed rates. The Company in November 1994 conveyed acceptance of rate of Rs. 500 per sqm for developed land and allotted (December 1994) 52000 sqm land (value: Rs. 149 lakh) in favour of the LML without waiting for detailed report on costing of undeveloped land from DI.

It was noticed that 49300 sqm land was sold to LML during December 1994 at a total cost of Rs. 143.60 lakh. The sale was justified by PSI considering the fact that 15000 sqm land earmarked as road belonging to Kanpur Development Authority (KDA) and another land measuring 8500 sqm earmarked as road adjacent to undeveloped plot could not be sold to any other party. As such only 28500 sqm undeveloped plot could be sold at the rate of Rs. 340 per sqm to other party whereas LML had agreed to pay at the rate of Rs. 500 per sqm for 15000 sqm road and at the rate of Rs. 200 per sqm for 8500 sqm road plus 28500 sqm undeveloped plot.

The above contention of PSI that rates offered by LML was favourable to the Company does not hold good in view of the following facts:

(i) 15000 sqm road valued at Rs. 75 lakh does not belong to the Company as the title rests with the KDA;

(ii) The sale of undeveloped area of 34300 sqm included CFC measuring 10000 sqm which as per procedure of the Company should have been valued at double the rate of premium (Rs. 500 per sqm) plus 10 *per cent* location charges i.e. at the rate of 1100 per sqm as against the PSI rate of 340 per sqm ; and

Loss of Rs. 96.48 lakh was incurred in sale of land to LML

(iii) The Company sold out 34300 sqm land to LML for Rs. 68.60 lakh at the rate of Rs. 200 per sqm. Had it been sold out to other party, it would have fetched Rs. 165.08 lakh excluding road measuring 8100 sqm not belonging to the Company (Rs. 110 lakh by sale of CFC measuring 10,000 sqm at the rate of Rs. 1100 per sqm and Rs. 55.08 lakh for sale of undeveloped plot measuring 16200 sqm at the rate of 340 per sqm). Thus, the Company sustained loss of Rs. 96.48 lakh in allotment of land to LML.

2.7.3 Restoration of cancelled plot without recovery of levy

As per working manual of the Company, the plot allotted to any unit but cancelled due to default in compliance of provisions of license agreement can be restored to the same unit at their request provided transfer levy at 30 *per cent* of the cost difference between the present prevailing rate of the Company and allotted rate is paid by the unit.

Restoration of plot was allowed without recovery of transfer levy

In June 1988, the Company allotted 8708 sqm land to Sukh Chain Oil & Fat Limited in site B of Surajpur Industrial Area at a premium of Rs. 125 per sqm. The firm defaulted in repayment of instalments of premium and interest from

February 1993 and the overdues piled up to Rs. 4.58 lakh by May 1995 despite issuance of repeated reminders and notices from time to time. Therefore, the Company cancelled the allotment in May 1995. However, based on the request from the unit the Company agreed to restore the plot without obtaining approval from the Board for waival of transfer levy.

Thus, restoration of cancelled plot in favour of allottee without realisation of transfer levy particularly in view of increased prevailing rate of premium at Rs. 350 per sqm on the date of restoration lacked justification and amounted to granting undue benefit of Rs. 5.88 lakh.

2.8 Progress in industrialisation

Out of 22446 acres land allotted for industrialisation, only 13096 acres were utilised for production by the units

The purpose of providing developed plots to entrepreneurs is to attract industries for securing industrial development of the region and the State. Out of 22446 acres land allotted for industrialisation, only 13096 acres (representing 58.35 *per cent*) was utilised by the units for production and only 24.44 *per cent* of the units could commence production as on 31 March 1998. Reason for delays in setting up of units and start of production were lack of suitable action against units which had not commenced any activity on the land and Company's policy of permitting allottees to transfer their plot or even get the cancelled plot restored in their favour at lower than prevailing selling rates of the Company. An analysis in Audit revealed the following:

Land developed at a cost of Rs. 4.99 crore was lying unallotted even after 7 years

(i) Out of 306 acres of land developed up to 1990-91 at a cost of Rs. 834.98 lakh in Malwan Industrial Area, Fatehpur, only 28 units having 91.89 acres land were under production. Thus, expenditure of Rs. 584.24 lakh (including subsidy of Rs. 176.41 lakh) on the development of 214.11 acres land had not been fruitful. This included expenditure of Rs. 499.13 lakh on 182.92 acres land lying unalloted even after 7 years of development.

Land developed at a cost of Rs. 5.05 crore at Banda could not be allotted even after 8 years

(ii) Similarly, the Company sold off 499 acres of land in bulk out of 668.25 acres land acquired at Banda. It also developed 56 acres of land by incurring an expenditure of Rs. 4.27 lakh on land and Rs. 524.04 lakh on development up to 1990-91 against which only 2.46 acres of land was allotted which too, was due for cancellation for default in payment by the allottee. Thus, the expenditure of Rs. 505.10 lakh including subsidy of Rs. 110.30 lakh failed to subserve the purpose.

2.9 Project formulation and implementation of projects

2.9.1 Export Promotion Industrial Park

Export Promotion Industrial Park (EPIP) scheme has been formulated as a centrally sponsored scheme for building and maintaining industrial park with high standards of infrastructure facilities and establishing export oriented units in these parks. The units exporting not less than 25 *per cent* of their production were to be allowed to be established in EPIP. Only one EPIP is to be set up within a State and second EPIP was to be sanctioned by Central Government, only when the first park had been established and was operating successfully.

Expenditure of Rs. 42.91 lakh was incurred for second EPIP though work on first park was in progress

(a) When the construction of first park at Noida taken up by the Company in 1995-96 was still in progress, the Company proposed (April 1997) to the Government of India for setting up another park at Varanasi and deposited Rs. 42.91 lakh (10 *per cent* of the cost) with the SLAO for acquisition of 266 acres of land without waiting for Government sanction. Approval of the second park was still awaited (March 1999).

Thus, the hasty action of the Company in proceeding with land acquisition for the second park even without assessing the operational success of first park, resulted in blocking of funds of Rs. 42.91 lakh. The Company also runs the risk of forfeiture of deposit by SLAO in case the scheme was not approved by the Government.

(b) The Company during October 1996 to August 1997 entrusted Uttar Pradesh Industrial Consultants (UPICO) to conduct feasibility study for four other EPIPs within the State and incurred expenditure of Rs. 5.05 lakh despite one EPIP being under development since 1995-96.

The Management stated (August 1999) that the project report was prepared on the instructions of the State Government.

2.9.2 Establishment of Software Technology Park (STP)

The Software Technology Parks of India (STPI), a society under the Department of Electronics, Government of India accorded (December 1995) approval for setting up the second STP at Kanpur, in addition to one such park at NOIDA with the condition to implement the project within three years of sanction.

Expenditure of Rs. 23.76 lakh was incurred in providing infrastructure facilities

The infrastructure to be provided by the Company inter alia included installation of high speed data communication link, in built up space of 25000 sqft, with air-conditioning and standby power arrangement and LAN/WAN facilities in 28406 sqft area in head office building. The Company up to December 1995 incurred an expenditure of Rs. 23.76 lakh on installation of improved communication systems (Rs.16.78 lakh) and fixed assets (Rs. 6.98 lakh) apart from incurring recurring liability for annual line rental of Rs. 17 lakh payable to Videsh Sanchar Nigam Limited (VSNL).

It was noticed in Audit that the scheme could attract only a single unit (allotted area: 1600 sqm) even after lapse of three years of its completion. In absence of demand, the Company in 1997 allotted 2336 sqft area at Rs. 15 per sqft to an ineligible firm engaged in imparting computer education to students and the balance space was lying vacant.

Thus, the failure of the scheme which was taken up without detailed study and identifying prospective units, not only led to blockage of Company's funds of Rs. 23.76 lakh but also to avoidable loss of Rs. 134.64 lakh (rental of head office building: Rs. 83.64 lakh and charges for fast data facilities: Rs. 51 lakh).

2.10 Analysis of investment

2.10.1 Investment in UP Venture Capital Fund

The value of investment dropped to 40 *per cent* below the face value

With a view to setting up a UP Venture Capital Fund (UPVCF), a meeting was organised by PSI in November 1994 in which representative of Small Industries Development Bank of India (SIDBI) also participated. The officers of SIDBI informed that result of financing through their own Venture Capital Fund had poor results as only 3 to 4 proposals were found sound for financing out of 150 proposals. In January 1995, the Government allowed investment in UPVCF promoted by Credit Capital Venture Fund (CCVF) up to Rs. 1 crore or 5 *per cent* of paid-up capital. The Company remitted its contribution of Rs. 150 lakh in May 1996 and received a dividend of Rs. 15 lakh for the year 1996-97 against estimated yield on investment at 20 *per cent* projected by the promoter. Thereafter, no dividend has been declared by the Fund. The Fund was taken over by Infrastructure Leasing & Financial Services Limited in April 1997 and the market value of shares (face value: Rs. 10 each) dropped to 40 *per cent* below face value by December 1998. UPVCF had also failed to provide any financing to the industries so far (June 1998) as most of the proposals were dropped during appraisal of project and very limited proposals were under examination.

Thus, taking up the scheme despite apprehension about its success pointed out by SIDBI and without devising any mechanism for the success of the scheme, led to the blockage of Company's funds with the private company who could not extend any financial assistance to the industries of the State.

The Management stated (August 1999) that said investments were made at the instance of Government of Uttar Pradesh. However, comments of Government were awaited (October 1999).

2.10.2 Implementation of projects under joint assisted sector

The Company had promoted/acquired four subsidiaries in which capital contribution of the Company amounted to Rs. 345.04 lakh. Apart from this, the Company had promoted 16 companies under joint sector/assisted sector where the capital invested by the Company was Rs. 792.61 lakh at the end of March 1998. Under the joint sector, the Company's share in capital was 26 *per cent* or above and in case of assisted sectors the participation by Company ranges up to 15 *per cent* of total equity of the promoted unit.

One subsidiary did not commence activity since inception, another was in winding up stage and other two had eroded their paid-up capital

(a) One of the four subsidiaries Uttar Pradesh Carbon and Chemicals Limited, did not commence its activities since incorporation in January 1982 while Uttar Pradesh Tyres & Tubes Limited with investment in share capital of Rs. 130.85 lakh was under winding up since February 1996. In respect of remaining two subsidiaries viz., Uttar Pradesh Instruments Limited (UPIL) and Uttar Pradesh Digitals Limited (UPDL) the accumulated losses of Rs. 3598 lakh at the end of 1996-97 had eroded their paid up capital of Rs. 214.19 lakh.

In respect of UPDL the proposal for privatisation along with offer obtained five times between October 1986 and July 1994 was not accepted by Government as the same was not found feasible. As a result, the Company had to advance loans amounting to Rs. 422.15 lakh up to March 1998 to enable the Company to pay salary and allowances to staff.

In case of UPIL, notification for privatisation issued by the Government in May 1995, was withdrawn in August 1995, reasons for which were not on record. The company had released loans of Rs. 1059.14 lakh up to March 1998 for salary and allowances of the staff.

Only one company was in profit and others were either in loss or winding up stage

(b) The position of 16 assisted units is summarised below:

Particulars	Number of units	Capital invested (Rs. in lakh)
Units liquidated/under liquidation	6	240.07
Units under changed management	2	99.11
Profit making unit	1	17.53
Disinvestment under implementation	1	33.14
Disinvestment approved but not honoured by units	2	315.00
Disinvestment implemented	3	63.53
Winding up under litigation	1	24.23
Total		**792.61**

From the above table it would be observed that only one company was earning profit whereas others were either running in losses or were under process of winding up. A review of two cases where disinvestment was approved but not honoured by units disclosed the following:

Buy-back of shares was not enforced

(i) The Company invested Rs. 228 lakh in Venus Sugar Company Limited during 1991-92. The Board of Directors of the Company approved in September 1994 for early disinvestment of shares in the unit at Rs. 13.50 per share. The agreement with the firm inter alia provided buy-back of shares after a period of three years from the date of commencement of production or five years from the date of allotment of shares whichever was earlier. In the event of default the shares could be disposed of at risk and cost of co-promotors through public auction etc. and loss arising out of it was recoverable as arrears of land revenue. The unit initially did not accept buy-back on the ground that lock-in period of shares was to expire in July 1995 and thereafter avoided the same for over three years on grounds of subdued stock market condition.

The Management stated (August 1999) that prevailing price of share of Venus Sugar Company Limited was between Rupee 1 to Rs. 2.50 per share; as such the promoters were not interested in buy back of shares. Thus, due to failure of the company to act upon the advice of the Board of Directors' to disinvest shares at Rs. 13.50 per share the company could not avail the benefit of Rs. 79.80 lakh.

Buy-back was belatedly enforced and overdues for balance payment aggregated Rs. 1.53 crore

(ii) The Company invested (October 1989) Rs. 87 lakh in equity shares of Kanha Vanaspati Limited, floated under joint sector. The promoter of the unit requested (July 1993) for buy-back of shares worth Rs. 50 lakh at Rs. 13 per share. The Management, though felt that the disinvestment was urgently needed in view of deteriorating results of the Company after expiry of Trade Tax concession period, yet it could not decide the rate till June 1994 when offer at Rs. 11 per share was received from promoters. Ultimately, the disinvestment at Rs. 12 per share was decided in September 1994 with the new collaborator of the Company. As per agreement to buy-back, the collaborator paid Rs. 45 lakh (July 1999) but did not pay balance consideration of Rs. 59.40 lakh. The overdues against the collaborator amounted to Rs 153.28 lakh in July 1999 including interest (Rs. 68.70 lakh). Recovery certificate has been issued by forfeiting the sum of Rs. 45 lakh paid by them. Further recovery of dues was awaited (October 1999).

2.11 Other point of interest

2.11.1 Avoidable expenditure on furnishing and renovation

The office of PSI who is also ex-officio Chairman located in Secretariat was renovated at a cost of Rs. 11.17 lakh

The office of the PSI, who is ex-officio Chairman of the Company, is located in Secretariat Annexe building owned by the State Government and maintained by the Estate Department. The Regional Manager, Lucknow in June 1998 submitted a proposal directly to the Managing Director of the Company, without routing it through Financial Controller, for renovation of PSI chamber and a Conference Hall in the said building. However, the circumstances warranting the Company to take up the work at its cost which was the responsibility of Estate Department of the Government was not explained. The Managing Director approved the work in June 1998. Similarly, two other proposals submitted between June-July 1998 for furnishing of Conference Hall of the Secretariat building, were approved although such works, if justified and needed, were to be taken up by the Estate Department. Total payment made to three firms of Lucknow between August-September 1999 on this account amounted to Rs. 11.17 lakh which was avoidable in the absence of any request from Estate Department.

The Management stated (August 1999) that furnishing/renovation was done as PSI was Chairman of the Corporation. Reply is not tenable as the furnishing work should have been managed through State Government only as the building belonged to State Government.

These matters were reported to the Government in April 1999; their reply was awaited (October 1999).

Conclusion

The Company initiated land acquisition proposals without proper assessment for its suitability and without obtaining firm commitment from units for whom acquisition was made with the result that considerable funds were blocked as it could not allot the whole land/plots acquired. Further, infrastructure development was made without properly assessing its need and evolving procedure for recovery of cost from allottees. Besides the policy of permitting allottees to transfer/ restoration of plots and failure in taking action against units which had not commenced any activity on the land hampered the pace of industrial development in the State.

For improving its performance in order to promote industrial development of the State, the Company needs to take steps to ensure that land is acquired only at suitable sites after obtaining firm commitment from beneficiaries and to incur expenditure on infrastructure only after proper assessment of its need. It needs to evolve proper procedures to recover its cost by allotting the land to units which are keen in commencing production activity thereon. It should also make earnest efforts to identify potential industries for growth in joint sector.

Chapter III

Reviews on Statutory Corporations

Chapter 3A

Uttar Pradesh State Electricity Board

Tariff, Billing and Collection of Revenue

Uttar Pradesh State Electricity Board

Tariff, Billing and Collection of Revenue

HIGHLIGHTS

The Board is empowered under Sections 46 and 49 of the Electricity (Supply) Act 1948 to fix and regulate tariff. While approving the tariff in January 1992, the Board decided to revise the tariff every year, however, during 1992-93, 1993-94, 1995-96 and 1997-98 no revision was made.

(Paragraph 3A.4.1.1)

The Board suffered a loss of Rs. 7913.45 crore during five years up to 1997-98 as the cost of supply of energy varied from 167 to 245 paise per unit as against average sales realisation of 120 to 177 paise during this period.

(Paragraph 3A.4.1 & 3A.4.1.2)

The arrears against sale of power under special tariffs to NOIDA Power Company Limited, NOIDA (NPCL) accumulated to Rs. 81.92 crore (up to March 1999) besides late payment surcharge of Rs. 22.73 crore. Further, NPCL was not billed at double the rates of the special tariff after 15 June 1998 on its failure to set up generating units in terms of the agreement of December 1993 which resulted in undercharge of Rs. 37.49 crore.

(Paragraph 3A.4.3.2)

Delays in meter readings for March 1997 and March 1998 resulted in inclusion of consumption up to 17 of next month (April) and consequent short billing of fuel surcharge and establishment surcharge of Rs. 0.47 crore.

(Paragraph 3A.5.3)

Incorrect application of tariff resulted in undercharge of revenue amounting to Rs. 15.87 crore in respect of private tubewells/pumpsets (Rs. 12.68 crore and industrial consumers (Rs. 3.19 crore).

(Paragraph 3A.5.5)

Irregular reduction of contracted load, grant of concessions and rebates and incorrect application of multiplying factors resulted in undercharge/loss of revenue of Rs. 5.02 crore. Further, non assessment/under assessment of energy due to defective meters resulted in under charge of Rs. 3.88 crore.

(Paragraph 3A.5.6 to 3A.5.9)

10 consumers were billed for lower than their contracted loads while 9 consumers were billed either for lower billable demands or at lower than the applicable rates of demand charges which resulted in undercharge of Rs. 8.57 crore.

(Paragraph 3A.5.10 and 3A.5.13)

Assessments were not made for theft of energy which resulted in undercharge of Rs. 34.80 crore in the case of 24 consumers. Further, penalty for violations of peak hour restrictions and weekly closures was not imposed in the case of six consumers which resulted in undue benefit of Rs. 0.63 crore .

(Paragraph 3A.5.12 & 3A.5.14)

Non installation of the 'Secure' meters initially as check meters deprived the Board of its right to make assessments of Rs. 8.65 crore in case of 29 consumers. Besides, failure in timely raising of bills for the correct consumption/load/tariff resulted in non/short billing of Rs. 28.32 crore.

(Paragraph 3A.5.15 to 3A.5.17)

Arrears of revenue increased from Rs. 2038.23 crore in 1993-94 to Rs. 5171.52 crore in 1997-98 which represented 8.94 to 12.95 months' assessments as against security deposit limited to only two months' assessments.

(Paragraph 3A.6)

Realisation of dues by district authorities as arrears of land revenue against recovery certificates could be made to the extent of only 3.02 to 3.12 per cent during 1995-96 to 1997-98. Recovery certificates for Rs. 319.66 crore were pending for realisation at the end of 1997-98.

(Paragraph 3A.6.3)

3A.1 Introduction

The Uttar Pradesh State Electricity Board (Board) is empowered to fix tariff for different categories of consumers under Sections 46 and 49 of the Electricity (Supply) Act 1948. As against the required minimum rate of return (ROR) of three *per cent* on the capital base*, the ROR of the Board was 0.24 to 2.92 *per cent* during 1993-94 to 1997-98 except in 1994-95 when it was 3.62 *per cent*. Tariff rationalisation, prompt billing and collection of revenue assume greater importance in the context of the lower return which also resulted in liquidity problems to the Board.

3A.2 Organisational structure

The tariff is framed and revised by the Board with the consent of the State Government. The tariff implementation, billing, collection and accountal of revenue in respect of all categories of consumers are done in 176 Electricity Distribution Divisions (EDDs) under the overall charge of Member (Distribution) who is assisted by 14 Zonal Chief Engineers in the field and the Chief Engineer (Commercial) at the headquarters. The revenue collected by the divisions is initially deposited in local banks and subsequently transferred to the Headquarters bank accounts at prescribed intervals.

3A.3 Scope of Audit

The review conducted during December 1998 to June 1999 covers tariff implementation, billing and collection of revenue as a result of test check of records of 17 EDDs and of the Chief Engineer (Commercial) for the period from 1993-94 to 1998-99.

3A.4 Tariff

3A.4.1 Tariff structure

As mentioned above the Board is empowered to fix and regulate tariff for different categories of consumers. In practice, however, the Board obtains consent of the State Government before every revision of tariff. During the five years ending March 1999, the Board revised its tariff three times viz. July 1994, January 1997

* Capital base represents the value of fixed assets in service (net off cumulative depreciation and consumers' contribution for service lines) at the beginning of the year.

and January 1999 as reflected in Annexure-9 besides partial revision in June 1998. As would be seen, while the increase in the rates applicable to certain categories of consumers (domestic, commercial and industrial) varied from 1.62 to 66.67 *per cent*, there was no increase in other categories; rather rates of some categories were reduced up to 24.24 *per cent*. These variations were based neither on the recommendations (November 1994 and March 1998) of the Tariff Committees (TC) constituted by the Board nor on any standard principle.

Inadequate tariff structure yielded negative rate of return of 13.71 to 23.03 *per cent*

Although the Board in its accounts each year, took credit of Government subsidy for sale of power at low rates to agriculture sector which amounted to Rs. 7308.90 crore in 5 years up to 1997-98, no subsidy was given by the State Government on the ground that the Board's tariff approved by the Government already included subsidy element. The Board suffered loss aggregating Rs. 7913.45 crore (excluding provisions for Government subsidy) from sale of power during the five years up to 1997-98 which resulted in negative ROR by 13.71 to 23.03 *per cent* during the period as against minimum rate of return (ROR) of 3 *per cent* envisaged under section 59 of the Act. The average sales realisation (per unit of energy sold) by the Board during 1993-94 to 1997-98 varied from 120 to 177 paise as against 147 to 179 paise by Bihar State Electricity Board and 115 to 183 paise by Rajasthan State Electricity Board during the same period. This is attributable to delayed and inadequate increases in tariff, high operation cost and excessive system losses etc. as discussed below:

3A.4.1.1 Loss due to delayed revision of the tariff

The Board, while approving the revised tariff effective from January 1992, also decided to revise the tariff every year. Accordingly, the Board submitted to the State Government in March 1993 a proposal to revise the tariff estimated to yield additional revenue of Rs. 480.48 crore in 1993-94 which was not approved. The tariff was, however, as mentioned in previous paragraphs revised only in July 1994, January 1997 and January 1999 and thus, no revision of the tariff took place in 1992-93, 1993-94, 1995-96 and 1997-98.

3A.4.1.2 Excessive cost of supply of energy not absorbed in tariff

Revenue per unit was less than the expenditure per unit

Despite the fact that the actual revenue expenditure was more than that estimated by the TC (except in 1994-95), neither reasons for heavy increases in the actual cost of supply were analysed for taking remedial measures nor was the tariff revised accordingly. The higher actual costs (on fuel, establishment, operation and maintenance and depreciation) were attributable to lower plant load factor, higher consumption of fuel etc. The tariff approved by the Government from time to time could fetch the Board a per unit revenue of Rs. 1.20 to Rs. 1.77 against the per unit expenditure of Rs. 1.67 to Rs. 2.45 during 1993-94 to 1997-98 which resulted in continuous losses to the Board each year. Even the Board's proposals for revision of the tariff did not absorb full cost of supply, as its proposal of July 1994 was estimated to yield additional revenue of Rs. 490.24 crore only as against estimated deficit of Rs. 1451.11 crore in 1994-95. The actual cost of supply of energy (172 to 245 paise per unit) by the Board during 1994-95 to 1997-98 was higher as compared to 167 to 209 paise in Madhya Pradesh and 165 to 207 paise in Punjab during the same period.

3A.4.1.3 Excessive system losses not absorbed in tariff

The Central Electricity Authority (CEA) has prescribed (July 1991) the norms of 15.5 per cent for transmission and distribution losses. Against this TC decided norm of 22.7 *per cent* during 1994-95 and subsequent reduction to 21.2 *per cent* during 1997-98. Even these norms could not be achieved except during 1994-95 as would be seen from the following:

	1994-95	**1995-96**	**1996-97**	**1997-98**
Percentage of estimated system losses	22.7	22.2	21.7	21.2
Percentage of actual system losses	22.6	23.7	24.6	25.6

It was further noticed that the Board's system losses of 22.6 to 25.6 *per cent* during 1994-95 to 1997-98 were on higher side as compared to 18.5 to 19 *per cent* in Madhya Pradesh and 18.1 to 18.3 *per cent* in Punjab during the same period.

3A.4.2 Disproportionate contribution of consumers to the revenue

The details of consumption of energy, revenue earned and surplus/deficit by various categories of consumers are given in the Annexure-10.

It was noticed that:

Low tariff for irrigation and agriculture sector resulted in average per unit revenue of only 30 to 51 paise against per unit expenditure of 167 to 245 paise

(i) Industrial consumers consumed energy from 22.32 to 25.33 *per cent* of total sale of energy but contributed 44.34 to 50.20 *per cent* of the total revenue during 1993-94 to 1997-98. On the other hand, consumption of energy by irrigation and agriculture sector accounted for 34.72 to 37.48 *per cent* of total consumption whereas their contribution towards revenue accounted for only 9.87 to 12.14 *per cent* of the total revenue during the same period. This was attributable to very low tariffs for irrigation and agriculture consumers which resulted in average revenue of only 30 to 51 paise per unit as against per unit cost of supply of energy of 167 paise to 245 paise during 1993-94 to 1997-98;

Consumption in industrial sector declined despite increase in number of consumers

(ii) Despite increase in the total number of industrial consumers from 1.88 lakh in 1993-94 to 1.89 lakh in 1997-98, the percentage of their consumption to total consumption declined from 25.33 in 1993-94 to 22.32 *per cent* in 1997-98. This may be attributable to high tariff for industrial consumers which encouraged the industry to go in for captive power and also to the decrease in daily supply from 3.00-10.25 hours in 1993-94 to 2.75-9.25 hours in 1997-98 due to load shading. It is also pertinent to mention that the average tariff of the Board applicable to industrial consumers during 1993-94 to 1997-98 varied from 229 to 375 paise per unit as against 205 to 247 paise in Bihar, 153 to 226 paise in Punjab and 178 to 283 paise in Rajasthan.

Deficit contributed by irrigation and agriculture sectors exceeded surplus generated in other categories

(iii) During 1993-94 to 1997-98 domestic, irrigation and agriculture, and inter-state consumers contributed deficits to the extent of Rs. 3293.67 crore, Rs. 7593.33 crore and Rs. 395.82 crore respectively, which could not be compensated by meagre surplus generated in other categories of consumers. This was attributable to the fact that average sales realisation per unit from these consumers varied from 91 to 119 paise (domestic), 30 to 51 paise (irrigation and agriculture) and 15 to 40 paise (inter-state) as against the cost per unit of 167 to 245 paise during 1993-94 to 1997-98.

3A.4.3 Loss of revenue in case of special tariffs

The Board has entered into special tariff agreements with consumers for supply of energy in bulk where the rates and terms of supply are regulated as per agreed terms and conditions.

The consolidated position of special tariffs for supply of energy to various agencies/

consumers by the Board was not made available by the Chief Engineer (Commercial). A test check in Audit revealed following cases of loss of revenue in respect of special tariffs:

3A.4.3.1 Sale of power to the Co-operative Electric Supply Society Limited, Lucknow

The Co-operative Electric Supply Society (CESS) Limited was granted license (April 1970) by the State Government to deal with the distribution of electricity in rural areas of Lucknow except Nagar Palika/Cantonment Board area initially for a period of ten years which was subsequently extended from time to time up to 27 March 1997. The notification granting license to CESS, inter alia, provided for charge at a flat rate of 10 paise per unit for supply of electricity by the Board which was to be enhanced suitably as and when the Board's tariff was revised.

When sale rates to CESS were revised to 50.10 paise, 73.66 paise and 112 paise per kwh, along with provision to levy fuel and establishment surcharge on actual realisation basis consequent upon revision of the Board's tariff with effect from February 1986, January 1992 and July 1994 respectively, CESS disputed the hikes in the rates approved by the Board from 1 February 1986 and onwards. The Committee which was appointed (February 1995) by the Government recommended (March 1995) 60 paise per unit from 10 July 1994 to which the Board did not agree on the ground that they were purchasing energy at Rs. 118 paise/unit. As the rates paid by the CESS were not beneficial, the Government on the recommendation of the Board issued (March 1995) orders for the take over of distribution of three blocks of CESS area viz. Mall, Malihabad and Kakori. But this order was not implemented for which no reasons were on record. However, the distribution work of CESS was transferred to the Board in April 1997 as CESS did not agree to the sale rate of Rs. 1.37 per unit (excluding fuel and establishment surcharges) approved by the Board in July 1996.

Non-realisation of arrears from CESS resulted in loss of interest of Rs. 26.51 crore

Thus, failure of the Government/Board to settle the dispute regarding rate of sale of energy to CESS since February 1986 resulted in accumulation of arrears aggregating Rs. 73.65 crore which could not be recovered as of date (June 1999) on which Board has incurred loss of interest amounting to Rs. 26.51 crore, worked out at the rate of 18 *per cent* per annum from April 1997 to March 1999. This arrear includes arrears of Rs. 6.65 crore in respect of three blocks viz. Mall, Malihabad and Kakori accumulated during April 1995 to March 1997 which could have been avoided had the distribution work in respect of three blocks been taken over in March 1995 itself following issue of Government orders.

3A.4.3.2 Sale of power to NOIDA Power Company Limited

NPCL was undercharged by Rs. 37.49 crore

The Government permitted (September 1992) NOIDA Power Company Limited (NPCL) to set up generating plants of 90 MW capacity for generation, transmission and distribution of energy. Since setting up of generating plants was likely to take time, the Government, as an interim arrangement granted (August 1993) a licence to NPCL for distribution of energy by purchasing it from the Board. Accordingly, an agreement effective from 15 December 1993 was executed with NPCL for sale of energy at the rate of Rs. 1.66 per unit up to 30 million units of energy on account of transfer of distribution network for electric supply along with transfer of consumers in a part of Greater Noida in Ghaziabad district. As per clause 7(d) of the agreement, if the company does not start its own generation within four years and six months i.e. the maximum period of agreement, and the Board is ready to supply electricity, then it shall charge the company at double the rates as enforced and applicable at that time. Despite the fact that the NPCL failed to start its own generation till expiry of the stipulated period i.e. by 14 June 1998 and the Government extended (May 1998) the agreement for one year from 15 June 1998, the billing of the company was not done at double the rates in terms of clause 7(d) of the agreement. This resulted in an under charge of revenue of Rs. 3748.57 lakh for the period from 15 June 1998 to 31 March 1999.

In addition, the following points were also noticed in this regard:

- NPCL had not paid the late payment surcharge of Rs. 2273.10 lakh for the period up to March 1999 in terms of clause 8 (b) of the rate schedule HV-2 applicable to it;

- The electricity duty of Rs. 576.84 lakh for the period from December 1993 to March 1999 payable by the company under clause 7 (b) (iv) of the agreement was neither claimed nor recovered despite the fact that the Board paid the electricity duty to the Government on energy sold to consumers; and

The arrears of dues increased to Rs. 81.92 crore

- The arrears of dues against NPCL increased to Rs. 8192.18 lakh up to March 1999 against which the Board had a meagre security deposit of Rs. 250 lakh only in the shape of letter of credit valid up to August 1999. Neither action for issue of Recovery Certificate under the provisions of U.P. Government Electricity Undertaking (Dues Recovery) Act 1958 had been taken by the Board for recovery of dues as arrears of land revenue nor was the management of the company taken over by the Board for realisation of its dues in terms of the agreement with the company.

3A.4.3.3 Sale of power to Hindalco Industries Limited, (HIL) Renukoot

Billing of demand charges on weekly basis instead of monthly basis resulted in undercharge of Rs. 0.28 crore per month

The agreement covering supply of power (25 MW normal and 60 MW additional in case of emergency) to the HIL from 30 June 1990 to 29 June 1995 was executed on 29 June 1995. Although, energy was continued to be supplied to the HIL till date (May 1999), revised agreement had not been executed after 29 June 1995.

The agreement stipulated the rate of demand charges and energy charges as applicable to the large and heavy power consumers under the rate schedule HV-2 with the deviation that demand charges were payable for the maximum demand recorded on weekly basis instead of monthly basis as stipulated in the rate schedule HV-2. This resulted in recurring lower recovery of demand charges of Rs. 27.93 lakh per month paid by the consumer on the basis of test check for June, July and August 1998.

3A.4.4 Non compensation by Government for tariff concessions

The Board was not compensated by the Government for concessions, rebates in tariff, and waiver of dues

(i) The rate schedule LMV-6 (small and medium power), HV-1 (arc/induction furnace, rolling mills etc.) and HV-2 (large and heavy power) provided for concessions/development rebates by 10 to 50 *per cent* in energy/demand/minimum charges to industries located in hills, Bundelkhand and Eastern districts of the State. However, compensations on these accounts were not claimed by the Board;

(ii) According to the Board's (Chief Accounts Officer) instructions of October 1993, arrears of revenue and late payment surcharge against private tubewells waived off from 1987-88 onwards under the Government orders were required to be recorded in the monthly accounts as 'claims recoverable from State Government on account of waiver of dues'. Late payment surcharge had been waived by 100 *per cent* on payment of dues up to 31 March 1997 and by 50 *per cent* on payment of dues by 31 March 1999. None of the 17 EDDs test checked in Audit recorded such waivers in their accounts. Only four EDDs, however, could furnish the figures of waiver of arrears and late payment surcharge which amounted to Rs. 682.08 lakh pertaining to the period from March 1994 to March 1999; and

(iii) The energy rate of Rs. 50 per BHP per month applicable to private tubewells from July 1994 was reduced to Rs. 40 per BHP per month from 1 August 1996 under the State Government orders of August 1996. The Board claimed Rs. 45 crore on this account from the State Government in August 1996 itself against which no amount had been received so far from the Government (May 1999). The total amount of concession up to December 1998 (till further revision of tariff from January 1999) on the basis of the total connected loads of private tubewells amounted to Rs. 108.14 crore, however, no claim for the balance amount (Rs. 63.14 crore) has so far (May 1999) been raised to the Government.

Thus, the Board's mounting losses were contributed not only by high operation cost, excessive system losses, delayed and low increases in the tariff but also due to concessions, rebates and waivers under the orders of the Government without a corresponding compensation therefor.

3A.5 Billing of consumers

Billing of revenue is based on reading of meters installed at premises of consumers except domestic and commercial light and fan in rural areas, public lamps, private tubewells and State tubewells/pump canals which are billed at flat rates. Domestic consumers are billed bi-monthly while other consumers are billed monthly. Further, large, heavy and bulk power consumers, State tubewells/pump canals and public lamps are billed manually while billing of other consumers has been computerised.

A test check in Audit revealed the following deficiencies resulting in short billing and loss of substantial amount of revenue :

3A.5.1 Unrealistic low level of metered consumption

Billing of 38.65 *per cent* of metered consumers on adhoc basis resulted in low level of recorded consumption

With a view to ensuring accuracy of meters, the Board, in terms of Para 5 of the Commercial and Revenue Manual, is required to examine, test and regulate all meters and maximum demand indicators (MDIs) before their first installation as well as at least once in a period of five years, two years, and one year in case of consumers having contracted load up to 6 KVA, above 6 KVA and up to 100 KVA, and above 100 KVA respectively. No records showing the extent of such periodical checking of meters were made available to Audit. It was noticed that a number of metered consumers were billed on ad-hoc basis either for minimum charges or for fixed units on the grounds of no access (NA)/no reading (NR) or reading defective (RDF)/informed defective (IDF)/appeared defective (ADF) etc. as reflected in the following table showing the position of such consumers at the end of March 1998 as per computer billing reports:

Category of consumers	Number of meters installed	NA/NR		RDF/IDF/ADF		Percentage of ad-hoc billing to total consumers
		No.	Percentage to total meters	No.	Percentage to total meters	
Small and medium power	224289	29649	13.22	20193	9.00	22.22
Commercial light and fan	670268	137936	20.58	104314	15.56	36.14
Domestic light and fan	3155321	639895	20.30	633305	20.07	40.37
Total	**4049878**	**807480**	**19.94**	**757812**	**18.71**	**38.65**

3A.5.2 Delay in issue of first bill

Non issue of first bill to new consumers resulted in non- billing of Rs. 4.64 crore besides loss of interest of Rs. 0.39 crore

According to Para 19.1 of Board's Commercial and Revenue Manual, first bill is to be issued as soon as possible i.e. within two months after release of new connections. A test check revealed delay in issue of first bill by 2 to 160 months in respect of 34516 consumers in 10 EDDs during January 1994 to May 1999 resulting in delayed billing of Rs. 90.81 lakh. Further, first bill had not been issued to 36,376 consumers in 6 EDDs test checked in November 1998, February 1999 and May 1999 which resulted in non-billing of Rs. 463.79 lakh from the date of their connections (November 1996 and March -June 1998) till date (May 1999) besides loss of interest of Rs. 39.36 lakh at 18 *per cent* per annum.

3A.5.3 Loss of revenue due to delayed meter readings

Delayed meter readings resulted in loss of revenue of Rs. 0.47 crore

According to Para 6.8 of the Board's Commercial and Revenue Manual, meter readings in respect of large and heavy power consumers are required to be taken during the last three days of each calendar month. A test check revealed that meter readings for March 1997 and March 1998 in respect of 113 such consumers in six EDDs were taken up to 17 April in 1997 and 1998, respectively, and consumption of energy during 1 April to 17 April in 1997 and 1998 were billed along with consumption in March 1997 and March 1998 respectively. The per unit rates of fuel surcharge and establishment surcharge applicable to such consumers were higher in April 1997 and April 1998 than those prevailing in March 1997 and March 1998 respectively. Thus delayed meter readings and billing on pro-rata consumption of 41.21 lakh units during 1 to 17 April 1997 and 42.54

lakh units during 1 to 17 April 1998 at the rates applicable in March 1997 and March 1998 respectively resulted in loss of revenue of Rs. 47.30 lakh.

3A.5.4 Undercharge of revenue for unmetered supply of energy

According to the Chief Engineer (Commercial)'s circular of October 1989, light and fan consumers could be released unmetered supply of energy in absence of departmental meters if the consumers failed to install their own meters and agreed to pay energy charges on the basis of 120 units per KW per month.

Unmetered consumers were short billed for Rs. 0.34 crore

Scrutiny of records of EDD (II), Ballia revealed that 937 to 1104 consumers for domestic light and fan, were billed for unmetered supply of energy during April 1995 to August 1998 for 25.16 lakh units at 51 to 75 units per KW per month as against billable 44.75 lakh units at 120 units per KW per month.

Similarly, 254 to 266 consumers for commercial light and fan were billed for unmetered supply of energy during the same period for 7.83 lakh units at 58 to 100 units per KW per month as against billable 10.23 lakh units at 120 units per KW per month.

This resulted in undercharge of Rs. 34.18 lakh including electricity duty of Rs. 1.32 lakh.

3A.5.5 Undercharge of revenue due to incorrect application of tariff

A test check in Audit revealed undercharge of revenue of Rs. 1587.08 lakh due to incorrect application of tariff as discussed below:

Private Tubewells/ pumpsets connected to urban feeders were short billed for Rs. 12.68 crore

(i) The rate schedule LMV-5 is applicable to consumers getting supply as per rural schedule for private tubewells/pumping sets for irrigation purposes having contracted load up to 25 BHP. A test check revealed that 886 consumers each having contracted load up to 25 BHP but getting supply through urban feeders and one consumer having contracted load of 31 BHP were billed under the rate schedule LMV 5 instead of under rate schedule LMV 6 applicable to these consumers. Besides, 47 such consumers having total contracted load of 357 BHP in two EDDs were billed for minimum charges under the rate schedule LMV-6 whereas the Board's orders of April 1995 and October 1996 had provided for billing of unmetered consumers under the LMV-6 tariff at 190 and 145 units of energy per BHP per month respectively. Thus, the incorrect application of tariff in respect of 887 consumers and billing for minimum charges in case of 47 consumers resulted in undercharge of revenue of Rs. 1268.10 lakh during July 1994 to June 1999.

Incorrect application of tariff for furnaces resulted in undercharge of Rs. 0.85 crore

(ii) Scrutiny of records of EDD-II, Jhansi revealed that a consumer of Jhansi (Balls and Cylpebs Ltd., Unit 2) was sanctioned by the Board a load of 1800 KVA initially under the rate schedule HV-1 (arc/induction furnace etc.) on 23 July 1996 which was revised under the rate schedule HV-2 (large and heavy power) on 26 July 1996. Accordingly, the consumer was billed for the revised load of 2500 KVA, (revision sanctioned in September 1996) from the date of connection on 31 March 1997 under the rate schedule HV-2. However, no undertaking was obtained from the consumer in compliance of the Board's order of March 1997 to the effect that the rate schedule HV-1 would be applicable if load of furnace exceeds 60 *per cent* of the contracted load. It was noticed that the load of furnaces was 1765 KVA as per B and L form attached with the agreement, which accounted for 70.60 *per cent* of the contracted load of 2500 KVA.

Thus, the consumer was liable to be billed under the higher rate of tariff HV-1 which could not be enforced as the requisite undertaking was not obtained. This resulted in undue benefit of Rs. 85.36 lakh to the consumer for the period from April 1997 to March 1999.

(iii) Other cases of undercharge of revenue amounting to Rs. 233.62 lakh due to incorrect application of tariff are given in Annexure-11.

3A.5.6 Loss of revenue due to irregular reduction of load

In terms of Para 10(b) of the Electricity Supply (Consumers) Regulations 1984, reduction in contracted loads could be allowed after completion of necessary formalities. All outstanding arrears are required to be paid in full before reduction of load is allowed.

Irregular reduction of contracted loads resulted in loss of Rs. 1.73 crore

A test check revealed that contracted loads of a number of consumers were reduced not only in contravention of the above provisions but also below the actual loads either recorded on Maximum Demand Indicators (MDIs) or otherwise found existing at their premises. This resulted in loss of revenue of Rs. 173.36 lakh as given in Annexure -12.

3A.5.7 Loss of revenue due to irregular grant of concession/development rebate

Concessions and rebates were allowed to consumers in contravention of the provisions of tariff which resulted in loss of revenue of Rs. 197.37 lakh as discussed below:

(i) The rate schedule HV-2 applicable to large and heavy power consumers having contracted load of more than 75 KW provided for billing of demand charges for the actual maximum demand or 75 *per cent* of the contracted demand whichever was higher. The rate schedule as revised from 18 January 1992, however, allowed the new industrial units connected on or after 1 April 1990 but up to March 1995 to pay demand charge for actual demand for a period of five years from the date of commencement of supply. The Chief Engineer (Commercial) reiterated in April 1994 that the above relaxation would be admissible from the date of enforcement of the revised rate schedule i.e. 18 January 1992.

Grant of inadmissible rebates resulted in undercharge of Rs. 0.28 crore

EDD, Hamirpur allowed the above relaxation for the period from 1 April 1990 to 31 March 1995 to Hindustan Ferro Alloys (Pvt.) Limited, Sumerpur (Hamirpur) who had been given connection on 31 March 1990. This resulted in irregular grant of the relaxation by Rs. 22.92 lakh (credited in the consumer's bill for March 1997). Similarly this concession was also allowed by EDD, Chandauli to Gharana Food Limited, Mughalsarai who had been released load of 1800 KVA on 5 September 1996 which resulted in undue benefits to the consumer by Rs. 5.04 lakh during September 1996 to December 1998.

(ii) According to the rate schedule HV-2 applicable to large and heavy power consumers, development rebate of 50 *per cent* on the amounts of demand charges and energy charges and by 25 *per cent* in minimum charges are admissible to the consumers connected up to 31 March 1997 in Bundelkhand region.

Irregular grant of development rebate resulted in loss of Rs. 0.33 crore

EDD-I, Jhansi allowed the above rebate to Baidyanath Enterprises, Jhansi having contracted load of 3000 KVA on the ground that the meter was installed at the consumer's premises on 31 March 1997 by Electricity Test Division, Jhansi against an indent of EDD-I, Jhansi of the same date (31 March 1997). It was, however, observed that connection on 31 March 1997 was not possible in view of the fact that the material (Rs. 3.29 lakh) for construction of 33 KV line required for the release of this connection was issued only in April 1997. Further it was also seen that there was no consumption of energy up to February 1998. Evidently, this is a case of grant of irregular development rebate to the consumer resulting in loss of revenue of Rs. 33.00 lakh being 25 *per cent* of minimum charges for April 1997 to July 1998, which will further continue for the remaining period of five years.

(iii) According to the rate schedule HV-1 applicable to arc/induction furnaces, rolling mills etc. from 3 January 1997 development rebates of 50 *per cent* on the amount of energy charges and by 25 *per cent* in minimum charges were admissible to the consumers connected up to 31 March 1997 in Bundelkhand region. The rate schedule HV-1 revised from 18 June 1998 restricted the concession in demand charges only by 25 *per cent*.

Undue favour to a consumer resulted in loss of Rs. 1.36 crore

A connection was treated to have been given by EDD, Banda on the basis of sealing certificate of 31 March 1997 showing installation of a meter to Parerhat Steel Limited, having contracted load of 5000 KVA through the existing 33 KV line feeding supply of energy to the existing connection of the same consumer. In this case also it was noticed that material valued at Rs. 1.10 lakh was issued on 25 April 1997 for giving connection to the consumer. Further no energy was consumed till June 1997. It was, thus, a case of fictitious connection on 31 March 1997 for giving undue favour to the consumer by Rs. 136.41 lakh during April 1997 to December 1998 by way of unauthorised development rebate.

Further, the consumer was asked in March 1997 to deposit security of only Rs. 17.09 lakh against the due amount of Rs. 33 lakh along with system loading charges of Rs. 32.50 lakh against which Rs. 1.71 lakh and Rs. 3.25 lakh only were deposited by the consumer in March 1997 as per instalments fixed by the Chairman of the Board.

3A.5.8 Loss of revenue due to incorrect application of multiplying factor

Application of incorrect multiplying factor resulted in short billing of Rs. 1.32 crore

The units of energy recorded on a three phase meter are subject to multiplication by Multiplying Factor (MF) based on dial factor of the meter and capacities of Current Transformers (CTs) and Potential Transformers (PTs) installed on the line before it passes through the meter. Correctness of capacity of CTs and PTs is, therefore, to be ensured not only at the time of their installation, but also subsequently through periodical checking. A test check revealed errors in multiplying factor due to inaccuracies in capacity of CTs which resulted in undercharge of revenue of Rs. 132.26 lakh as mentioned in the table given on the next page :

Name of division	Name of consumer with contracted load	Nature and period of inaccuracy	Billable MF	Billed MF	Undercharge of revenue	
					Period	Amount (Rs. in lakh)
EDD-I Bulandshahar	Jindal Polyster and Steels Ltd. (5000 KVA)	Capacity of auxiliary CT installed in January 1985 found as 1/4 ampere by the Board's Vigilance Team in March 1994 in place of recorded capacity of 1/5 ampere	71.022	56.818	April 1993 to March 1994 (records prior to April 1993 not made available)	90.08
EDD Kashipur	Surya Roshni Ltd. (400 KVA)	Capacity of CT installed in April 1996 found as 15/5 ampere as per sealing certificate dated 9 September 1998 in place of 10/5 ampere considered for billing	18 during April 1996 to August 1998 and 9 during August 1998 to April 1999	12 and 6	April 1996 to April 1999	24.18
EDD Chandauli	Indian Oil Corporation Ltd. (200 KVA)	Calculation error	0.375 as per sealing certificate dated 22 October 1997	0.250	July 1994 to October 1997 (records for the period prior to July 1994 not made available)	18.00
Total						**132.26**

In this connection it is worth mentioning that the revised MF 71.022 was not considered for billing by EDD-I Bulandshahar on the ground that the existing meter was found fast by 14.13 *per cent* as per results of the check meter installed with the existing auxiliary CT in May 1995. The MF is affected by the capacity of CT and not by the results of the check meter. Moreover, the check meter should have been installed with another auxiliary CT as per orders (June 1994) of the Member (Distribution). The Chief Engineer (Commercial) also viewed (February 1996) that the error in MF and fast running of meter were two different issues which should have been dealt with separately.

3A.5.9 Under charge of revenue owing to non assessment/under assessments due to defective meters

According to Para 7.1 of the Board's Commercial and Revenue Manual, if a meter becomes slow/defective or ceases to register consumption of energy, assessment is to be done for the last six months on the basis of test results of check meter, average consumption of the preceding three consecutive months when the meter was recording correctly or consumption recorded in corresponding months of the previous year in case of seasonal operations, as the case may be. A test check revealed the following cases of non-assessment/under-assessment due to slow/defective meters, which resulted in undercharge of revenue of Rs. 387.51 lakh.

Scrutiny of records of EDD, Banda revealed that the Simco (mechanical) meter installed at Parerhat Steel Limited, Murka (Banda) having contracted load of 5000 KVA under the rate schedule HV-1 (induction furnace) on 31 March 1997 did not record any consumption up to 9 July 1997 when it was replaced by Sangamo (electronic) meter. Instead of installing the more accurate meter of Secure make (No. UPE 01863) available with the division in January 1998 at this connection, it was installed at the premises of Parerhat Industries (Pvt.) Limited, Murka having contracted load of only 400 KVA on 29 January 1998.

Non installation of Secure meter and non assessment for defective meters resulted in undercharge of Rs. 2.61 crore

The CT of the Sangamo meter was found defective and was, therefore, replaced by a Secure meter (No. UPE 03464) on 17 June 1998 the CT of which was also found defective (26 July 1998). Therefore, another Secure meter (No. UPV 00147) was installed as a check meter on 18 August 1998. As compared to the consumption of 18.85 lakh units per month recorded on the first Secure meter (No. UPE 03464) during 17 June 1998 to 25 July 1998 (it became defective from 26 July 1998) and 17.29 lakh units per month recorded on the second Secure meter (No. UPV 00147) during 18 August 1998 to 8 December 1998, the non assessment resulted in undercharge of Rs. 223.24 lakh (December 1997 to May 1998: Rs. 217.61 lakh and July 1998 to August 1998: Rs. 5.63 lakh) which could have been avoided, had the Secure meter (No. UPE 01863) been installed at the connection for higher load of 5000 KVA instead of for load of 400 KVA.

Further, the consumer was billed for the contracted demand of 5000 KVA against the actual maximum demand of 7960 KVA recorded during 29 June to 25 July 1998 on the ground that KVA section of the meter was defective. The MRI (Meter Reading Instrument) report, however, indicated that KVA portion had become defective from 26 July 1998. The billing for demand of 5000 KVA only, thus, resulted in short billing of demand charges aggregating Rs. 37.44 lakh.

Other cases of short assessments amounting to Rs. 126.80 lakh are given in Annexure -15.

3A.5.10 Loss of revenue due to lower contracted loads

Billing for lower than contracted loads resulted in loss of Rs. 7.23 crore

According to the Board's order of June 1998, contracted loads for induction/arc furnaces billable under the rate schedule HV-1 are required to be determined/revised at 600 KVA per tonne capacity of furnaces (including auxiliaries) in respect of existing as well as new consumers. Capacity of the consumers' furnaces were to be examined and assessed by the Zonal Committee. A test check revealed that this order was not followed correctly which resulted in loss of revenue of Rs. 635.31 lakh as detalied in Annexure-14.

From the Annexure it would be observed that against billable contracted load of 44535 KVA the consumers were actually billed for 32860 KVA. The lower contracted loads by 11675 KVA resulted in not only under charge of revenue of Rs. 635.31 lakh but also short realisation of system loading charges of Rs. 87.56 lakh at Rs. 750 per KVA.

In this connection following further points are worth mentioning:

(i) The capacities of two furnaces (10 tonne) mentioned in the load release order of March 1997 in case of Parerhat Steel Limited were not verified by Zonal Committee.

(ii) The Moradabad Zonal Committee did not recommend revision of the existing contracted load of 1500 KVA in case of Arpit Steel Limited on the ground that only one of the two furnaces of 1.81 tonne each found by the Committee in July 1998 was operative at a time on account of their connection by a single control panel. However, such exclusion of load for one furnace existing at the consumer's premises was neither allowed in the Board's order of June 1998 nor was correct in view of actual demands of 1584 to 2000 KVA recorded during December 1996 to January 1999.

Similarly the Committee recommended the load of 4800 KVA for 2 furnaces and a rolling mill in place of existing contracted load of 4000 KVA in case of Kashi Vishwanath Steel Limited on the ground that only 2 furnaces out of 3 furnaces found by the Committee in July 1998 connected by 2 control panels were operative at a time.

3A.5.11 Loss of revenue due to installation of inappropriate current transformers (CTs)

The CTs of appropriate capacity linked with contracted loads of consumers and voltage of supply are required to be installed along with 3 phase energy meters failing which energy consumed would not be recorded correctly. The extent of inaccuracies in recorded consumption with inappropriate CTs can be determined by installing check meters along with appropriate CTs. A test check in Audit revealed that EDD-I, Bulandshahar replaced CTs without installing check meters which resulted in loss of revenue of Rs. 22.53 lakh as mentioned below:

(i) The contracted load of Kajaria Ceramics Limited was increased from 2400 KVA to 3000 KVA with effect from 28 February 1995. The existing line CT was, however, replaced by the required higher capacity on 19 July 1995. The consumption of energy and actual demand after installation of new CT revealed increase by 10.2 and 8.7 *per cent* respectively. Thus, the delayed installation of the appropriate line CT of the required capacity resulted in loss of revenue by Rs. 13.01 lakh during 28 February 1995 to 19 July 1995.

(ii) The line CT of 100/1 ampere was installed on 17 March 1997 while releasing 33 KV connection to Orient Ceramics and Industries, Sikandrabad having contracted load of 1500 KVA. The line CT was replaced by the CT of 35/1 ampere on 26 February 1998 after which the per day consumption increased by 13.98 *per cent*. Thus, the installation of higher capacity CT initially deprived the Board of additional revenue of Rs. 9.52 lakh during March 1997 to February 1998.

3A.5.12 Loss of revenue due to incorrect/non assessment for theft of energy

Regular checking of metering equipments, periodical verification of connected loads of consumers and preparation of feeder-wise energy account showing difference between the energy sent from the substation and the energy metered at consumers' ends are the normal means to detect theft of energy by consumers. A test check in Audit revealed that the Board's officials not only failed to carry out these exercises regularly but also defaulted in making due assessments for the theft of energy which resulted in undercharge/loss of revenue of Rs. 3479.72 lakh as discussed below:

Difference of energy sent out from substations and that recorded at the consumers' ends revealed theft of energy valued at Rs. 27.78 crore

(i) The wide differences between the quantum of energy sent from the sub-stations and that recorded at consumers' ends revealed theft of energy through industrial feeders (considering distribution loss at 4.5 *per cent* of energy sent out as per norms of CEA) which resulted in loss of revenue of Rs. 2778.30 lakh (at the rates charged to the consumers) as mentioned below:

Name of division	Source of supply of energy	Period	No. of consumers	Energy sent out from the sub-station	Energy Billed	Theft of energy (excluding line loss at 4.5 *per cent*)	Loss of revenue (Rs. in lakh)
				(Units in lakh)			
EDD Hamirpur	33 KV feeders I and II from 132 KV sub-station Sumerpur (Hamirpur)	February 1995 to December 1996	7*	2310.75	1048.02	1032.47	2064.94
EDD Orai	33 KV furnace feeder from 132 KV sub-station, Orai	July 1997 to October 1997	4**	208.10	39.57	142.32	584.48
EDD Orai	Independent 33 KV feeder from 132 KV substation, Orai	August 1997 to October 1997	1 (Om Steel and Ispat Udyog Limited Orai)	87.58	46.00 (billed on estimated basis due to defective meter)	33.48	128.88
Total			**12**	**2606.43**	**1133.59**	**1208.27**	**2778.30**

* Juhi Alloys, Hamirpur Alloys, Vandana Steel, Rimjhim Ispat, Vaibhav Castings, Hans Castings and Venus Castings.

** Preetam Steel, Bundelkhand Alloys, Ramshree Steels, and Shatabdi Steels.

(ii) According to the report dated 30 March 1998 of Urban Test Division, Muzaffarnagar, Doaba Steel (rolling mill) of Muzaffarnagar had indulged in theft of energy through direct tapping of 11 KV system before metering together with violation of peak hours restrictions during 15 January to 13 February 1998. The Test Division, again through its subsequent letters dated 20 April 1998 and 6 July 1998 informed the EDD (Urban), about the theft of energy by the consumer during 20 February to 16 March 1998 and 22 May to 25 June 1998 on the basis of computer printout of the meter and suggested for assessment as per Board's rules. The EDD (Urban), however, after delay of 5 months raised three bills for Rs. 9.82 lakh, Rs. 31.70 lakh and Rs. 55.48 lakh in August 1998 and also lodged FIR against the consumer regarding theft of energy.

Undue benefit of Rs. 0.51 crore was extended by reduction of assessment for theft of energy

The Appellate Authority (Area level committee) of the Board in its decision (December 1998) although accepted the theft of energy by the consumer, yet reduced the assessment to Rs. 35.82 lakh against two bills of Rs. 87.18 lakh (Rs. 31.70 lakh and Rs. 55.48 lakh) on the basis of difference between the energy transmitted from the substation and the energy recorded at the consumers' end. The decision of appellate authority leading to undue benefit of Rs. 51.36 lakh to the consumer was not in conformity with rules laid down by Board.

(iii) Other cases of losses of revenue amounting to Rs. 650.06 lakh for theft of energy are given in Annexure-15.

3A.5.13 Loss of revenue due to short billing of demand charges

Demand charges are billable with reference to contracted demand of consumers and actual maximum demands recorded on MDIs. The consumers in the following cases were, however, billed demand charges for the lower loads which resulted in short billing of demand charges of Rs.134.26 lakh as mentioned below:

(i) According to the Additional Chief Engineer (Commercial)'s circular of March 1978, if a part of the energy supplied to large and heavy power consumers for industrial/processing purposes on High Tension (HT) voltage is utilised for residential loads and is recorded by installing separate energy meter on the Low Tension (LT) side of the consumer's transformer, it is billable under the appropriate rate schedule applicable to residential supply, but no reduction in the maximum demand created by residential load would be given in the maximum demand recorded at HT for the entire supply.

Exclusion of residential load from billable demand resulted in undercharge of Rs. 0.77 crore

During test check it was observed that, energy was supplied at 33 KV voltage to the Divisional Electrical Engineer, Eastern Railway, Mughalsarai (Chandauli) having contracted load of 3000 KVA (including 750 KVA for residential load) up to March 1997, 4500 KVA (including 1500 KVA for residential load) from April 1997. A separate energy meter was installed to record the consumption of energy for residential loads on 11 KV side of the consumer's transformer in addition to the trivector meter installed to record total supply of energy on 33 KV side. It was noticed that while reducing the 33 KV energy recorded on the trivector meter by the energy consumed for residential loads to be billed under the appropriate rate schedule (LMV-1), the maximum demand recorded on the trivector meter in respect of total supply of energy on 33 KV was also reduced by the residential loads during May 1994 to October 1996 and April 1997 to November 1998 respectively. No such reductions were made during November 1996 to March 1997. Thus, irregular reductions of the recorded maximum demands resulted in short billing of demand charges by Rs. 76.84 lakh during the aforesaid period.

(ii) Other cases of short billing of demand charges amounting to Rs. 57.42 lakh are given in Annexure-16.

3A.5.14 Non-realisation of penalty for violation of peak hour restrictions

According to the Government notification of April 1984, violations of peak hour restriction and weekly closures by non continuous process consumers, arc/induction furnaces and rolling/re-rolling mills are punishable with penalty of Rs. 20 to Rs. 50 per KVA of contracted load for each violation depending upon contracted load of consumers besides disconnection of supplies. In October 1998, the Board clarified that each entry of violation of peak hour restrictions recorded in MRI (Meter reading instrument) print (covering the past 35 days up to the date of MRI print) available in case of Secure make electronic meters installed during 1997-98 and 1998-99 would constitute separate violation for the above purpose. In this connection scrutiny of records of 17 EDDs test checked in Audit revealed following short comings/loss of revenue of Rs. 63.01 lakh:

Exemption from peak hour restrictions by the Power Minister resulted in undue benefit of Rs. 15.00 lakh

(i) Violation of peak hour restrictions and weekly closures were not quantified in the case of Parerhat Steel Limited, Murka (Banda) having contracted load of 5000 KVA on the ground that the consumer had been exempted from such restrictions by the Power Minister up to March 1998, and further six months thereafter for which no formal orders were issued by Government. Thus, the penalty of Rs. 15 lakh for violation of peak hour restrictions and weekly closures as per MRI reports of 29 June 1998 could not be enforced.

(ii) A sum of Rs. 21.02 lakh due towards penalty for violations of peak hour restrictions and weekly closures during June 1998 to May 1999, from 4* large and heavy power consumers of Bulandshahar, Kashipur and Gorakhpur in three EDDs were not billed/realised.

The change from non continuous process to continuous process category with retrospective effect protected a consumer from penalty of Rs. 26.99 lakh

(iii) The Board's circular of July 1995 allowed 100 *per cent* export oriented units to opt for continuous process category. The MB Rice Mills, Rudrapur having contracted load of 800 KVA under the rate schedule HV-2 (non-continuous) was shifted to continuous process (peak hour exempted) category by EDD, Rudrapur on 13 October 1998 with retrospective effect from 1 May 1998. The category was changed on the basis of application dated 22 May 1998 (received by the division on 18 September 1998) submitted by Nav Bharat Exports, Delhi who were registered as 100 *per cent* export-oriented unit. The change of the category from non-continuous to continuous process which protected the consumer from penalty of Rs. 26.99 lakh for violations of peak hour restrictions for the period from 1 May 1998 to 17 September 1998 was not in order as MB Rice Mills, Rudrapur was not a 100 *per cent* export oriented unit. Further, it was also observed that none of the partners of Nav Bharat Exports, Delhi were partners in the rice mill as was evident from the agreement signed by the consumers.

3A.5.15 Loss of revenue due to non-testing the accuracy of meters

According to Para 7.1(c) of the Board's Commercial and Revenue Manual, check meter is required to be installed in cases where accuracy of the meter at a consumer's premises is suspected or the meter is found to be incorrect. Besides, the meters are also required to be tested periodically in terms of Para 5.1 *ibid* so that extent of inaccuracy, if any, could be determined and necessary assessments made.

Electronic meters of high accuracy manufactured by Secure Meters Limited, Udaipur were installed at a number of consumers premises in 1997-98 and 1998-99, which indicated that the existing meters were of low accuracy. It was, therefore, imperative to check the accuracy of the existing meters by installing check meters

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* Rama Industries Ltd, Bulandshahar, Raebareilly Roller Flour Mills, Bulandshahar, Govind Rolling Mills, Gorakhpur and Kashi Vishwanath Steels, Kashipur.

before their removal particularly when their testing had not been done at prescribed intervals. The cases noticed in test check involving the loss of Rs. 864.77 lakh are discussed below:

Non- installation of Secure meters initially as check meters resulted in loss of Rs. 6.54 crore

(i) Recorded consumptions after installations of Secure meters at the premises of 28 large and heavy power consumers in 11 EDDs revealed that the existing meters had recorded lower consumption by 8.9 to 64.51 *per cent* immediately before their replacements during April 1997 to October 1998 as compared to the consumptions recorded on the Secure meters after their installation. No assessments could, however, be made as the Secure meters were not installed initially as check meters as a result the Board was deprived of a revenue of Rs. 653.58 lakh as per details in Annexure-17.

Ignoring the recorded consumption for billing of energy resulted in undercharge of Rs. 0.19 crore

(ii) Scrutiny of records of EDD (Urban) II, Gorakhpur revealed that the Secure meter installed in place of Sangamo meter in May 1998 at the premises of Jalan Concost (Pvt.) Limited, Gorakhpur under the rate schedule HV-1 (induction furnace) having contracted load of 3600 KVA (6000 KVA prior to January 1998) did not display recorded consumption. As such this was replaced by Datapro meter in May 1998. The consumer was billed for 0.38 lakh units during 25 May to 1 June 1998, and 7.81 lakh unit in August 1998 on the basis of consumption recorded on the Datapro meter. However, consumption of 27.10 lakh units recorded on Datapro meter in September 1998 (supply having been disconnected in June and July 1998) was considered abnormal and the consumer was billed for September 1998 on the basis of consumption recorded in August 1998 i.e. 7.81 lakh units. This was not correct as the Secure meter installed in place of the Datapro meter in October 1998 recorded monthly consumption of 14.18 lakh to 16.70 lakh units during October to December 1998 which corresponded well to the average monthly consumption of 17.45 lakh units in August and September 1998.

Thus, the decision of divisional officer to ignore the reading of 27.10 lakh units for September 1998 resulted in undue favour to the consumer of Rs. 19.29 lakh.

Non testing the accuracy of the meter deprived the Board of possible revenue of Rs. 1.92 crore

Before installation of Secure meter in May 1998, the recorded monthly consumption varied from 8.05 lakh to 9.07 lakh units during January to December 1997 for a contracted load of 6000 KVA and 4.74 lakh to 5.69 lakh units during January to May 1998 against load of 3600 KVA (reduced load from January 1998). Thus, the consumption before installation of Secure meter in May 1998 was considerably low as compared to the recorded consumption in the Secure meter but no assessment could be made as the Secure meter was not initially installed as check meter. Thus, the Board was deprived of potential revenue of Rs. 191.90 lakh for the period from January to May 1998 on the basis of average consumption of 14.99 lakh units per month recorded during October to December 1998.

3A.5.16 Non billing/short billing of energy charges etc.

A test check in Audit revealed that due care was not taken in raising energy bills regularly for the correct consumption/load at the rates of energy charges and surcharges etc. stipulated in the respective tariff in the following cases which resulted in non billing/short billing of Rs. 2515.44 lakh as discussed below:

Energy charges and surcharge of Rs. 3.42 crore was not/short billed

(i) Energy charges and surcharges amounting Rs. 342.05 lakh pertaining to the period from April 1993 to May 1999 were not billed/short billed as per details in Annexure-18 which also resulted in loss of interest of Rs. 5.13 lakh per month at 18 *per cent* per annum.

(ii) Billing and realisation of revenue in respect of street lights of all electrified villages and Harijan Basties was being done centrally by the Chief Engineer (Commercial) Lucknow on the basis of 10 street light points of 40 watts for each village and 2 street light points of 40 watts for each Basti. The system was decentralised in March 1990 and it was decided that all dues in respect of electrified villages and Harijan Basties may be realised from the respective Gram Pradhans at divisional level, and no electricity facilities were to be provided to defaulting units.

Electrified villages and Harijan basties not billed for Rs. 20.44 crore

A test check revealed that 13 EDDs had not implemented the decision of March 1990 with the result that billing to the extent of Rs. 2044.24 lakh including electricity duty of Rs. 243 lakh for the period from April 1990 to May 1999 had not been done either centrally or at divisional level as per division wise break up given in Annexure-19.

Further, neither arrears of Rs. 1666.82 lakh on account of street lights of electrified villages and Harijan Basties pertaining to the period from November 1985 to March 1990 were realised nor was the late payment surcharge of Rs. 2525.23 lakh from August 1990 to December 1998 claimed centrally by the Board in respect of the above arrears at 1.5 *per cent* per month leviable in terms of the rate schedule LMV-3 as revised from August 1990.

Belated issue of bills for Rs. 2.01 crore at the instance of Audit resulted in loss of interest of Rs. 0.55 crore

(iii) 9 EDDs belatedly raised bills of Rs. 200.89 lakh at the instance of Audit out of which Rs. 71.74 lakh could only be recovered so far (May 1999). These belated assessments resulted in loss of interest of Rs. 54.67 lakh at the rate of 18 *per cent* per annum for the period of assessment to the months in which bills were raised as per details given in Annexure-20.

3A.5.17 Short billing of minimum consumption guarantee (MCG)

3 Consumers short billed for Rs. 3.17 crore

Para 3.22 (iii) of the Board's Commercial and Revenue Manual provides that if a prospective consumer wants to take less than the sanctioned load, but does not want to surrender the balance load which he desires to utilise at a later date, an undertaking is to be taken from the consumer before releasing the connection to the effect that he agrees to pay MCG for the entire sanctioned load right from the date of connection. A test check revealed contravention of the above provision which resulted in short billing of MCG by Rs. 317.16 lakh as mentioned in the table given below:

Name of division	Name of consumer with contracted load	Total sanctioned load and date of sanction	Load released at first instance and date of its release	Load released in second installment and date of its release	Short billing of MCG	
					Period	Amount (Rs. in lakh)
EDD-II Jhansi	Jai Jagdamba Malleables Ltd. (4000 KVA)	4000 KVA (September 1996)	2000 KVA (March 1997)	The load of 2000 KVA ready for release in January 1998 was neither taken nor surrendered by the consumer	February 1998 to April 1999	168.80
EDD-II Jhansi	Vikas Metroll Ltd. (4000 KVA)	4000 KVA (November 1996)	2500 KVA (September 1997)	The load of 1500 KVA ready for release in December 1997 was neither taken nor surrendered by the consumer	January 1998 to April 1999	105.60
EDD Kasia	Jalan Alloys Ltd. (5350 KVA)	Additional 3000 KVA (May 1993)	1400 KVA (February 1995)	1600 KVA (September 1995)	February to August 1995	42.76
Total						**317.16**

Irregular release of load by tapping 33 KV trunk line resulted in undue benefit to a consumer by Rs. 0.63 crore

In this connection it was further noticed that Jalan Alloys Ltd. were released the load by tapping 33 KV trunk line at 33 KV sub-station (Hata) in violation of the Board's order of July 1992 which disallowed tapping of 33 KV trunk line. This resulted in undue favour to the consumer by Rs. 63.28 lakh which would have been payable by them in case of construction of a 33 KV independent feeder of 14.31 Kms. from Kasia to Pagra (Rs. 45.78 lakh) and 33 KV bay (Rs. 17.50 lakh) for releasing the load to them.

3A.5.18 Ineffective checks over consumers' installations

Consumers' premises were required to be checked by the Board's Vigilance Wing and other departmental officers but no targets in this regard were fixed by the Board. The position of checks exercised by the Board's Vigilance Wing and departmental officers over the consumers premises along with assessments proposed and realisations made thereagainst during the five years up to 1997-98 has been given in Annexure-21.

Assessments for Rs. 59.04 crore proposed by the Vigilance Wing of the Board were not done

It would be seen from the Annexure that only 1.04 to 1.27 *per cent* of the total consumers premises were checked, and proposals for assessment for Rs. 5903.66 lakh by the Vigilance Wing were not accepted by the divisional officers. Further to this, the accumulated arrears of revenue against assessments made for vigilance/ departmental cases aggregated Rs. 3126.24 lakh for the period of 5 years ending 1997-98 for which no effective action had been taken to recover the dues.

3A.6 Collection and accountal of revenue

The position of assessment, collection and arrear of revenue during the last five years up to 1997-98 is tabulated below:

(Rs. in crore)

	Particulars	1993-94	1994-95	1995-96	1996-97	1997-98
1.	Arrears of revenue on account of sale of energy at the beginning of the year	1632.37	2038.23	2488.51	3373.02	4016.29
2.	Revenue assessed during the year	2736.86	3301.67	3828.85	3992.17	4793.16
3.	Total amount due for collection	4369.23	5339.90	6316.76	7365.19	8009.45

(Rs. in crore)

	Particulars	1993-94	1994-95	1995-96	1996-97	1997-98
4.	Revenue collected during the year	2331.00	2851.39	2944.34	3348.90	3637.93
5.	Arrears of revenue on account of sale of energy at the close of the year	2038.23	2488.51	3373.02	4016.29	5171.52
6.	Percentage of collection to total revenue due for collection	53.35	53.40	46.61	45.47	45.42
7.	Arrears in terms of months' assessment	8.94	9.04	10.57	12.07	12.95

Arrears of revenue increased from Rs. 2038.23 crore in 1993-94 to Rs. 5171.52 crore in 1997-98

It would be seen from the above that collection of revenue had gone down from 53.35 *per cent* in 1993-94 to 45.42 *per cent* in 1997-98 and arrears of revenue had gone up from Rs. 2038.23 crore in 1993-94 to Rs. 5171.52 crore in 1997-98 which represented 8.94 to 12.95 months' assessment as against the security deposit of consumers limited to the extent of only two months' assessments. The Board is, thus, not fully secured against the arrears. In the absence of break up for collection against current dues and old dues, performance of collection of the old dues could not be assessed in Audit.

The collection of revenue is monitored centrally by the Chief Engineer (Commercial) on the basis of monthly commercial statements (CS-4) received from EDDs which have reflected higher figures of assessments and realisations and lower figures of balances. These statements, inter alia, indicated the arrears of Rs. 3737.92 crore as against Rs. 5171.52 crore at the end of the year 1997-98 shown in the Board's annual accounts for 1997-98. Neither reasons for the difference of Rs. 1433.60 crore were available on record nor was its adjustment/ realisation monitored centrally.

3A.6.1 Category wise arrears

Revenue arrears of Rs. 1436.96 crore were outstanding for more than four years

The agewise break up of arrears of Rs. 3737.92 crore recoverable from different categories of consumers based on the figures compiled centrally by the Chief Engineer (Commercial) at the end of March 1998 is given in Annexure-22.

It would be seen that arrears of Rs. 1436.96 crore (38.45 *per cent*) were outstanding for more than four years but the Board considered debts of Rs. 77.69 crore only as doubtful for which provision had been made in its accounts up to March 1998. The heavy arrears are attributable to lower realisations than assessments against different categories of consumers during 1994-95 to 1997-98 as shown in the following table :

(Rs. in crore)

Category	Arrears at the beginning of 1994-95	Assess-ments during 1994-95 to 1997-98	Realisation during 1994-95 to 1997-98	Arrears at the end of 1997-98	Percentage increase over 1994-95
Government consumers					
Water works	404.09	595.36	198.84	800.61	98.13
State tubewells/Pump canals	117.81	1132.24	918.12	331.93	181.75
Public lamps	77.30	178.87	25.61	230.56	198.27
Total of Government consumers	**599.20**	**1906.47**	**1142.57**	**1363.10**	**127.49**
Non Government consumers					
Light and fan (Domestic and Commercial)	415.68	4400.47	3478.76	1337.39	221.74
Industrial	288.30	8257.25	7790.68	754.87	161.83
Private tubewells	105.11	747.13	675.26	176.98	68.38
Others	28.67	1384.90	1307.99	105.68	268.61
Total of Non Government consumers	**837.76**	**14789.75**	**13252.69**	**2374.82**	**183.47**
Grand total	**1436.96**	**16696.22**	**14395.26**	**3737.92**	**160.13**

Heavy accumulation of arrears is indicative of the fact that effective measures were not taken by the Board for realisation of dues especially in light and fan category where the increase in arrears was 222 *per cent*.

3A.6.2 Undue relaxation to consumers leading to accumulation of arrears

A test check in Audit revealed cases of irregular and undue relaxations to consumers in payment of their dues, inadequate security deposit, delayed and incomplete issue of recovery certificates, delayed/non-disconnection of supplies of energy, non maintenance of proper records etc. which resulted in accumulation of heavy arrears as discussed in the succeeding paragraphs.

3A.6.2.1 Irregular grant of facility of payments in instalments

Facility of payments in instalments was irregularly granted in case of outstanding dues of Rs. 68.95 crore

According to the procedure laid down by the Board in August 1987, facility for payment in instalment may be allowed only once in a financial year, the facility would stand automatically cancelled in case of non-payment of an instalment and no such facility would be allowed if any of the instalments allowed during the previous year was still payable or the consumer defaulted in payment of any instalment allowed during the pervious year. Test check records of the Chief Engineer (Commercial) revealed that the facility of payment of outstanding dues of Rs. 6894.66 lakh in 3 to 22 instalments was allowed during December 1997 to July 1998 in 180 cases without ensuring that the above conditions were fulfilled. The illustrative cases where facility of instalments was allowed by the Board for more than once in a financial year and that too where instalments fixed earlier were still outstanding are given in Annexure-23.

It would be seen that irregular grant of the facility of instalments during March 1996 to January 1999 resulted in increase in arrears from Rs. 378.13 lakh to Rs. 1170.06 lakh. Temporarily disconnected supplies of consumers were restored on payment of first instalments but no disconnections were made on defaults in payment of subsequent instalments.

3A.6.2.2 Irregular acceptance of outstation cheques

Irregular acceptance of outstation cheques resulted in undue benefit of Rs. 8.50 lakh to consumers

According to Para 19 (ix) of the Electricity Supply (Consumers) Regulations, 1984, payments from consumers could be accepted through cheques drawn on the bank located at the Headquarters of the divisional office which were expected to be encashed within seven days of their presentation to the bank. A test check revealed that EDD, Chandauli accepted cheques from 46 consumers drawn on their banks at Varanasi (outstation) to the extent of Rs. 627.47 lakh during April to December 1998 which were credited to the division's bank account after 9 to 100 days of presentation to the bank at Chandauli. Acceptances of outstation cheques resulted in undue benefit to the consumers by way of saving of late payment surcharge of Rs. 4.80 lakh for the period from the date of presentation to the bank to the date of encashment (excluding 7 days). Similarly, EDD, Barabanki accepted 17 outstation cheques aggregating Rs. 247.77 lakh from Indian Polyfibres Limited, Barabanki during March to December 1998, for which a sum of Rs. 3.70 lakh towards late payment surcharge (Rs. 3.25 lakh) and collection charge (Rs. 0.45 lakh) claimed by the division in December 1998 had not been paid by the consumer on the ground that the division had never refused to accept payment through outstation cheques.

3A.6.2.3 Irregular continuance of cheque facility

Irregular continuance of cheque facility resulted in accumulation of arrears of Rs. 8.99 crore

According to Para 19 (ix) *ibid*, the divisional officer has the right to withdraw the payment facility by cheque in respect of the consumers whose cheque was dishonoured earlier. A test check revealed that the payment facility by cheques was not withdrawn even after frequent dishonour of cheques which resulted in increase of arrears as mentioned in the following illustrative cases:

Name of division	Name of consumer with contracted load	Date and amount of first cheque dishonoured	Date and amount of subsequent cheques dishonoured	Arrears	
				At the end of	Amount (Rs. in lakh)
EDD Kashipur	Shyam Pulp and Paper Mills Limited, Kashipur (2500 KVA)	August 1997 for Rs. 18.07 lakh	Two cheques of December 1997 and June 1998 aggregating Rs. 29.39 lakh	February 1999	130.80
EDD-II Meerut	Sangal Paper Limited, Mawana Meerut (2126 KVA)	November 1997 for Rs. 4.89 lakh	Two cheques of November and December 1997 aggregating Rs. 32.64 lakh	December 1997 (disconnected)	93.78
EDD Banda	Parerhat Steel Limited, Murka, District Banda (5000 KVA & 3500/2000 KVA)	July 1998 for Rs. 5.06 lakh	13 cheques of July 1998 to October 1998 aggregating Rs. 249.58 lakh	January 1999	633.49
EDD Mahrajganj	Gitanjali Paper Mills, Purandarpur Mahrajganj (800 KVA)	June 1991 for Rs. 0.60 lakh	37 cheques of June 1991 to March 1992 Rs. 16.12 lakh	August 1994 (disconnected)	41.32
Total			**327.73**		**899.39**

3A.6.2.4 Excessive period for payment of dues

Excess time allowed for payment of dues resulted in loss of interest of Rs. 0.81 crore

According to Para 19(vii) of the Electricity Supply (Consumers) Regulations, 1984, seven days are allowed for payment of energy bills from the date of their issue. A test check revealed that a consumer of Kanpur (Duncan Industries Ltd.) was allowed 24 to 29 days from the date of issue of bills for payment of monthly bills of Rs. 1160.27 lakh to Rs. 1868.06 lakh during April 1997 to September 1997 which resulted in loss of interest of Rs. 75.29 lakh (beyond 7 days) at 18 *per cent* per annum.

Similarly, EDD, Banda and EDD, Chandauli took up to 17 and 30 days for preparation of monthly bills from the date of meter readings and allowed up to 33 and 22 days for payment from the date of issue of bills for April 1997 to November 1998 aggregating Rs. 921.03 lakh and Rs. 143.29 lakh relating to 3 and 10 consumers respectively. Considering normal period of 3 days for preparation of bills and 7 days for their payment, the delayed issue of energy bills and excessive period allowed to the consumers for their payments resulted in loss of interest of Rs. 6.18 lakh at 18 *per cent* per annum.

The aforesaid excessive periods also resulted in undue benefits to the consumers either by protecting them from late payment surcharge or by allowing them to utilise their money for additional period.

3A.6.2.5 Inadequate security deposit of consumers

According to the Board's order of March 1994, consumers are required to furnish initial security at least equivalent to two months' minimum charges provided in the relevant tariffs before release of their connections. Subsequently, additional security to bring it to the level of two months' average energy bills in a financial year is required to be deposited by them. A test check revealed short realisation of security of Rs. 921.48 lakh from Government as well as non Government consumers as discussed below:

Government consumers

The Board's circular of March, 1994 provided for realisation of security deposit from Government and semi-Government consumers who were earlier exempted from furnishing such security deposits. The rate of initial security deposit was Rs. 1000 per KW for street light, public water works and sewage pumping station and Rs. 300 per BHP for other Government (including World Bank Tubewells) and semi Government consumers.

Non realisation of initial security from Government consumers resulted in loss of interest of Rs. 275.46 lakh

Scrutiny of records of 10 EDDs revealed that against the required initial security amount of Rs. 367.27 lakh, the demands for Rs. 224.85 lakh only had been raised but no realisation had been made so far (May 1999). Thus, due to incomplete raising of demand as well as non-realisation of initial security from the consumer, not only the Board's dues remained unsecured but it also suffered loss of interest amounting to Rs. 275.46 lakh worked out at the rate of 15 *per cent* per annum (18 *per cent* payable by the Board on cash credit less 3 *per cent* payable to the consumer on security deposit) for the period from April 1994 to March 1999 as per details given in Annexure-24.

Non-Government consumers

Short realisation of initial security of Rs. 5.54 crore resulted in loss of interest of Rs. 0.83 crore per annum

A test check revealed that 56 large and heavy power consumers in 12 EDDs and 22357 Kutir Jyoti and Janta service consumers in 14 EDDs furnished initial security of Rs. 191.53 lakh as against required initial security of Rs. 745.74 lakh. The short realisation of security of Rs. 554.21 lakh not only resulted in loss of interest of Rs. 83.13 lakh per annum at differential rate of 15 *per cent* per annum but also rendered the dues against them unsecured. The position of outstanding dues against inadequate security of 6 consumers test checked in audit is indicated in the following table :

(Rs. in lakh)

Name of EDD	Name of consumer with contracted load	Required initial security	Security deposited	Outstanding dues
EDD, Orai	Om Steel and Ispat Udyog Ltd., Orai (24000 KVA)	211.20	20.00	147.81
do	Garima Ferro Alloys (6000 KVA)	33.00	29.59	131.29
do	Bundelkhand Alloys (2500 KVA)	22.00	10.97	29.57
EDD, Banda	Parerhat Steel Ltd., Murka, Banda (5000 KVA)	33.00	1.71	410.46
EDD (I), Jhansi	Baidyanath Enterprises, Jhansi (3000 KVA)	13.20	6.60	95.37
EDD (Urban), Rambagh, Allahabad	Dev Raj Industries Ltd., Naini, Allahabad (875 KVA)	4.38	0.17	68.24
Total		**316.78**	**69.04**	**882.74**

3A.6.2.6 Non disconnection of supply of energy to defaulters

1.75 lakh consumers owing arrears of Rs. 188.38 crore for 4 months and above were not disconnected

In view of consumer's security being limited to two months' average energy bills, supply of energy is liable to be disconnected in case of non payment of electricity dues for two months. The consolidated position of disconnections and non-disconnections as per Computer Reports for August/September 1998 in respect of computerised consumers of 17 EDDs test checked in Audit is given in Annexure-25.

It would be seen that 175435 consumers having arrears of Rs. 18837.63 lakh for 4 months and above but not disconnected represented 77 *per cent* of total defaulter consumers (227277). Non disconnection of supplies in time resulted in accumulation of heavy arrears.

Non disconnection of a defaulting consumer resulted in accumulation of irrecoverable arrears of Rs. 16.66 crore

In this connection it was further noticed that a consumer (Nova Udyog) of Haldwani (Nainital) who was released connection with load of 38000 KVA for rolling mills in January 1993 was granted an interim relief by the High Court for payment of only Rs. 40 lakh each towards the dues of Rs. 109.83 lakh for March 1993 and Rs. 130.17 lakh for May 1993 raised on the basis of minimum consumption guarantee. Even then, the consumer neither paid the amount fixed by the High Court nor the dues for January, February and April 1993, aggregating Rs. 311.90 lakh. The supply of energy was, however, not disconnected in spite of the Chief Engineer's (Commercial) instructions of June 1993 followed by his reminder of June 1994. The supply was disconnected belatedly in November 1994 when the Board's dues accumulated to Rs. 1501.92 lakh, in respect of which even recovery certificates issued during January to November 1995 were returned by the district authorities with the remark that the consumer's all movable and immovable properties were hypothecated/mortgaged against the loans borrowed from financial institutions. Meanwhile, the dues increased to Rs. 1666.02 lakh including late payment surcharge up to January 1995 for which there is remote possibility of recovery in spite of the High Court's decision of December 1997 in favour of the Board. Responsibility for belated disconnection was not fixed by the Board.

3A.6.3 Low realisation against recovery certificates

Realisation of arrears for Rs. 319.66 crore through district authorities was pending at the end of 1997-98

The position of issue of recovery certificates (RCs) and realisations made thereagainst for the three years up to 1997-98 is depicted in the table given below:

(Rs. in crore)

	1995-96		1996-97		1997-98	
	No. of RCs	Amount	No. of RCs	Amount	No. of RCs	Amount
Opening balance at the beginning of the year	141902	282.03	147940	311.80	148009	280.90
Add RCs issued	49097	169.42	34810	105.89	36311	118.67
Less RCs returned by the district authorities	32686	129.88	24991	127.76	24193	69.96
Net realisable	158313	321.57	157759	289.93	160127	329.61
Realisations	10373	9.77	9750	9.03	14156	9.95
Balance	147940	311.80	148009	280.90	145971	319.66
Percentage of realisation		3.04		3.12		3.02

From the above table it would be observed that:

(i) The percentage of realisation against recovery certificates which were issued as last resort is very low ranging from 3.02 to 3.12. This is attributable to the fact that most of the RCs were returned by the district authorities on the grounds like names and addresses of consumers being incorrect/incomplete, successors to the deceased consumers not known and movable/immovable assets of consumers not found. These grounds indicate that due care was not taken while releasing connections and preparing recovery certificates.

(ii) Test checks of records of 17 EDDs revealed that proper records showing consumer-wise issue of RCs, return of RCs, realisations made with reference to cash receipts etc. were not maintained.

3A.6.4 Incomplete/improper maintenance of records relating to collection and accountal of revenue

A test check of records of 17 EDDs revealed incomplete/improper maintenance of records relating to collection and accountal of revenue as discussed below:

3A.6.4.1 Unacknowledged remittances into banks

Bank reconciliation revealed un-acknowledged remittances, dishonour of cheques, excess debit etc. aggregating Rs. 9.32 crore besides embezzlement of Rs. 0.09 crore

Bank reconciliation (BR) statements are required to be prepared each month so as to ensure accountal of all remittances and to reconcile differences, if any, between the closing balances shown in the records of the division and the banks. It was noticed that not only BR statements were in arrears from August 1996 to March 1999 in respect of 13 EDDs but the BR statements prepared disclosed huge differences aggregating Rs. 932.21 lakh reflecting unacknowledged remittances into banks, dishonour of cheques, excess debits etc. as mentioned in Annexure-26. These differences not only involve loss of interest in case of delayed accountal but also leave possibility of embezzlements, loss of revenue etc. In this connection it was noticed that BR statements in respect of EDD Amroha for the months from November 1985 to March 1994 were prepared in October 1994 which revealed embezzlement of Rs. 9.05 lakh by the revenue cashier (Sri Rakesh Kumar Shukla). He was suspended (October 1994) and chargesheeted (October 1995) but no further progress was intimated by the division to Audit (May 1999).

It was further noticed that due to non preparation/delayed preparation of BRs by EDD Kashipur, cheque of June 1992 for Rs. 2.98 lakh received from a consumer by the cashier but not sent to the bank, and 6 cheques of January 1992 to November 1992 aggregating Rs. 14.99 lakh received from 5 consumers and dishonoured by bank but not handed over by the cashier to the official concerned for reversal of credits in the consumers' ledger could be noticed only in February 1998 when supplies of all the six consumers had been permanently disconnected. Thus, there were remote possibilities of their recovery through RCs.

3A.6.4.2 Non reconciliation of computer cash book (Report 16)

Excess credits of Rs. 0.68 crore were not reconciled

The accounts of the consumers are credited in computerised ledgers on the basis of consumer wise stubs showing the amount realised as sent by the divisional offices to the Computer Centres. A computer cash book (Report 16) showing the consumer-wise details of amount advised by the division and actually credited in the consumers' accounts is received along with computerised ledger every month. A reconciliation between the figures of realisations shown in the divisional cash book is, therefore, required with a view to detect cases of excess/short credits and to make necessary adjustments. A test check revealed following cases of excess credits in the computerised consumers' ledgers which were not reconciled by the division concerned:

(Rs. in lakh)

Name of division	Period		Amount advised	Amount credited	Excess credit
	From	To			
EDD Dhampur	January 1998	March 1999	45.44	65.35	19.91
EDD Mahrajganj	January 1998	April 1999	10.97	24.48	13.51
EDD Dehradun (Urban/South)	August 1998	January 1999	56.98	67.16	10.18
EDD Kasia (Kushinagar)	December 1997	--	25.06	25.58	0.52
EUDD II Moradabad	September 1998	--	4.06	7.20	3.14
EUDD II Gorakhpur	September 1998	November 1998	21.21	22.73	1.52
EDD Barabanki	June 1998	August 1998	6.62	6.82	0.20
EDD Rudrapur	November 1998 February 1999	December 1998	21.08	39.84	18.76
Total			**191.42**	**259.16**	**67.74**

Reasons for not reconciling and adjusting the excess credits by Rs. 67.74 lakh were not on record.

3A.6.4.3 Non return of used receipt books

25549 used receipt books were not returned to divisional office

Used receipt books are required to be returned by the officials to the divisional office for their due checking by the Assistant Engineer (Revenue) and the Divisional Accountant (Revenue) with a view to ensure that all the amounts realised through the receipts were duly accounted for in the divisional records. A test check revealed that 25,549 receipt books stated to have been used by 138 officials of 10 EDDs during March 1993 to December 1998 were not returned to the respective divisional offices up to March 1999. Two EDDs at Chandauli and Banda did not maintain proper records of issue of blank receipt books. Possibility of non accountal of revenue in absence of proper records and due checking cannot be ruled out.

3A.6.4.4 Non maintenance of consumers ledger

The consumers ledger for 1998-99 in respect of large and heavy power consumers was not posted in EDD Chandauli, with the result that position of balances on the basis of assessments, and realisations in respect of such consumers were not recorded each month thereby leaving possibility of manipulations in the accounts of such consumers, as even monthly energy bills did not indicate the position of realisations and balances.

These matters were reported to the Board and the Government (July 1999); their replies were awaited (October 1999).

Conclusion

Test check of tariff, billing and collection of revenue in Uttar Pradesh State Electricity Board revealed the following deficiencies:

(i) Concessions/rebates in the tariff, waiver of arrears of revenue and late payment surcharge, reduction in the tariff applicable to private tubewells were allowed at the instance of the Government without any compensation for the same;

(ii) Delayed and/or incorrect meter readings, issue of bills for lower consumption/load, incorrect application of tariff, extension of inadmissible concessions/rebates and non assessment/under assessment due to defects in meter and theft of energy resulted in heavy losses of revenue;

(iii) Metering equipments and connected loads etc. were not checked at regular intervals. Feeder-wise energy accounts were not prepared;

(iv) Irregular grant of facility of payment in instalments, irregular continuance of cheque facility despite dishonour of earlier cheques, inadequate security deposit, non disconnection of supply of energy to the defaulters and preparation of incorrect/incomplete recovery certificates were the main factors responsible for accumulation of heavy arrears of revenue; and

(v) Non reconciliation of bank accounts each month led to not only blockage of substantial amounts with banks but also embezzlements and losses.

The financial impact of Audit findings was that the Board suffered loss of a potential revenue of Rs. 358.84 crore (including loss of interest). Besides, the Board was deprived of a revenue of Rs. 480.48 crore in 1993-94 due to non approval of revision of tariff by the Government.

In order to strengthen the financial position of the Board which is incurring heavy losses, there should be timely revision of tariff in consonance with the cost of generation. Further, considering abnormal leakage of revenue there is emergent need to curb theft/pilferage by taking appropriate action against the defaulting consumers as well as prompt and correct assessment and collection of dues as per prescribed rules/procedure of the Board.

Chapter 3B

Uttar Pradesh State Electricity Board

Physical and Financial Performance of Power Sector during VII Five Year Plan

3B

Uttar Pradesh State Electricity Board

Physical and Financial Performance of Power Sector during VII Five Year Plan

HIGHLIGHTS

With a view to achieving the object of assuring adequate energy supply at minimum cost and self sufficiency in power, the Planning Commission approved an outlay of Rs. 3440 crore for development of power in the State during VII Five Year Plan.

(Paragraph 3B.1 & 3B.3)

Against the targetted addition of 1638 MW in generation capacity at the end of VII Five Year Plan, the actual addition was 1365.5 MW representing achievement of 83 per cent.

(Paragraph 3B.4.2)

Failure to achieve envisaged plant load factor in thermal plants resulted in loss of generation of 18806 MU valued at Rs. 1203.58 crore.

(Paragraph 3B.4.3)

The Board could not recover the cost to the extent of Rs. 2674.79 crore during the Plan period as the unit cost of supply of energy continued to be on higher side mainly due to excess consumption of coal over the norm, high incidence of O & M and establishment expenses.

(Paragraph 3B.5.1 & 3B.5.2)

Loss of generation due to inordinate delay in commissioning of various projects due for commissioning during VII plan aggregated 44036.25 MU valued at Rs. 2791.89 crore.

(Paragraph 3B.6.1)

Board's funds aggregating Rs. 222.18 crore spent on creation of common facilities/infrastructure consisting of coal handling plant, water treatment plant

etc. of Anpara 'C' power station were locked as the Government could not finalise modalities for execution of the project.

{Paragraph 3B.6.1.2(c)}

The loss of generation due to time overrun of 21 to 94 months in completion of five mini/micro hydel projects aggregated 615.7 MU valued at Rs. 39.41 crore and expenditure of Rs. 21.93 crore on three mini/micro hydel projects remained unfruitful as they could not be completed as of May 1999.

(Paragraph 3B.7)

3B.1 Introduction

The objective of the energy policy of the Government of India as also the power development plans aim at assuring adequate energy supply at minimum cost and achieving self sufficiency in power. To achieve this, Central Government formulates and administers policy decisions, frames Acts/Rules to govern power supply, approves plans for power sectors of the State and investment level thereagainst and monitors the progress of project implementation through State Government plans.

3B.2 Scope of Audit

The review conducted during February to May 1999 covers physical/financial performance of Uttar Pradesh State Electricity Board and State Government companies related to power sector viz. U.P. Rajya Vidyut Utpadan Nigam Limited (UPRVUN) and Uttar Pradesh Jal Vidyut Nigam Limited (UPJVN) during seventh five year plan including progress of those projects which were approved in earlier plans but implemented during seventh plan. Besides, activities projected in seventh plan but spilled over to eight or ninth plan have also been covered.

3B.3 VII Power development plan of the State

The Planning Commission approved an outlay of Rs. 3440 crore for development of power in VII Five Year Plan.

Out of an outlay of Rs. 5008.15 crore proposed in the VII plan of the State for development of power, the Planning Commission of the Government of India approved an outlay of Rs. 3440 crore which represented 31.3 *per cent* of total plan outlay of Rs. 11000 crore for the State. The table below summarises the targets and achievements in respect of various components of plan in power sector during VII plan.

The thrust areas of the plan were as under:

Sl. No.	Particulars	Physical		Financial (Rs. in crore)	
		Target	Achievement	Target	Achievement
1.	**Addition to generation capacity**				
	(i) Thermal (MW)	1490	1365.50**	2167.75	1744.33
	(ii) Hydel (MW)	148	NIL		
2.	**Transmission system**				
	(i) Transmission lines (CKms.)*	5146	2196		
	(ii)Increasing transformation capacity (MVA)	4756	3705		
3.	**Distribution system**			987.72	747.35
	(i) Distribution lines (CKms.)	8000	25383		
	(ii) Increasing capacity (MVA)	3300	2436		
4.	**Rural Electrification**				
	(i)Electrification of villages (Nos.)	25170	17283		
	(ii)Energisation of PTW/PS (Nos.)	247950	121853	284.53	405.40
	(iii)Electrification of Harijan Basti (Nos.)	24300	18612		
5.	**Plant load factor**				
	Thermal (i) old plants (%)	57.07	6.9 to 67.2	NA	NA
	(ii) new plants (%)	61.07	49.1 to 71.7	NA	NA
6.	**Auxiliary consumption (%)**	10	11 to 13.61	NA	NA
7.	**Transmission and distribution losses (%)**	18	20.57 to 26.82	NA	NA
	Total			**3440.00**	**2897.08**

(i) Considering the expected rate of growth at 12 *per cent* in industrial sector, energisation of 2.48 lakh private tubewells (PTW), pumping sets (PS) and

* Ckms. = Circuit Kilometers

** After adjusting derated capacity of small thermal power stations electrification of 25170 villages, the peak demand and annual energy requirement at the end of VII Plan was estimated at 5251 MW and 25053 MU respectively;

(ii) Optimum utilisation of the existing power plants by renovating and modernising hydel/thermal power stations to get maximum generation out of existing plants;

(iii) Strengthening and renovating of transmission and distribution system to reduce line losses and to keep pace with generation programme and to make power supply to consumers more reliable; and

(iv) Tapping of micro hydel potential in a big way for the benefit of remote hill area population.

Physical and financial performance in broad parameters of power sector achieved by UPSEB, UPRVUN and UPJVN are discussed below:

3B.4 Physical performance

3B.4.1 Power supply position

The energy demand of the State at the close of 1989-90 was estimated by the Board at 25053 MU against which it envisaged requirement of 25164 MU taking into consideration a surplus of 111 MU. However, the actual availability of power at the end of 1989-90 was 18111 MU leading to deficit of 6942 MU against estimated surplus of 111 MU.

3B.4.2 Capacity mix and capacity addition

Total installed capacity of the State increased from 4120.85 MW at the end of VI plan to 5486.35 MW at the end of VII plan. Out of total capacity, 92.36 and 7.64 *per cent* was owned by UPSEB and UPRVUN respectively.

(a) In view of hydro power potential and low cost of hydel generation, besides being environment friendly, the Government of India, Ministry of Power fixed the ideal mix of 60:40 for thermal and hydro generation. However, the Board envisaged the mix of 73:27 during the plan period which too was not achieved due to non achievement of new hydel capacity of 148 MW envisaged in VII plan.

Achievement of targetted addition of generation capacity was 83 *per cent*

(b) Against the targetted addition of 1638 MW (hydro 148 MW and thermal 1490 MW), the actual addition to the generation capacity at the end of VII plan was 1365.5 MW in thermal sector only representing achievement of 83 *per cent* (including addition of 420 MW by UPRVUN).

3B.4.3 Plant availability and capacity utilisation

The plan did not envisage plant load factor for hydel plants as it is variable depending on hydrology and head (Fall of water from height). However, in case of thermal plants it was envisaged at 57.07 *per cent* for existing plants of less than 200 MW and 61.07 *per cent* for plants of 200 MW and above capacity. As regards new thermal plants the targetted PLF was 28.53, 45.66, 57.07 and 61.07 *per cent* during 1st to 4th year of operation respectively.

Envisaged PLF was not achieved

Scrutiny of records, however, revealed that the actual PLF of old and new thermal power plants ranged from 6.9 to 71.7 *per cent* against the envisaged PLF of 57.07 to 61.07 *per cent* resulting in loss of generation of 18806 MU valued at Rs. 1203.58 crore during plan period as detailed in Annexure-27.

3B.4.4 Auxiliary consumption, power purchase, transmission and distribution losses

The summarised position regarding gross generation, auxiliary consumption, power purchase, transmission and distribution (T&D) losses, energy sold and average rate for sale of energy during VII plan period as given in Annexure-30 brings out the following facts:

Auxiliary consumption exceeded the level envisaged by Board

(i) Against CEA norms of 9.5 *per cent* for auxiliary consumption in thermal power stations (TPS), the UPSEB envisaged it at 10 *per cent* during VII plan. However, actual percentage of auxiliary consumption ranged from 11.00 to 13.61 *per cent* which resulted in shortage of 871.90 MU for sale valued at Rs. 55.80 crore at average rate of 64 paise per unit.

(ii) Actual power purchased exceeded the envisaged quantity by 1833 MU during the plan period which resulted in extra expenditure of Rs. 9.84 crore.

T&D losses exceeded the targets

(iii) Against the CEA norm of 15 *per cent* T&D losses the VII plan envisaged T&D losses at 18.5 *per cent* for first year (1985-86) and 18 *per cent* for subsequent years. However, actual losses during plan period ranged from 20.57 to 26.82 *per* *cent*. This resulted in shortfall of power available for sale by 6364 MU valued at Rs. 407.29 crore over and above the envisaged losses. Reasons for excessive T&D losses are discussed in para 3B.11 *infra*.

(iv) Against envisaged sale of 92007 MU, the energy sold during plan period was 74226 MU only which showed a shortfall of 17781 MU.

3B.4.5 Break up of sales to various sections of consumers

Annual growth in sale of energy was 12.46 *per cent*

The sale of energy increased from 11159 MU in the year 1984-85 to 18111 MU in 1989-90, representing an annual growth rate of 12.46 *per cent* during VII plan period. The details of percentage of share of various categories of consumers in total sale of SEB during 1985-86 to 1989-90 are given in Annexure-29.

It was noticed that:

(i) Against estimated 32 per cent sale to agriculture/irrigation sector, the actual sale percentage ranged from 31.32 to 40.53 during plan period; and

(ii) Percentage of sale of energy to industrial consumers decreased from 37.64 *per cent* during 1985-86 to 31.95 *per cent* in 1989-90. This indicated that the growth of 12 *per cent* in industrial demand as envisaged was not achieved.

3B.4.6 Per capita consumption

Per capita consumption was below the Northern and National average

Per capita consumption of power in the State varied from 118 to 159 Kwh during 1985-86 to 1989-90. This was much below than the northern region and national average which ranged from 173 to 241 and 178 to 236 Kwh, respectively, during VII plan period.

3B.4.7 Rural electrification

Targetted electrification of villages, harijan basties and PTW/PS was not achieved

Out of 112566 number of villages in the State as per 1981 census, 63075 villages (56 *per cent*) only were electrified up to 1984-85 (end of VI plan). Against the target of electrification of 25170 villages, 24300 harijan basties and 247950 PTW/PS envisaged during VII plan, only 17283 villages, 18612 harijan basties and 121853 PTW/PS were electrified/energised registering an achievement of 68.3, 76.6 and 49.1 *per cent*, respectively. Shortcoming, deficiencies and lapses in implementation of RE schemes are discussed in para 3B.12 *infra*.

3B.5 Financial performance

Performance of SEB and other undertakings engaged in power sector during VII Five Year Plan period are discussed in succeeding paragraphs:

3B.5.1 Higher unit cost of supply

Average cost of sales which ranged from 89.43 to 119.37 paise per kwh during VII plan period was always higher than average revenue per kwh (54.70 to 71.47 paise per kwh). Non recovery of cost thus resulted in net deficit of Rs. 2674.79 crore in sale of 74226 MU during the period of five years ending March 1990.

3B.5.2 Analysis of component cost

The consumption of coal exceeded the estimates

(i) The consumption of coal per kwh of energy generated ranged from 0.78 to 0.84 kg which was much in excess of estimated consumption of 0.77 to 0.79 kg per kwh which resulted in extra expenditure of Rs. 179.22 crore on generation of 56461 MU during the plan period.

(ii) The expenditure incurred on O&M and establishment and administration exceeded its projection by Rs. 477.57 crore (86.94 *per cent*) during VII plan period. The Board could neither keep the expenditure within projection nor analysed the reasons for disproportional increase during plan period.

3B.5.3 Average tariff and revenue realisation

Average tariff for sale of energy was more than projected cost

The overall average tariff for sale of electricity during each year of the VII plan period 1985-86 to 1989-90 was 54.07, 62.10, 65.53, 67.55 and 71.47 paise per unit against projected cost of 52.31 paise per unit during plan period as indicated in Annexure-30. Following observations are made in this regard:

(a) Average tariff per kwh for agriculture and domestic power was comparatively low as compared to commercial, industrial and railway traction consumers due to subsidy granted to these categories;

(b) While over all average sales realisation increased from 54.07 paise in 1985-86 to 71.47 paise per kwh in 1989-90, the average sales realisation for agriculture and outside state supplies per kwh decreased considerably (agriculture from 28.04 to 22.42 paise per kwh and outside state supplies from 61.89 paise in

1987-88 to 13.60 paise per kwh in 1988-89);

3B.5.4 Commercial profit/loss

The table below summarises the profit/loss of the Board, subsidy and interest payable on loans, for the period of five years ending 31 March 1990.

(Rupees in crore)

Particulars	1985-86	1986-87	1987-88	1988-89	1989-90
Profit (+)/Loss (-) without accounting for subsidy and interest on institutional creditors	(-) 98.82	(-) 80.72	(-) 123.88	(-) 233.67	(-) 377.12
Liability for interest on Government loan	226.46	262.50	275.75	295.64	326.21
Profit/Loss after interest on Government loan	(-) 325.28	(-) 343.22	(-) 399.63	(-) 529.31	(-) 703.33
Subsidy receivable	254.90	283.90	424.70	439.30	549.05
Profit/Loss after accounting for subsidy	(-) 70.38	(-) 59.32	25.07	(-) 90.01	(-) 154.28

It would be seen from the above that net loss suffered by the Board after accounting for depreciation, interest and subsidy increased from Rs. 70.38 crore in 1985-86 to Rs. 154.28 crore in 1989-90 and total loss was Rs. 348.92 crore during VII plan period.

3B.5.5 Rate of return

The ROR was negative except in 1987-88 (1.17 *per cent*) as against 3 *per cent* envisaged in the Act

Against the minimum stipulated return of 3 *per cent* on the capital base* as provided under section 59 of Electricity (Supply) Act 1948, the actual rate of return after accounting for subsidy was negative except during the year 1987-88 where it was 1.17 *per cent*. The Board instead of taking action to adjust its tariff to augment its revenue so as to ensure minimum return of 3 *per cent*, allowed negative return to persist during plan period (except in 1987-88) which resulted in net loss aggregating Rs. 348.92 crore.

* Capital base represents the value of fixed assets in service (net of cumulative depreciation and consumer's contribution for service lines) at the beginning of the year.

3B.5.6 Additional resource mobilisation (ARM)

Against estimated additional resource mobilisation of Rs. 1910.80 crore by revision of tariff, actual mobilisation during VII plan period aggregated Rs. 877.44 crore leading to shortfall of 54.10 *per cent*, which was due to non revision of tariff during the plan period.

3B.5.7 Revenue arrears and outstanding dues

Revenue arrears by the end of plan period aggregated 49.70 *per cent* of annual turnover

The unrecovered revenue arrears of Board against various consumers aggregated Rs. 651.43 crore at the close of VII plan. These arrears worked out to 49.70 *per cent* of the annual turnover and amounted to locking of funds equivalent to 6 months revenue of the Board.

3B.6 Execution and performance of the generation scheme

The table below gives the details of installed capacity, original/revised cost, scheduled/actual date of commissioning and proposed annual energy generation in respect of ongoing generation schemes, benefits of which were to accrue during VII plan or beyond VII plan:

Name of the project	Installed capacity (MW)	Cost (Rs. in crore)			Scheduled date of commis-sioning	Actual date of commissio-ning	Delay (in months)	Envisaged generation (MU)
		Original	Revised	Actual				
Thermal								
Anpara 'A'	210	227.19	721.02	721.02	June 1982	Jan 1987	55	
	210				Dec. 1982	Aug 1987	56	3150
	210				June 1983	April 1989	70	
Tanda	110	159.25	475.91	490.77	Mar 1985	Mar 1988	36	
	110				Mar 1985	Mar 1989	48	2350
	110				Mar 1985	Mar 1990	60	
	110				Mar 1985	Feb 1998	160	
Unchahar	210	193.05	522.67	656.99	Sept 1986	Aug 1989	35	2100
	210				Mar 1987	June 1990	39	
Anpara 'B'	500	416.10	4100.00	3601.85	Mar 1993	Mar 1994	12	5000
	500				Dec 1993	Sept 1994	09	
Sub total		**995.59**	**5819.60**	**5470.63**				

Name of the project	Installed capacity (MW)	Cost (Rs. in crore)			Scheduled date of commis-sioning	Actual date of commissio-ning	Delay (in months)	Envisaged generation (MU)
		Original	Revised	Actual				
Hydro								
Lakhwar Vyasi	3x100 2x60	140.97	1446.00	233.13 (March 1999)	1991-92	---	--	852
Tehri Dam	4x250	N.A.	1065.86	--NA--	1992-93	---	--	3091
Vishnu Prayag	4x120	17.04	345.95	60.19 (March 1996)	1993-94	--	--	2349 Privatised in October 1992
Maneri Bhali (Stage II)	76 76 76 76	43.32	825.67	157.00 (March 1999)	March 1989 June 1989 Sept. 1989 Dec. 1989	--	--	1327 Proposed for privatisation since October 1994
Khara	3x42	N.A.	110.70	--NA--	1988-89	1991-92	24	385
Sub total		**201.33**	**3794.18**	**450.32**				
Renovation and moderni-sation								
Harduaganj (HTPS)	--	63.95	82.95	--NA--	May 1988	May 1991	36	--
Panki (PTPS)	--	37.03	44.66	--NA--	May 1988	May 1991	36	--
Obra (OTPS)	--	45.95	67.70	--NA--	May 1988	May 1991	36	--
Sub total		**146.93**	**195.31**	**--NA--**				
Grand total		**1343.85**	**9809.09**	**5920.95**				

Out of the above schemes, benefits of Anpara 'A', Tanda (three units of 110 MW), Unchahar and Khara Hydro projects were to be derived during VII plan period while Anpara 'B', Lakhwar Vyasi, Tehri, Vishnu Prayag, Maneri Bhali Stage II were scheduled to be completed beyond VII plan period. Besides, two new projects viz. Srinagar composite (6 x 55 MW) and Unchahar extension TPP (2 x 210 MW being executed by UPRVUN) were taken up during VII plan for scheduled completion during VIII plan. Of the hydro generation projects scheduled to be completed during VII plan period or beyond, work on Lakhwar Vyasi, Vishnu Prayag, Maneri Bhali Stage II and Srinagar composite scheme was stopped after incurring expenditure of Rs. 578.09 crore up to September 1997. These projects (except Maneri Bhali Stage II and Lakhwar Vyasi) were privatised during October 1992 to October 1994 as mentioned in section 3A and 3B of Audit Report (Commercial) for the year ended March 1997. Work on Unchahar TPP extension (2 x 210 MW) could not be taken up as Unchahar TPP was transferred to NTPC in February 1992.

3B.6.1 Time and cost overrun

Time overrun in completion of projects resulted in cost overrun of Rs. 4475.04 crore

It would be evident from the table given in the previous paragraph that there was time overrun ranging from 9 months to 160 months in implementation of scheme leading to cost overrun of Rs. 4475.04 crore in respect of various thermal generation schemes executed/undertaken by Board/other agencies. While the detailed reasons for time and cost overrun in Anpara and Tanda Thermal Power Project have been discussed in respective reviews of the projects featured in Section 3A of Audit Report (Commercial) for the year ended 31 March 1995 and 31 March 1996, main reasons for time overrun in other projects were (i) delayed finalisation of designs (Unchahar), (ii) delay in award of contracts, (iii) lack of co-ordination at various levels in execution of work and (iv) paucity of funds (Anpara 'B').

Loss of generation due to delayed commissioning aggregated Rs. 2791.89 crore

Total loss of generation due to inordinate delay in commissioning of various projects due for commissioning during VII plan period aggregated 44036.25 MU valued at Rs. 2791.89 crore.

The reasons for cost overrun in implementation of schemes were (i) price escalation due to time overrun (ii) increase in quantum of work and introduction of new/additional items etc. Cases of delay, excess and avoidable expenditure in execution of works in the schemes as noticed in Audit are discussed below:

3B.6.1.1 Unchahar project

On the recommendations of the CEA, the planning commission approved (December 1980) for the setting up of thermal power project (2 units each of 210 MW under stage I and 2 units under Stage II) at Unchahar, Raebareli. Out of this two units were commenced by the Board at a cost of Rs. 656.99 crore which were subsequently transferred to UPRVUN in January 1981.

(a) Avoidable payment of consultancy charges

Consultancy work of Unchahar Project (State I) was awarded to Central

Electricity Authority (CEA) in May 1981 at a fee of Rs. 91 lakh (0.47 *per cent* of original project cost) including Rs. 24 lakh for site supervision charges. The work of consultant involved supply of task data and drawings to the contractors for preparation of detailed construction design and timely finalisation of the design and drawings of various activities of the project.

Extra expenditure of Rs. 2.59 crore was incurred due to increase in consultancy fee despite no such provision in agreement

The consultancy charges were based on the assumption that 3125 man months at the rate of Rs. 1000 per man month (along with 100 *per cent* overhead) would be deployed on the project work. Even though there was no such provision in the agreement, the CEA proposed (March 1989) an increase of Rs. 2500 per man month raising the amount of consultancy to Rs. 258.50 lakh. Although the consultant delayed in finalisation of designs and drawings resulting in payment of price escalation aggregating Rs. 2.17 crore to various contractors as discussed below. The Management while approving the increased rate also approved an increase in quantum of man months from 3125 to 4650 leading to total payment of Rs. 349.50 lakh to the consultant without any justification. The Company, thus, incurred an avoidable expenditure of Rs. 258.50 lakh (Rs. 349.50–Rs. 91 lakh) due to approving increased rate and quantum of man months.

(b) Payment of price escalation

Delay on the part of consultants resulted in payment of price escalation of Rs. 2.02 crore

Scrutiny of the records revealed that the Nigam had to make extra payment to three firms viz. Simplex Concrete Files (P) India, Ajanta Builders and Gammon India Limited aggregating Rs. 2.02 crore on account of price escalation due to delay ranging from 15 to 30 months in execution of their contracts caused by delay in release of approved designs/drawings and frequent changes in construction design by consultant, yet, no punitive action against the consultant was taken for the delays.

(c) Extra expenditure

Incorrect estimation of quantity of work resulted in extra expenditure

Besides price escalation, Nigam had to incur avoidable expenditure of Rs. 89.15 lakh in making payment to Bharat Industrial Works, New Delhi on account of variation in quantity of work caused due to inaccurate estimation of quantity of certain items of work. This led to payment at higher rate on quantity beyond permissible limit of 25 *per cent* (Rs. 45 lakh), price escalation (Rs. 15.30 lakh) during extended period, interest on excess security deposit deducted (Rs. 14.45 lakh), unrequired shifting/handling of 2 nos. bay column of 48 meter length (Rs. 2.70 lakh) and compensation for production loss due to failure in providing power and drainage facility to protect contractor's plants (Rs. 11.70 lakh).

3B.6.1.2 Anpara 'B' project

The construction of Anpara 'B' Thermal Power Station consisting of two units of 500 MW each was entrusted to Mitsui and Co. Japan (March 1989) by the Board under turn key basis and under Overseas Economic Cooperation Fund (OECF) loan scheme at a total cost of Rs. 292.82 crore and Yen 8463.46 crore. Cases of avoidable/extra expenditure as noticed in test check are given below:

(a) Delayed/short recovery from Mitsui & Co., Japan

Claim for unrecovered amount of Rs. 95.83 lakh had not been preferred

Under foreign and Indian supply contract with Mitsui, Japan for supply, erection and commissioning of 2 x 500 MW units of Anpara 'B' project, items for Yen 27.07 crore and Rs. 5.18 crore as detailed in clause 10.2 and 19.2 of contract specification were decided (March 1989) for deletion, the cost of which was to be deducted from corresponding bills of relevant activity preferred by contractor/ supplier. Test check of records, however, revealed that payment of supplier's/ contractor's bill amounting to Rs. 290.43 crore and Yen 8436.39 crore was made (up to July 1994) by Board authorities without deduction of cost of deleted works/ supply/activity. It was further revealed that while Yen 25.27 crore and Rs. 1.97 crore were adjusted subsequently from the bills of contractor/supplier at the time of commissioning of second unit of the project (November 1997), Rs. 2.79 crore were refunded by contractor in November 1997 thus leaving an amount of Yen 1.80 crore and Rs. 0.42 crore still unrecovered. The claim for unrecovered amount of Yen 1.80 crore equivalent to Rs. 53.83 lakh and Rs. 42 lakh (total: Rs. 95.83 lakh) on account of deleted items was not preferred with the contractor as of date (May 1999), reasons for which were not on record.

Thus, the Board was liable to pay interest of Rs. 0.38 crore at the rate of 2.75 *per cent* (OECF loan) on account of delayed reduction for deleted works/supply/ activity.

Payment for miscellaneous services was made without ascertaining the nature of services

(b) Clause 3.4 of the contract specification no. 105:TDO 2/1 envisaged payment of Yen 52.70 crore (equivalent to Rs. 15.81 crore) for general miscellaneous services in Japan. It was noticed that payment of Yen 52.70 crore (Rs. 15.81 crore) was made by Board without verifying/ascertaining the exact nature and quantity of work/services rendered by the contractor in the name of General Miscellaneous services in Japan.

(c) Locking of funds in creation of common facilities for Anpara 'C' TPS

Funds were locked in erection of common facilities as the project could not be taken up

Board, as per project estimates of Anpara 'B' Thermal Power Station, incurred an expenditure of Rs. 222.18 crore in creation of common facilities/infrastructure consisting of coal handling plant and water treatment plant etc. to be used exclusively by Anpara 'C' power station which was not taken up as the Government could not finalise the modalities of execution of the project till date. Thus, the Board incurred interest liability of Rs. 30.04 crore during July 1994 to May 1999 on blocked expenditure of Rs. 222.18 crore as funds were borrowed from OECF at the rate of 2.75 *per cent* per annum.

(d) Nugatory expenditure

The weigh bridge could not function due to non commissioning of system and availability of requisite wagons for the weigh bridge

Mitsui, Japan under turn key project, had supplied, erected and commissioned (December 1995) an in-motion weigh bridge for use in coal handling plant of Anpara 'B' power house at a cost of Yen 45 lakh equivalent to Rs. 13.50 lakh. The weigh bridge was designed for weighment of bottom opening and bottom discharge (BOBR) type wagon rakes consisting not more than 35 wagons. However, due to non completion of merry go round (MGR) system as of date (May 1999) and shortage of required type of wagons, the weigh bridge was still lying idle which made the investment nugatory.

(e) Extra expenditure due to non availment of training facility

Facility of free training to staff by foreign supplier was not availed

According to the clause no. 3.5 of the Foreign Supply Contract (March 1989), the contractor was required to provide training at various levels outside India to equip Board's engineers/staff for preventive maintenance, capital maintenance and overhaul of various equipments independently with precision and speed. The training programme included imparting of training to 66 engineers/staff of the Board for 1000 man weeks outside India for which no additional payment was to be made by the Board. The Board, however, did not avail of the opportunity and failed to develop its own cadre of trained engineers. However, for the supervision and maintenance of control instruments, the Board engaged the services on contract basis and incurred an expenditure of Rs. 1.69 crore during March 1994 to February 1999.

3B.7 Mini/Micro hydel scheme

Uttar Pradesh Jal Vidyut Nigam Limited (erstwhile U.P. Alparthak Evam Laghu Jal Vidyut Nigam, a State Government undertaking) was entrusted with the investigation/execution and operation of 8 mini/micro hydel generating units of total capacity of 17150 KW at an estimated cost of Rs. 3128.66 lakh as shown in the Annexure-31.

Five projects were commissioned after delay of 21 to 94 months

It would be seen that projects at Chhirkila, Kanchauti, Sobla, Kotabagh and Kulagad scheduled to be commissioned during VII and VIII plan periods, were commissioned after delays ranging from 21 to 94 months resulting in cost overrun of Rs. 12.59 crore and loss in generation of 615.7 MU valued at Rs. 39.41 crore. Further, three projects at Belka, Babail and Bahaduradad scheduled to be commissioned by June 1990 were still under construction and a sum of Rs. 2192.57 lakh had been incurred (February 1999) against estimated cost of Rs. 1601.11 lakh.

3B.7.1 Non recovery of expenditure

No claims were preferred for 4 projects transferred to NEDA

The Nigam incurred an expenditure of Rs. 41.28 lakh on the construction of 4 projects, viz. Charma, Dhumkali, Jimigad and Adeli. However, consequent upon the decision taken by the State Government (March 1993), these projects were transferred in July 1993 (Charma and Dumkali) and February 1996 (Jimigad and Adeli) to Non-conventional Energy Development Agency (NEDA). The Nigam has not claimed refund of expenditure of Rs. 41.28 lakh from NEDA (April 1999).

3B.8 Renovation and modernisation schemes

With a view to improving the capacity utilisation of major thermal power stations of UPSEB viz. Obra, Harduaganj and Panki, renovation and modernisation schemes covering all the generating units along with associated coal/ash handling systems of these power stations were undertaken during 1984-85.

The schemes aimed at improving PLF by 10 to 15 *per cent*, reduction in oil consumption and consequent additional annual generation of 2375 MU. The deficiencies/shortcomings in the execution of the schemes have already been commented upon in reviews on the subject featured in Audit Report (Commercial) for the year ended 31 March 1991 and 31 March 1992. These reports have not been discussed by Public Undertakings Committee till date.

There was no increase in PLF and reduction in oil consumption despite renovation of TPS

Scrutiny of generation performance of the renovated units of these power stations during 1990-91 to 1994-95, further revealed that even after incurring expenditure of Rs. 91.04 crore on renovation of these power stations up to March 1991, there was no increase in PLF and reduction in oil consumption which indicated that there was no additional generation of power and reduction in oil consumption during five years after renovation/modernisation as indicated in Annexure-32.

3B.9 Transmission and distribution system

The table below summarises the physical and financial targets in respect of transmission and distribution lines and sub-stations during VII Five Year Plan period:

Line/sub-station	Physical		Financial (Rs. in crore)	
	Target	Achievement	Outlay	Expenditure
400 KV			528.00	332.45
Line (Ckms)	2139	252 (11.78)		
Sub-station (MVA)	1575	880 (55.87)		
220 KV				
Line (Ckms)	1589	1159 (72.94)		
Sub-station (MVA)	1630	1185 (72.70)		
132 KV				
Line (Ckms)	1418	785 (55.36)		
Sub-station (MVA)	1560	1640 (105.13)		

Note: Figures in bracket represent percentage of achievement.

It would be seen from the above that physical achievement in T&D works ranged from 11.78 to 72.94 *per cent* in respect of lines and 55.87 to 105.13 *per cent* in respect of sub-stations. Main reasons for shortfall in achievement were:

(i) delay in acquisition of land/leveling of site etc.;

(ii) delay in finalisation of contracts for supply of material;

(iii) delay in completion of work; and

(iv) shortage of funds.

Shortcomings/deficiencies noticed in execution of T&D schemes during VII five year plan were as follows :

3B.9.1 Delayed completion of 400 KV lines/sub-stations

The table given below indicates expenditure incurred on 400 KV lines/sub-stations, proposed to be completed during VII plan period. These sub-stations were, however, completed in 1998-99 after a lapse of eight years.

(Rupees in crore)

Name of line/sub-station	Length/ capacity (Ckms/ MVA)	Date of commiss -ioning	Estimated cost	Actual expen-diture	Extra expen–diture	Percentage of extra expenditure to estimated cost
Double circuit Anpara – Varanasi (Ckms)	2 x 158.32	2/8/98	43.15	83.75	40.60	94.09
Single circuit Unnao – Lucknow (Ckms)	48.77	18/8/98	8.07	24.82	16.75	207.6
Single circuit Unnao – Agra (Ckms)	275.00	1/11/98	36.66	62.62	25.96	70.08
Single circuit Anpara – Unnao (800 KV) (Ckms)	409.00	W.I.P (95.2 %)	137.32	400.43	263.11	191.6
Double circuit Agra – Muradnagar (Ckms)	194.00	W.I.P (95.2 %)	28.34	46.83	18.49	65.2
Sub-station Agra (MVA)	2 x 315	3/11/98	18.37	47.18	28.81	156.8
Sub-station Unnao (MVA)	2 x 315	13/11/98	39.28	89.71	50.43	128.4
Total			**311.19**	**755.34**	**444.15**	

The time overrun caused mainly due to paucity of funds, clearance from Forest Department, land disputes, resulted in cost overrun of Rs. 444.15 crore.

3B.9.2 Excess expenditure

The construction of line was delayed by over 5 years

Under the scheme of power evacuation from Anpara 'B' TPS and strengthening of power system of Eastern Uttar Pradesh in VII five year plan, 160 km DC 400 KV line from Anpara to Varanasi was to be constructed at the estimated cost of Rs. 43.14 crore. The contract for the construction of the line was awarded (May 1987) to Ranjit Singh & Co., Chandigarh. The work commenced in November 1987 was completed in August 1998 after more than five years of the revised date of completion (March 1993) at an expenditure of Rs. 83.75 crore involving cost overrun of Rs. 40.61 crore.

3B.10 Secondary transmission and distribution system

The table summarises the physical/financial targets and achievement of secondary T&D works during VII plan period.

Line/sub-station	Physical		Financial (Rs. in crore)	
	Target	Achievement	Outlay	Expenditure
66/33 KV line (Ckms)	5000	1389 (27.8)	459.72	414.90
11 KV line (Ckms)	3000	23994 (800)		
33/11 KV new sub-station (Nos.)	350	301 (86)		
Increasing capacity of 33/11 sub-station including new sub-stations (MVA)	3300	2436 (73.8)		

Note: Figures in bracket indicate percentage of achievement.

Except in case of 11 KV line the shortfall in achievement of target was due to diversion of funds to secondary transmission system

Shortfall in achievement of targets except 11 KV lines, was mainly due to financial constraints caused by diversion of funds towards 11 KV lines where achievement was exorbitantly high at 800 *per cent*. This resulted in failure of the Board to keep pace with load development leading to overloading of 33 KV sub-station and lines causing poor voltage regulation and frequent interruption. Reasons for excessive achievement in construction of 11 KV lines were not on record.

3B.11 Transmission and distribution losses

Transmission and distribution losses comprise energy dissipated in the system (technical losses) and unaccountable losses due to pilferage, defective meters, inaccurate metering (non-technical losses). For the reduction of line losses (technical and non technical) during VII plan period, the Board proposed to:

(i) install capacitor banks of 1519 MVAR capacity (600, 33 KV and 919 MVAR, 11 KV) at projected cost of Rs. 100 crore with the objective of reducing losses to the extent of 190.53 MU valued at Rs. 1047.91 lakh; and

(ii) implement system improvement (SI) schemes to reduce gap between load connected in the system and the transformation capacity (which was anticipated at 1300 MVA up to 1989-90) at a total allocation of Rs. 100 crore.

Measures proposed for reducing line losses were not fully implemented

During plan period, Board, however, could install only 830.3 MVAR capacitor banks (355 MVAR, 33 KV and 475.3 MVAR, 11 KV) after incurring an expenditure of Rs. 69.21 crore and implemented 44 out of 133 CEN (SI) schemes approved and financed by Rural Electrification Corporation at an expenditure of Rs. 43.47 crore.

Out of the capacitors installed, capacitors having capacity of 355 MVAR were lying damaged since 1989-90.

The loss suffered by the Board due to failure in reducing line losses aggregated Rs. 31.21 crore mainly by non/incomplete installation of capacitor banks (Rs. 17.21 crore) and non replacement of damaged capacitor banks (Rs. 14.00 crore). Besides, there was unproductive expenditure of Rs. 36.96 crore due to non completion of 81 System Improvement schemes.

3B.12 Rural electrification works

The details of physical and financial targets and achievements of rural electrification works during VII Five Year Plan are given in Annexure-33.

It was noticed that:

(i) Performance of schemes of energisation of PTW/PS and Harijan Basti under State plan (Plan funds) ranged between 27.25 and 76.59 *per cent* although 91.19 *per cent* of funds allocated was spent on these schemes.

(ii) Achievement in energisation under SPA (State Funds) was 34.22 and 93.62

per cent although expenditure thereagainst was extremely low (Rs. 4 crore out of Rs. 150 crore). Reasons for the discrepancy, which may be due to misclassification in accounting expenditure, were not on record.

(iii) Performance of energisation of PTW and village electrification under Draught Prone Area Programme (DPAP) financed by funds outside power plan was very low and represented only 0.04 and 0.46 *per cent* respectively.

(iv) Out of plan funds of Rs. 461.53 crore borrowed from REC/State Government, expenditure of Rs. 405.40 crore was incurred up to the end of VII plan period leaving an amount of Rs. 56.13 crore diverted and spent for other purposes on which Board was incurring interest liability of Rs. 8.98 crore per annum at the rate of 16 *per cent*.

The rate of return on investment in RE works was less than the envisaged level

(v) As per norms laid down by the Board, electrification of villages under RE schemes was to be done only after ensuring sufficient load/connection so as to fetch an annual return of 15 *per cent* of total investment except in hills, Bundelkhand and drought affected areas (Mirzapur and Chakia Tehsil in District, Varanasi and Meja Karchana Tehsil in Allahabad) where envisaged rate of return was fixed at 8 *per cent*. It was, however, seen that return on the basis of tariff schedule in vogue during plan period on the investment in PTW energisation and village electrification ranged from 6 to 9.5 *per cent* and 2.76 to 9.62 *per cent* respectively during the period of five years up to March 1990. This resulted in shortfall of revenue of Rs. 30.70 crore during plan period.

These matters were reported to the Board and Government in June 1999; their replies were awaited (October 1999).

Conclusion

The targets fixed for power development during VII plan were not fully achieved in as much as physical achievement in addition to hydel generation, plant load factor, reducing transmission and distribution losses and auxiliary consumption were dismal/nominal. Financial achievement did not generally match with physical progress. Unit rate of supply failed to recover the fuel cost and overheads during the plan period. There were inordinate delays in commissioning of various generation and transmission projects undertaken by Board, UPRVUN and UPJVN, resulting in substantial cost overrun and consequent loss of generation. Further, huge funds remained locked in creation of infrastructure facilities.

Chapter 3C

Uttar Pradesh State Electricity Board

Outstanding dues against Uttar Pradesh State Electricity Board

Uttar Pradesh State Electricity Board

Outstanding dues against Uttar Pradesh State Electricity Board

HIGHLIGHTS

The total liabilities of Board as on 31 March 1999 aggregated Rs. 29954.53 crore which included current liabilities of Rs. 6427.12 crore.

(Paragraph 3C.1)

The long term loan from Government and other financial institutions including interest accrued and due stood at Rs. 19205.68 crore and Rs. 3720.19 crore respectively as on 31 March 1999.

(Paragraph 3C.5.3)

Board's funds to the extent of Rs. 497.16 crore remained locked on account of non completion of various projects.

(Paragraph 3C.6.1 & Annexure-35)

Sundry debtors for sale of energy increased from Rs. 3301.67 crore in 1994-95 to Rs. 5304.48 crore in 1998-99.

(Paragraph 3C.8.6.2)

The subsidy of Rs. 136.44 crore only was received against Rs. 11266.38 crore receivable from Government at the end of March 1999.

(Paragraph 3C.6.3)

3C.1 Introduction

Uttar Pradesh State Electricity Board (Board) was constituted in April 1959 under section 5(i) of the Electricity (Supply) Act 1948. Due to acute financial crunch, the Board has been creating liability on the purchase of power, procurements of raw material/other inputs, capital goods etc. For effective and timely liquidation of these liabilities an efficient working capital management is a prerequisite for optimum use of scarce financial resources which broadly comprised of revenue from sale of power, subsidy and loan from the Government and other financial institutions. As on 31 March 1999, total liabilities of the Board were Rs. 29954.53 crore which included current liabilities (Rs. 6427.12 crore), long term loan from Government including interest (Rs 19205.68 crore), loan from other financial corporation/banks including interest (Rs 3720.19 crore), security deposits from consumers (Rs. 586.54 crore) and bank overdraft (Rs. 15 crore).

3C.2 Organisational set up

The Board comprised of Chairman and four full time and two part time Members. Member (Finance and Accounts) is responsible for keeping control over receipts and payments of the Board.

3C.3 Scope of Audit

Review conducted during February 1999 to May 1999 covers analysis of sources and uses of funds, outstanding dues against supply of power, coal and oil, railway freight, stores and spares and turnkey project supplies, loans etc. for the period from April 1994 to March 1999. The results of Audit are discussed in the succeeding paragraphs.

3C.4 Budget provision, sources and utilisation of fund

The position of fund generation and its utilisation with regard to budget estimates during the five years up to 1998-99 are given in Annexure-34. An analysis of the Annexure revealed the following points:

Against the budget estimates of Rs. 6781.11 crore in respect of subsidy to be received from Government only a sum of Rs. 778.56 crore was received during the five years period ending 1998-99.

Further, the receipt of Government loan and other loans from financial institutions was lower by 17 *per cent* and 22 *per cent* respectively as compared with the budget provision during five years up to 1998-99. Thus, the budget estimates were not realistic. As a result, many projects were delayed/lying incomplete as discussed in Para 3C.6.1 *infra.*

3C.5 Dues payable

The table given below summarises the total liabilities of the Board for the five years up to 31 March 1999:

(Rupees in crore)

Sl. No.	Particulars	1994-95	1995-96	1996-97	1997-98	1998-99
1.	Current liabilities	3580.74	4216.67	4766.99	5840.55	6427.12
2.	Government loan (interest)	9046.94 (2333.27)	9566.39 (3295.74)	10514.18 (4329.77)	11335.10 (5499.50)	12464.03 (6741.65)*
3.	Other corporations/ banks loan (interest)	2947.96 (181.84)	2824.83 (473.41)	2907.15 (595.27)	2785.86 (904.62)	2916.53 (803.66)
4.	Security deposits from consumers	338.34	397.06	455.68	519.86	586.54
5.	Bank over drafts	--	--	--	--	15.00
	Total	**15913.98 (2515.11)**	**17004.95 (3769.15)**	**18644.00 (4925.04)**	**20481.37 (6404.12)**	**22409.22 (7545.31)**

Increase in dues of the Board was mainly due to diversion of funds for acquisition of fixed assets

Main reasons for accumulation of liabilities year after year, as observed in Audit, were imprudent diversion of available funds towards acquisition of fixed assets which were not put to use for number of years as discussed in para 3C.6.1 *infra*. Consequently, funds which could have been utilised for liquidation of liabilities were, on the one hand locked up in unproductive investments and on the other hand, Board was subjected to levy of penalties and liquidated damages due to its failure in liquidating of these liabilities as discussed in paragraph 3C.5.3.2 and 3C.7.3 *infra*.

The current liabilities increased (79 *per cent*) from Rs. 3580.74 crore as on March 1995 to Rs. 6427.12 crore in March 1999. This included liabilities on account of purchase of power (Rs. 3416.92 crore), liabilities of coal (Rs. 1125.02 crore), railway freight (Rs. 359.39 crore), dues against turn key project (Rs. 448.41 crore), capital supplies (Rs. 490.92 crore), fuel and oil (Rs. 7.31 crore) and miscellaneous (Rs. 579.15 crore).

* Figures in bracket indicate the interest due and accrued.

Lapses/lacunae and irregularities which contributed to accumulation of each constituent of liabilities are discussed below:

3C.5.1 Non confirmation of balances for purchase of power

The dues outstanding with NTPC and NAPS were not reconciled

Balances outstanding at the close of each year were not confirmed by any of the undertakings with the result that the accounts of the Board and these undertakings were showing varying amount as outstanding at the close of each year. While reconciliation of accounts with National Thermal Power Corporation (NTPC) and Narora Atomic Power Station (NAPS) has not been done since long, the reconciliation with Power Grid Corporation of India Limited (PGCIL) and National Hydro Electric Power Corporation (NHPC) was carried out in November 1998 and March 1999 respectively.

3C.5.2 Liability for coal and railway freight

The main input for operation of Thermal Power Projects is coal and oil for which three agencies work in coordination viz. Railways for arrangement of wagons, Coal India Limited (CIL) and its subsidiaries (Bharat Coking Coal Limited (BCCL), Northern Coal Field Limited (NCL) and Central Coal Field Limited (CCL) for supply of coal and Indian Oil Corporation for supply of oil and lubricants. Linkage Committee of Government of India decides the requirement of coal on the basis of generation targets fixed for the quarter. Ministry of Coal confirms the linkage and Railways allot coal rakes to be placed at the power station.

3C.5.2.1 Liability for purchase of coal

The old claims for difference in grade of coal supplied by CIL had not been sorted out

Board executed (February 1985) an agreement with CIL for supply of coal having calorific value of 3850 Kcal/Kg. The liability on account of coal bills, at the end of March 1999 were Rs. 1125.02 crore which included a claim of Rs. 50.30 crore for the period prior to April 1993 on account of supply of higher grade coal which was not paid by the Board till date (May 1999). In turn the claim lodged for Rs. 0.46 crore by the Board for grade difference of coal supplied prior to April 1995 had not been paid by CIL.

The dues for coal supplied by subsidiaries of CIL except BCCL had not been reconciled

The reconciliation of outstanding balances of subsidiaries of CIL except BCCL (which was done in February 1999) has not been made. As a result of reconciliation with BCCL, outstanding dues of Rs. 28.47 crore were settled at Rs. 20.29 crore and the balance was adjusted against the claim lodged by Board with BCCL, on account of supply of inferior grade of coal containing stone and other foreign material. Thus, due to non reconciliation of accounts with other subsidiaries of CIL there was possibility that total liability of coal bills was on higher side due to the non adjustment of the value of coal supplied with stone and other foreign material. It was also noticed that claim of the Board aggregating Rs. 12.17 crore up to March 1999 for use of water of Rihand reservoir by Northern Coal Field (NCL), Singrauli was not considered while working out outstanding balances by NCL.

3C.5.2.2 Railway claim

The dues to Railways increased consistently

The dues to Railways payable by Board at the end of each of the five years ending 31 March 1999 were Rs. 140.60 crore, Rs. 191.44 crore, Rs. 234.71 crore, Rs. 334.86 crore and Rs. 359.39 crore respectively. This is indicative of the fact that dues have been allowed to accumulate over a period of years registering an increase of 156 *per cent* during the last four years.

3C.5.2.3 Missing wagons

There were 10169 missing/ undelivered wagons pending adjustment since 1994

In a meeting held (December 1993) between Board and Railways it was decided that the cost of missing and undelivered wagons cannot be paid in cash. These wagons were to be adjusted by matching delivery to be arranged over a period of three months by Railways. Railways was to initiate action to reconcile the missing/ undelivered wagons with Board and arrange matching delivery at the rate of one rake per day by linking the diverted wagons to the collieries concerned so that the quality and quantity of coal originally booked to the power houses in matching deliveries was taken care of. At the end of March 1999 the missing and undelivered coal wagons remaining unadjusted since December 1994 were 10169.

3C.5.3 Liability of loan

As on 31 March 1999 the Board was having long term loans from Government and other financial institutions amounting to Rs. 19205.68 crore and Rs. 3720.19 crore including interest accrued and due amounting to Rs. 6741.65 crore and Rs. 803.66 crore respectively as indicated in paragraph 3C.5. The interesting points arising out of Government loans and other loans are discussed as follows :

3C.5.3.1 Government Loan

3C.5.3.1.1 Government of India loan

No repayment of principal and interest on loan released in 1986-87 and 1987-88 had been made in last five years

Government of India released loans of Rs. 40.46 crore and Rs. 8.48 crore during 1986-87 and 1987-88 as Central Loan Assistance for renovation of Harduaganj and Panki Thermal Power Projects, at the interest rate of 8.75 *per cent* and 9.25 *per cent per annum* respectively. The Board had neither paid the instalment nor interest during last five years up to March 1999. The total liability of loan including interest accrued and due aggregated Rs. 83.96 crore.

3C.5.3.1.2 State Government loan

Except for special loan no instalment and interest due had been paid

State Government provided loans to Board every year but it has neither repaid the instalment nor interest due during five years up to 1998-99 except interest due (Rs. 10.65 crores) of the special loan received from different development and welfare funds. The total liability of loan at the end of March 1999 aggregated Rs. 19205.68 crore.

3C.5.3.2 Corporation loan

3C.5.3.2.1 Rural Electrification Corporation of India (REC)

Penal liability accrued due to delay in payment of instalment and interest

REC provided loan to the Board for electrification of villages, Harijan basties etc. at different rate of interest with a provision of rebate of 0.5 *per cent* at all stages on timely repayment of principal and interest and in case of default in timely repayments, a penalty of 2.75 *per cent per annum* was recoverable. As a result of failure to repay principal and interest on due dates, the Board incurred a liability for penalty of Rs. 78.26 crore during five years up to 1998-99.

3C.5.3.2.2 Life Insurance Corporation of India (LIC)

Liability for penal interest accrued due to delayed payment of instalment and interest

During five years up to 1998-99 Board received loan of Rs. 740.54 crore (Rs. 320.54 crore in 1994-95 and Rs. 420.00 crore in 1998-99) from LIC at an interest of 14 *per cent per annum*. As per terms and conditions of loan, in case the instalment and interest due were not paid by due dates, compound interest at one *per cent* above the prevailing rate was leviable. The total liability of loan including interest at the end of March 1999 worked out to Rs. 1446.94 crore. Had the Board made the repayment on the scheduled time the penal interest of Rs. 139.34 crore could have been avoided.

3C.6 Reasons for non liquidation of dues

From the foregoing paragraphs, it is observed that on the one hand the Board allowed its dues to accumulate due to delay in liquidation of liabilities and on the other hand invested its scarce fund in various projects/works which remained incomplete and could not be put to use. Besides, non-receipt of full subsidy from Government and slow recovery from sundry debtors and incurring expenses on capital works from the revenue realisation also contributed to accumulation of dues as discussed below:

3C.6.1 Blocked investments in incomplete projects/works

Cases of blocked investment/unproductive expenditure aggregating Rs. 497.16 crore have already featured in different Audit Reports (Commercial) for the years 1994-95, 1995-96 and 1996-97 as mentioned in Annexure-35. Other cases noticed in test check are discussed below:

(a) 400 KV sub-station, Gorakhpur

The construction of 400 KV sub-station without ensuring financial arrangement reflected ill planning

Central Electricity Authority sanctioned (March 1989) a transmission project from loan assistance of Rs. 133.09 crore by Power Finance Corporation of India (PFC). The construction of 400 KV sub-station was to be undertaken under this project. The original date of completion was October 1993 but it was revised to December 2000 on account of non-release of loan by PFC. The total expenditure incurred by the Board from its own resources (procurement of one transformer 315 MVA, LT Power Cable, 400 KV ABCB, 31.5 MVAR Reactor etc.) was Rs. 14.53 crore up to September 1998. The work on the project was going on slowly as per availability of fund from Board's own resources. Thus, commencement of the work without ensuring adequate financial arrangements reflected ill planning of the Board.

(b) 400 KV sub-station, Bareilly

Procurement of stores before acquisition of land resulted in blockage of fund

A new sub-station at Bareilly (2x315 MVA) was to be constructed up to June 1996 under loan assistance from Overseas Economic Cooperation Fund (OECF), Japan and the scheduled date of completion was revised to October 1999 on account of initial hurdles in land acquisition and in design of foundation due to poor soil condition. The possession of the land was acquired in June 1996 and work could be started in January 1998. Board without considering the acquisition of land, procured supplies and stores valued at Rs. 14.34 crore up to November 1997. This resulted in blockage of Board's fund as well as creation of liability for interest of Rs. 0.77 crore during March 1996 to March 1999 at the rate of 2.3 *per cent per annum*.

3C.6.2 Poor recovery of dues

Poor recovery of dues for sale of power resulted in accumulation of arrears

It was noticed that while sundry debtors for sale of energy increased year after year from Rs. 3301.67 crore in 1994-95 to Rs. 5304.78 crore in 1998-99 (provisional), the percentage of recovery of total dues of sale of power decreased from 53 *per cent* in 1994-95 to 38 *per cent* in 1998-99. This was due to the failure of the Board to promptly disconnect supply of consumers, issue of recovery certificates, non-payment by Government Departments, non finalisation of permanent disconnection cases etc. Accumulation of dues was mainly from Public Lighting (Rs. 251.99 crore), Public Water Works (Rs. 976.38 crore), Government Tubewells and Pump Canal (Rs. 445.75 crore), Private Tubewells (Rs 239.15 crore), domestic consumers (Rs 1706.52 crore) and others (Rs. 1123.09 crore). The issues arising out of revenue realisation have been discussed in detail under review on 'Tariff, Billing and Collection of Revenue in UPSEB' of this Audit Report.

3C.6.3 Non receipt of subsidy

Realisation of subsidy from Government was very low

The Board is entitled to receive subsidy to make good the financial losses suffered by it in Rural Electrification Scheme. The subsidy receivable from Government during five years up to March 1999 was Rs. 8307.82 crore against which it received Rs. 136.44 crore only. The total amount receivable from Government at the end of March 1999 aggregated Rs. 11266.38 crore.

3C.6.4 Locking of funds

During test check it was observed that Rs. 1.07 crore and Rs. 0.34 crore were lying locked up in bank accounts of Electricity Distribution Division-I, Mau and Harduaganj Power Station, Aligarh since 1992 and 1984 respectively. In spite of being pointed out repeatedly in Audit, this amount was not got confirmed from the banks and reconciliation was not done.

3C.6.5 Capital expenditure from revenue

Revenue receipts were utilised for capital works

Capital expenditure normally should be incurred from capital receipt as distinct from revenue receipt. During five years up to 1998-99, Board spent Rs. 5936.84 crore on capital work against the total net receipt of loan Rs. 4321.25 crore. Thus deficit of loan for capital expenditure amounting to Rs. 1615.59 crore was met from revenue income. This resulted in non availability of fund for payment of dues to this extent and tightening the ways and means position of the Board.

3C.7 Consequences of delayed/non payment of dues

Board has not paid its dues on scheduled dates and allowed to accumulate it which resulted in reduction of State share in generation, loss of rebate and levy of penalty as discussed below:

3C.7.1 Reduction in State share of power

Reduction in State share of energy by NREB resulted in extra liability

Northern Region Electricity Board (NREB) decides the State share of energy from Central sector undertakings. NTPC booked in their accounts excessive balances of outstanding dues against UPSEB causing thereby the reduction of allotted share and abolished the un-allotted share of UPSEB during February 1997 to January 1998 from power stations i.e. Unchahar, Dadri, Auriya and Singrauli. Further, NTPC billed the energy at higher rate due to reduction in quantum of energy. This resulted in creation of extra liability of Rs. 136 crore.

3C.7.2 Dispute regarding rebate and Letter of Credit (LC) charges

Rebate on timely payment for purchase of energy through LC could not be availed due to delays

Government of India (GOI) Notification of April 1994 provides that the LC charges are to be borne by NTPC and NHPC and payment of energy bills was to be made weekly in equated instalments through LC on which a rebate of 2.5 *per cent* would be allowed. In case the value of purchase exceeded the amount of LC, payment for purchase in excess of amount of LC would be made through cheques on which rebate of 1.5 and 1.0 *per cent* was admissible if payment was made up to 20 and 30 days of issue of bills respectively. Board, however, failed to open LC for full amount of power purchased and paid the bills through cheques after 20 to 30 days after availing discount of 1 to 1.5 *per cent* only. As a result, it suffered loss of rebate (calculated at the rate of one *per cent*) of Rs. 14.52 crore, Rs. 7.57 crore and Rs. 0.62 crore on purchase of power valued at Rs. 6768.44 crore, Rs 776.56 crore and Rs. 177.35 crore from NTPC, NHPC and NAPS, respectively, during five years up to March 1999. The loss of rebate was attributed to improper fund management.

Recovery of LC charges were pending from NTPC

The amount of LC charges recoverable from NTPC amounting to Rs 27.26 crore up to June 1998 claimed by the Board (August 1998) in pursuance of GOI Notification of April 1994 has not been adjusted against their dues for which no reason was on record. The LC charges recoverable from NHPC and NAPS have not been worked out by the Board till date (September 1999).

3C.7.3 Surcharge on late payment

Delayed payment for purchase of power resulted in liability for surcharge

Board due to failure in making timely payments accepted the bills from NTPC, NHPC and NAPS with 2 *per cent* liability of surcharge levied under provision of GOI Notification of April 1994 on unpaid amount which aggregated Rs. 1676.74 crore by March 1999.

These matters were reported to Board and Government in June 1999; their replies were awaited (October 1999).

Conclusion

Board could not liquidate its dues in time on account of non receipt of entire subsidy from Government, poor recovery of dues from consumers etc. While the funds available were utilised towards acquisition of assets which were not put to use for several years, surcharge was paid on various occasions on account of delayed liquidation of dues. Moreover, heavy investment in capital works out of revenue realisation added to accumulation of liabilities over a period of years.

In view of the above there is an urgent need for prioritising the liquidation of dues in time with a view to avoid incidences of penalties, surcharge and heavy interest factor.

Chapter 3D

Uttar Pradesh State Electricity Board

Performance of Electrostatic Precipitators (ESPs)

3D

Uttar Pradesh State Electricity Board

Performance of Electrostatic Precipitators

HIGHLIGHTS

Out of 38 units at six Thermal Power Stations (TPS), Electrostatic Precipitators (ESPs) were installed at only 24 units. The actual emission levels at Obra TPS recorded abnormally high up to 8930 mg/Nm^3 as against the norm of 350 mg/Nm^3 prescribed by Uttar Pradesh Pollution Control Board (UPPCB).

(Paragraph 3D.4)

There was a delay of 10 and 4 months in carrying out augmentation work at unit III and IV of Panki TPS which resulted in loss of generation of 348.87 MU valued at Rs. 45.55 crore.

(Paragraph 3D.5)

Despite Board's decision for procurement of material for augmentation work in sequential order, the entire structural material for unit IV of Panki TPS was procured simultaneously with unit III resulting in blockage of funds of Rs. 492.43 lakh and consequential loss of interest of Rs. 227.76 lakh.

(Paragraph 3D.5)

Non working/installation of ESPs at Harduaganj TPS necessitated expenditure of Rs. 110.89 lakh on frequent replacement of ID fan impellers and blades during 1994-95 to 1998-99.

(Paragraph 3D.6)

Unit I and II of Panki TPS were lying closed since November 1995 and April 1997 respectively as per orders of Special Judicial Magistrate (Pollution Control) U.P. Lucknow due to Board's failure in installing the ESPs. This resulted in loss of generation of 489.14 MU valued at Rs. 80.22 crore for the period up to March 1999.

(Paragraph 3D.7)

3D.1 Introduction

Electrostatic Precipitators (ESPs) reduce the 'Suspended Particulate Matter' (SPM) in the flue gases which arises from ash content of coal fired boiler in Thermal Power Stations (TPS). Uttar Pradesh Pollution Control Board (UPPCB) prescribed (1986) a norm of 150 mg/Nm^3 (Milligrams per normal cubic meter) emission level for units of 210 MW or more and 350 mg/Nm^3 for units of less than 210 MW capacity under the provisions of Environment (Protection) Act, 1986.

3D.2 Scope of Audit

The review conducted during March to May 1999 covers installation, renovation and performance of ESPs in all the six Thermal Power Stations (Anpara, Harduaganj, Obra, Panki, Parichha and Tanda) of Uttar Pradesh State Electricity Board (Board).

3D.3 Working of ESPs

ESP is used as a pollution control tool. It uses electric forces of a high voltage DC electric field to collect the SPM from the flue gases. An ESP is a large box having two series of electrodes. One set of these electrodes called 'Discharge Electrodes' produces an electric discharge into the exhaust gas stream thereby charging the suspended particles which are pulled down to 'Collecting Electrodes'. The dust so collected slides down into hoppers for onward disposal.

3D.4 Status of ESPs

Out of 38 units in 6 TPS, ESPs were installed at 24 units

The Board was having (March 1999) 38 units with installed capacity of 4654 MW at its six TPS out of which ESPs were installed at 24 units by March 1999 having installed capacity of 4040 MW. Though installation of ESPs at all the units of TPS were made mandatory (1986) by UPPCB, the ESPs were not installed at 14 units having capacity of 614 MW commissioned during 1962-63 to 1972-73 at Harduaganj (7 units including three units of 30 MW each remaining closed since 1991), Panki (2 units) and Obra (5 units). The installed ESPs were designed for coal having calorific value of 3400 to 5960 Kcal/Kg with ash content of 17 to 43 *per cent*. Against this, the actual calorific value of coal used in the power houses ranged from 1300 to 4850 Kcal/Kg with ash content of 28 to 46 *per cent*. Consequently, the dust concentration of the flue gases emerging from ESP was 71 mg/Nm^3 to 8930 mg/Nm^3 as against 100 mg/Nm^3 to 427.5 mg/Nm^3 for which the installed ESPs were designed.

The actual emission levels for three years up to 1998-99 as against the UPPCB norms and designed norms in respect of ESPs installed at 16 units before the introduction of Environment (Protection) Act, 1986 are given in the following table :

Sl. No	Name of TPS with Unit No.	Installed capacity (MW)	Year of commi-ssioning of units with ESPs	Emission level (mg/Nm³)				
				UPPCB Norm	Designed Norm	Actual		
						1996-97	1997-98	1998-99
	Anpara							
1.	I	210	1985-86	150	N.A.	135-150	130-150	140-150
	Harduaganj							
2.	V	60	1976-77	350	N.A.	Not being recorded		
3.	VI	60	1977-78	350	N.A.	Not being recorded		
4.	VII	110	1977-78	350	N.A.	Not being recorded		
	Obra							
5.	VI	100	1973-74	350	N.A.	Not being recorded		
6.	VII	100	1974-75	350	N.A.	Not being recorded		
7.	VIII	100	1975-76	350	N.A.	Not being recorded		
8.	IX	200	1977-78	350	427.5	325-3494	418-2340	385-615
9.	X	200	1978-79	350	427.5	467-1812	1110-1380	872-902
10.	XI	200	1979-80	350	427.5	N.A.	1860-8930	880-1710
11.	XII	200	1980-81	350	427.5	1466-4822	780-4664	N.A.
12.	XIII	200	1981-82	350	427.5	1021-5464	780-5059	675-1630
	Panki *							
13.	III	110	1976-77	350	N.A.	71-341	86-134	91-140
14	IV	110	1976-77	350	N.A.	78-81	82-144	88-135
	Parichha							
15.	I	110	1983-84	350	N.A.	Not being recorded		
16.	II	110	1984-85	350	N.A.	Not being recorded		

* ESPs at unit III & IV of Panki TPS have been augmented during April 1990 to July 1996.

Following facts emerge from the above table:

(i) Actual emission levels were not being recorded in all the units at Harduaganj, Parichha and three units of Obra (unit nos. VI, VII & VIII) due to non-installation of recording equipments;

(ii) The actual emission level at Obra TPS (unit no. IX to XIII) showed very high emission level varying from 325 to 8930 mg/Nm^3. The project authorities stated that the excessive emission levels were due to 40 *per cent* ash content in coal supplies as against the designed norm of 28 *per cent* ash content.

The particulars of ESPs installed after 1986 are indicated in the following table :

Sl. No	Name of TPS with Unit No.	Installed capacity (MW)	Year of commissioning of units with ESPs	Emission level (mg/Nm^3)				
				UPPCB Norm	Designed Norm	Actual		
						1996-97	1997-98	1998-99
	Anpara							
1.	II	210	1986-87	150	N.A.	135-150	130-150	140-150
2.	III	210	1987-88	150	N.A.	135-150	130-150	140-150
3.	IV	500	1993-94	150	100	130-150	130-150	108-150
4.	V	500	1994-95	150	100	130-150	130-150	130-160
	Tanda							
5.	I	110	1987-88	350	263	342	Not recorded	367
6.	II	110	1988-89	350	263	347	Not recorded	371
7.	III	110	1989-90	350	263	345	Not recorded	374
8.	IV	110	1997-98	350	263	Not commissioned	Not recorded	Not recorded

Emission level at Tanda were more and also not measured regularly

It would be seen from the table above that the emission level at Tanda TPS were not recorded during 1997-98. Further, the emission level measured during 16.10.98 to 01.12.1998 varied from 367 to 374 mg/Nm^3. However, the levels when measured by UPPCB after a fortnight varied from 559 to 584 mg/Nm^3. Excepting once each by the Board and UPPCB the emission levels were not measured regularly in all the units of Tanda TPS during 1996-97 to 1998-99. It is pertinent to mention here that emission level recorded at Korba West Phase II (2x210 MW) Unit IV in MPSEB ranged between 105 and 122 during 1998-99. Comparing the performance of ESPs at Korba the emission levels of all the units excepting ESPs at Panki Unit III and IV were on the higher side.

Out of 35 units augmentation of ESP at two units only was carried out

Excessive dust concentration not only increases atmospheric pollution but also causes erosion of induced draft (ID) fan impellers which in turn necessitates operation of TPS at reduced load leading to loss of generation. Thus, there was an urgent need for augmentation/replacement of ESPs to bring down the level of dust concentration. However, out of 35 units in operation, the augmentation of unit III and IV of Panki TPS only was carried out by Board during April 1990 to July 1996. The Board decided between 1997-98 and 1998-99 to augment ESPs at 26 units at a cost of Rs. 302.80 crore and applied for loan from Power Finance Corporation. However, the augmentation/ retrofitting of ESPs could not be undertaken by the Board for want of funds.

3D.5 Augmentation of ESPs

Augmentation of ESP at 2 units of Panki TPS was awarded to BHEL

In order to replace the existing ESPs in unit III & IV of Panki TPS (installed in 1976-77) having the emission level up to 1690 mg/Nm^3, DESEIN, New Delhi were appointed (June 1987) consultants (at a fee of Rs. 10.50 lakh) who submitted their technical study report in June 1988. Accordingly, the work of renovation and modification of ESPs for these units was awarded in December 1988 to BHEL at a cost of Rs. 1197.57 lakh (including taxes and duties). The augmentation was completed in July 1996 at a cost of Rs. 1474.40 lakh.

Excess time taken in augmentation resulted in loss of generation valued at Rs. 45.55 crore

The work was to be completed within 23 and 20 months from the close down date of generating units III and IV respectively. Unit III was closed for renovation on 01.04.1990 and the work was completed after 33 months on 14.01.1993. Likewise unit IV was closed for renovation on 01.07.1994 and the work was completed after 24 months on 13.07.1996. The excess time taken in completion of work in unit III and IV resulted in loss of generation of 348.87 MU at Plant Load Factor (PLF) of 24 and 41 *per cent* during 1992-93 and 1996-97 valued at Rs. 45.55 crore at average sale realisation of Rs. 1.18 and 1.48 per unit during 1992-93 and 1996-97 respectively. The delay was attributable to Board for its failure in timely handing over the site to the contractor, holding up the erection work of circuit breakers and fouling of by-pass duct erected by Board.

Simultaneous procurement of material for both units resulted in blocking of funds of Rs. 4.92 crore

Superintending Engineer O & M II instructed (November 1989) to plan the receipt of material in sequential order. However, the entire structural material totaling 3307 tonnes valued at Rs. 959.74 lakh for both the units were received during 1990-91 to 1993-94 (2811 tonnes in 1990-91, 342 tonnes in 1991-92, 123 tonnes in 1992-93 and 31 tonnes in 1993-94). The work in unit III commenced in April 1990 and thereafter the work in unit IV was taken up in July 1994. Thus, simultaneous procurement of structural material for unit IV along with unit III resulted in blocking of funds to the tune of Rs. 492.43 lakh and consequential loss of interest of Rs. 227.76 lakh at 18 *per cent* (rate at which Board was borrowing funds on cash credit).

3D.6 Performance of ESPs

Non-installation / functioning of ESP at Harduaganj TPS necessitated frequent replacement of ID fan impellers

The Board has not laid down any system for regular checking/inspection of ESPs for ensuring their satisfactory performance. It was seen that non-installation of ESPs in unit III & IV and non-working of ESPs in unit V & VII of Harduaganj TPS due to under-capacity and design defects adversely affected the life of ID fan impellers and its blades. This necessitated frequent replacements of ID fan impellers and blades during 1994-95 to 1998-99 aggregating 273 and 1801 numbers respectively valued at Rs. 110.89 lakh.

The performance of Unit III and IV at Panki TPS after augmentation of ESPs as given in the table under paragraph 3D.4 *supra* indicate that their performance was satisfactory.

3D.7 Loss of generation due to closure of two units of Panki TPS

Two units of Panki TPS were lying closed due to non-installation of ESPs

UPPCB filed (31 March 1989) a suit in the court of Special Judicial Magistrate (Pollution Control), Uttar Pradesh, Lucknow against Panki Thermal Power Station for closure of unit I and II of 32 MW each under Section 22 of U.P. Pollution Control Act 1981 as these units were emitting dust beyond the permissible limit. The court directed the Board (September 1993) to install ESPs at these units within six months. As the ESPs could not be installed by the Board so far (March 1999), these units were lying closed since November 1995 and April 1997 respectively. The closure of these units resulted in loss of generation of 489.14 MU up to March 1999 (based on PLF of 33 *per cent* during 1994-95 i.e. prior to closure of the units) valued at Rs. 80.22 crore at an average sale realisation of Rs. 1.64 per unit.

These matters were reported to Board and Government in May 1999; their replies were awaited (October 1999).

Conclusion

Installation of ESPs at all the units of TPS is mandatory as per directives of UPPCB for reducing dust concentration. However, out of 38 units at 6 TPS of Board the ESPs were installed at only 24 units. Despite units needing augmentation due to high emission levels, augmentation of units III and IV at Panki TPS only were carried out between April 1990 and July 1996. Board may, therefore, plan installation and augmentation of ESPs to control the air pollution by reducing emission levels so that the requirement of UPPCB is fulfilled at the earliest.

Chapter IV

Miscellaneous Topics of Interest

Miscellaneous Topics of Interest

4A

Government Companies

Uttar Pradesh State Sugar Corporation Limited

4A.1 Cost overrun due to ill-planning

Delay in completion of the project resulted in cost overrun of Rs. 2909.81 lakh.

The Public Investment Board (PIB) approved (February 1990) a modernisation-cum-expansion project for increasing the capacity of Bulandshahar Sugar Factory of the Company from 1524 TCD to 2500 TCD at a cost of Rs. 2500 lakh to be financed by Government equity and loans from Sugar Development Fund (SDF) and Industrial Finance Corporation of India (IFCI).

Project cost was revised to Rs. 31.34 crore in 1995 and completed in 1997 at a cost of Rs. 54.10 crore

The Company placed orders (November/December 1989) for supply, erection and commissioning of machinery at a cost of Rs. 1470.50 lakh to be completed by July 1991. The Company, however, failed to complete the project within scheduled date of completion (July 1991) due to its inability in arranging funds from SDF and IFCI. As a result, the project was stalled during 1992-93 to 1994-95. The cost of the project was revised (May 1995) to Rs. 3133.80 lakh as approved by PIB, and the project was belatedly completed in January 1997 at the cost of Rs. 5409.81 lakh resulting in cost overrun of Rs. 2909.81 lakh.

The main reasons for cost overrun as analysed in Audit (May 1999) were : (i) price escalation (Rs. 824.90 lakh) (ii) reimbursement of additional insurance premium, demurrage etc. (Rs. 80 lakh) (iii) increase in the cost of civil works (Rs. 89.08 lakh) (iv) increase in land acquisition and its development cost (Rs. 211.52 lakh) (v) additional interest burden on the loans (Rs. 1622.40 lakh) and (vi) increase in the cost of the miscellaneous fixed assets, pre-operative expenses and contingent works (Rs. 79.13 lakh).

The Management stated (August 1999) that the project was stalled during 1992-93 to 1994-95 due to paucity of funds as a result of delay in disbursement of loans from IFCI and SDF which was beyond their control. The reply is not tenable in view of the fact that commencement of execution of the project as well as placement of supply and erection orders without arranging funds from IFCI & SDF indicates financial ill-planning which resulted in delayed completion of the project and cost overrun.

The matter was reported to the Government in June 1999; their reply was awaited (October 1999).

4A.2 Locking up of funds on abandoned project

Procurement of material for modernisation-cum-expansion project without ensuring financing arrangement and approval of Government resulted in locking up of Rs. 397.16 lakh.

The project for modernisation-cum-expansion of Maholi Sugar Factory from 1524 TCD to 2500 TCD was approved by PIB in June 1989 at a cost of Rs. 2430 lakh to be financed by Government equity (Rs. 364.50 lakh), loan (Rs. 850.50 lakh) from SDF and loan (Rs. 1215 lakh) from IFCI. The Company, however, placed orders (November/December 1989) for supply, erection and commissioning of plants without ensuring loan commitments from financial institutions. An expenditure of Rs. 637.21 lakh on land and its development (Rs. 23.52 lakh), plant & machinery including steel etc. (Rs. 601.44 lakh) and other expenses (Rs. 12.25 lakh) was incurred on the project up to September 1992.

Inordinate delay in implementation and increase in investment led to the abandonment of the project

It was observed in Audit (May 1999) that the IFCI proposed the revision in the cost of project at Rs. 2480 lakh while agreeing to finance up to Rs. 1000 lakh (Rs. 500 lakh each by IFCI and SDF) with the contribution of Government equity of Rs. 1480 lakh. The Company approached (January 1992) the Government for the revision of cost. Further, due to inordinate delay in implementation of the project, a revised estimate for Rs. 2825 lakh was submitted in March 1994 for approval of PIB which envisaged financing of the project by loan of Rs. 500 lakh each from SDF and IFCI and Rs. 1825 lakh through equity from State Government. The proposal was not approved by PIB who recommended (March 1994) for its privatisation in view of increase in Government investment. Finally, the Government decided (December 1994) to abandon the project due to heavy increase in the cost of the project for which the Company could not make financial arrangements. In view of Government decision, the Company transferred plant and machineries valued at Rs. 240.05 lakh to other units up to November 1997. Thus, the ill-planning in execution of the project resulted in locking up of funds to the extent of Rs. 361.39 lakh on procurement of plant & machinery and steel etc. (after adjusting the value of plant and machineries transferred to sister units) entailing interest burden of Rs. 422.83 lakh at the cash credit rate of 18 *per cent* for the period up to March 1999 which could have been avoided if the commitment of financing agencies had been obtained before commencing the project.

The matter was reported to the Company in May 1999 and to the Government; in June 1999; their replies were awaited (October 1999).

4A.3 Unfruitful expenditure on installation of Fly Ash Arrestor

Failure of the turnkey contractor in satisfactory supply/commissioning of the Fly Ash Arrestor resulted in unfruitful expenditure of Rs. 19.40 lakh.

A turnkey contract was awarded (October 1995) to A.R.K. Industrial Product (P) Limited, Delhi for design, supply, erection and commissioning of multi cyclone Fly Ash Arrestor (FAA) for its Bareilly Sugar Factory at a firm price of Rs. 22.94 lakh. The contract inter alia required drawing/designing the FAA to suit the existing boilers without affecting its present level of performance. Fifteen *per cent* of the value of order was to be released after satisfactory performance and clearance of U.P. Pollution Control Board (UPPCB). After commissioning of the system the emissions were to be as per norms fixed by the UPPCB and the firm was required to obtain clearance from them. The FAA was commissioned in December 1995.

It was observed in Audit (April 1999) that FAA did not give satisfactory result as the boilers' draught available was only 16 mm water column against the desired draught of 25 to 30 mm over the base of the chimney due to installation of the ID fan of lower capacity. As a result, only 60 *per cent* emission could be routed through the FAA and the remaining was routed through the chimney itself to avoid adverse effect on boilers' operation.

The system failed to give successful trial run even after modification

As per decision taken during joint inspection (April 1996) by the firm, UPPCB and the Company, the capacity of impeller of the ID fan was to be increased by the firm invariably by 22 April 1996 but the same was replaced on 13 May 1996, when the crushing season was over (9 May 1996). Therefore, it could not be put to trial during crushing season 1995-96. On repeated calls by the Company for taking trial of the system, the firm did not turn up in the subsequent crushing seasons 1996-97 and 1997-98.

The Company withheld Rs. 3.54 lakh as performance guarantee since the firm did not turn up for trial run. The Company, however, operated the system during both the seasons, but even after increasing the capacity of ID fan by the firm, FAA was not running smoothly and it did not give required results.

The Company neither took steps for rectificatio. of the system at the risk and cost nor blacklisted the firm and the entire expenditure of Rs. 19.40 lakh incurred on laying the FAA system became unfruitful.

The matter was reported to the Company in April 1999 and to the Government in June 1999; their replies were awaited (October 1999).

The Pradeshiya Industrial and Investment Corporation of Uttar Pradesh Limited

4A.4 Loss due to inadequate pre-sanction appraisal and poor follow up of dues

Failure in verification of personal guarantee of partners, and lack of close monitoring resulted in loss of Rs. 560.35 lakh to the company in the following two cases.

(a) The Company disbursed (March/July 1990) a term loan of Rs. 54.50 lakh to Belson Rubber Industries, Saharanpur under Equipment Refinance Scheme.

Loss of Rs. 2.32 crore was incurred due to inadequate appraisal and follow up action

It was observed in Audit (March 1999) that after the default (February 1991), the Regional Manager, recommended (March 1991) for taking over the unit, but no follow up action for the same was taken till December 1991. The Assistant Project Engineer of Regional Office (Noida) apprehended (8 January 1992) that assets of the unit might be missing from the site. The unit was taken into possession attached on 24 January 1992 when all the equipments financed by the Company were found missing from the site except for assets worth Rs. 0.50 lakh, which were sold (January 1998) for Rs. 0.29 lakh. Personal guarantee of the partners was invoked (June 1995) after a lapse of over three years from take over of the unit but yielded no result as the assets/properties mentioned in the affidavit did not belong to them and the Regional Office had not verified the title of the property at the time of pre-sanction appraisal. Thus, the Company suffered loss of Rs. 231.25 lakh (including interest of Rs. 177.04 lakh) due to inadequate pre-sanction appraisal, faulty inspection and inadequate follow up.

The Management stated (October 1999) that there was no practice for verification of declaration made by guarantor in the affidavit. However, the company ought to have verified the declaration of guarantor before disbursement of loan in order to safeguard its interest.

(b) The Company disbursed Rs. 75.35 lakh during March 1989 to May 1990 to Him Electrodes (Pvt.) Limited for setting up a project for manufacturing welding electrodes in Dehradun. The promoters could not arrange power connection till 1992 and tie up for working capital. As such, they failed to implement the project.

Legal action not taken for removal of machinery by the promotors or from possession of security agency

The Company carried out inspection of the unit (September 1993) and found plant and machinery worth Rs. 23.10 lakh missing from the site. The promoters informed that some of the machinery had been shifted to their residence at Dehradun. Though removal of the machinery from the site by the promoters was unwarranted and amounted to breach of the agreement, FIR was lodged belatedly in April 1994 after taking over the unit (March 1994). However, legal action has still not been taken (August 1999) for removal of the assets. The Company invoked the personal guarantee (July 1995) and issued Recovery Certificate (January 1996) which was stayed by the Hon'ble Court of Dehradun.

The plant and machinery valued at Rs. 52.34 lakh found at the time of take over were kept in the unit under the possession of a security agency. During inspection (December 1997), plant and machinery worth Rs. 12 lakh (approx.) were found missing. Therefore, the unit was handed over to another security agency. Legal action against the security agency has not been taken so far (August 1999). The unit was sold (February 1998) for Rs. 12 lakh.

Thus, out of accumulated dues of Rs. 341.10 lakh including interest of Rs. 265.75 lakh (up to May 1999), the Company could recover only Rs. 12.00 lakh and suffered loss of Rs. 329.10 lakh.

The Management stated (July 1999) that as per information furnished by the party, a power load of 155 KVA had been sanctioned to them. The fact, however, was that no power connection was available till 1992.

The matter was reported to the Government in June 1999; their reply was awaited (October 1999).

Raising of additional fund of Rs. 50 crore by issue of bonds without prior approval of Government resulted in avoidable payment of interest of Rs. 97.07 lakh. Besides, undue benefit of Rs. 25 lakh was extended to merchant bankers.

4A.5 Avoidable payment of interest and undue benefit to the brokers in mobilisation of resources

Raising of additional fund of Rs. 50 crore by issue of bonds without prior approval of Government resulted in avoidable payment of interest of Rs. 97.07 lakh. Besides, undue benefit of Rs. 25 lakh was extended to merchant bankers.

(a) In order to meet the requirement of Rs.100 crore the Company issued the bonds (at interest rate of 14 *per cent*). These bonds were oversubscribed by Rs. 9 crore by the scheduled closing date (27 August 1997). The Company, however, decided (30 August 1997) to raise an additional fund of Rs. 50 crore (including the over subscribed amount of Rs. 9 crore) and approached (September 1997) the Government for giving guarantee on the same terms and conditions.

Loss of Rs. 97.07 lakh was incurred in refund of subscription as guarantee was not received from Government

Since the commitment/requisite guarantee of the State Government was not received till 8 November 1997, the Company decided to refund to the subscribers the money which it had received against the issue of bonds for Rs. 50 crore along with interest at the rate of 14 *per cent per annum*. Against the payment of interest of Rs. 127.61 lakh to subscribers, a sum of Rs. 30.54 lakh was earned by investing the funds in short term deposits. As such, a net loss of Rs. 97.07 lakh was incurred by the Company on this venture.

The Management stated (August 1999) that Rs. 263.95 lakh was saved as (i) interest (Rs. 30.54 lakh) earned on FDRs (ii) interest (Rs. 83.41 lakh) saved on repayment of loans (Rs. 28.00 crore) of Noida and UPSIDC bearing higher rate of interest than the bond (iii) interest (Rs. 150 lakh) saved on subsequent raising (December 1997) of funds at lower rates. Reply is not tenable in view of the fact that the Company, at the time of taking decision (24 September 1997) for repayment of loans, had sufficient balance for making repayments of loans even without considering the amount received (Rs. 50 crore) subsequently. Moreover, savings on account of subsequent raising of funds in December 1997 at lower rate of interest is not relevant as the rates of interest largely depended on circumstances prevailing in the money market.

Undue benefit was given to merchant bankers by enhancement of their fee without any increase in services

(b) Among the various offers received up to 24 July 1997 for appointment of merchant bankers, the offers of Onida Finance Limited and Alpic Finance Limited were found to be lowest at arrangers' fee of 0.25 *per cent* of the amount mobilised by them. The merchant bankers also proposed to give incentive/upfront discount ranging from 0.25 to 0.75 *per cent* payable directly to the investors. The bankers' final offers of 25/26 July 1997 proposing to reduce the interest from 14.50 to 14 *per cent*, eliminating the incentive/upfront discount and increasing their fee to 0.50 *per cent* was approved by the Management. The proposal of the bankers for removing the incentive/upfront discount was induced by favourable change in the money market due to 1 *per cent* reduction in bank rate of interest and structure of the bonds. Therefore, saving of Rs. 25 lakh on account of the incentive/upfront discount should have been availed by the Company instead of passing it on to the bankers. Thus, the Company allowed undue benefit to the bankers, as their fee was enhanced without any corresponding increase in their services.

The Management stated (August 1999) that upward revision in arrangers' fee was done as they had to pass on, as per trade practice, a certain percentage to the investors as incentive on subscription from them. The reply is not tenable as the rate of interest on the bond had become more attractive to investors even without passing incentive to them.

The matter was reported to the Government in June 1999; their reply was awaited (October 1999).

Uttar Pradesh Jal Vidyut Nigam Limited

4A.6 Construction of Belka Small Hydro-electric Power House

Award of civil works and supply order for machinery without finalisation of drawings and clearance of site resulted in rescinding of contract

Award of contracts for supply of Electrical & Mechanical Equipments (E&M) and execution of Civil works even before availability of land and drawings resulted in loss of interest of Rs. 275.30 lakh on locked up funds besides avoidable payment of compensation of Rs. 9.83 lakh.

A project for construction of Belka Small Hydro-electric Power House (3 MW) at Eastern Yamuna Canal (EYC) in Saharanpur district sanctioned (September 1986) by the Public Investment Board (PIB) at a cost of Rs. 734.05 lakh was to be completed in three years. The Company entered into (July 1988) two agreements with Punjab Power Generation Machines (Pvt.) Limited for supply of Electrical and Mechanical (E&M) equipment for Rs. 424.97 lakh and with Frontier Construction Company (Pvt.) Limited (FCCL) for execution of the civil work at Rs. 155 lakh. The clearance for the land selected for the power house could be obtained from the Forest Department only in April 1990. The drawings were prepared by the Irrigation Design Organisation, Roorkee (IDO) during April 1990 to February 1995. However, the supply of major E&M equipment (value: Rs. 474.66 lakh) including taxes and duties was received up to August 1992. The civil work could be started from April 1990 as the Company failed to provide the drawings and the construction site to the firm in time. The Company, however, rescinded (November 1991) the agreement on the ground that the firm did not take interest in execution of the work and paid damages of Rs. 9.83 lakh to the contractor for the delay in providing the work site and drawings. The contract for civil work was awarded (December 1996) to another firm for Rs. 360.41 lakh after preparation of drawings by the IDO. The project was approved (June 1998) by PIB at a cost of Rs. 1332.22 lakh.

Thus, the decision (July 1992) of Management for procurement of E&M equipment and execution of civil work without obtaining possession of land and preparation of drawing resulted in avoidable burden of interest of Rs. 275.30 lakh at the rate of 14.5 *per cent per annum* (at its borrowing rate) on Company's funds that were locked up on procurement of E&M equipment for four years besides avoidable payment of compensation of Rs. 9.83 lakh to the contractor.

The Management stated (May and September 1999) that the project could not be completed in time due to delay in clearance of land from forest department and finalisation of drawings/design by IDO which were beyond their control. The reply is not tenable in view of ill-planning in award of contract for E&M equipment and civil work in July 1988 when the land was not available.

The matter was reported to the Government in June 1999; their reply was awaited (August 1999).

Uttar Pradesh State Handloom Corporation Limited

4A.7 Non reimbursement of subsidy by Central Government

The company did not clarify the discrepancies noticed in the subsidy claim consequently it could not get reimbursement of Rs. 2.68 crore from the Central Government.

Under the Janta Cloth Scheme introduced (1976-77) by the Central Government, the Company procures different varieties of cloth as per allocation of targets made by the State Level Implementation Committee (SLIC). The revised guidelines announced in August 1990 by the Central Government read with the policy for relaxation (June 1991) for implementation of the scheme provided that 85 *per cent* distribution in a year shall be made through the Public Distribution System (PDS) strictly within the State and not more than 15 *per cent* through their own outlets within and outside the State.

Subsidy of Rs. 2.68 crore was withheld by the Central Government

The Company submitted (May 1993) to the Central Government their claim for subsidy amounting to Rs. 1089.57 lakh for the last quarter of 1992-93 on actual delivery of 320.23 lakh sqm cotton and 22660 sqm woollen cloth during the period. The Central Government observed (June 1993) some discrepancies in the claim regarding deliveries of cloth outside the State (under PDS and through own outlets), sales return etc. and asked for clarification alongwith recommendation of SLIC. It was observed in Audit (November 1998) that the Company did not clarify the discrepancies to the satisfaction of Central Government. Therefore, out of the claims of Rs. 1089.57 lakh the Government withheld an amount of Rs. 233.34 lakh for deliveries of 68.63 lakh sqm cloth on account of deliveries made outside the State through Company's own outlets in violation of the provisions of the scheme. On similar ground the subsidy of Rs. 34.32 lakh was also withheld for deliveries of 10.09 lakh sqm cloth out of the claims for third quarter of 1992-93. Thus, the Company could not get the subsidy of Rs. 267.66 lakh from Central Government as it could not justify their claims so far (August 1999).

The Management stated (May 1999) that the discrepancies had been clarified in June 1993 itself, and the claim was pursued in October 1995 and August 1996. Moreover, the Central Government had not intimated the specific reason for withholding the subsidy. The reply is not tenable in view of the fact that the Development Commissioner (Handloom) had desired (October 1995) that the approval of the Central Government may again be obtained by explaining the full facts to the Central Government so as to get reimbursement of the long pending subsidy.

The matter was reported to the Government in June 1999; their reply was awaited (October 1999).

The Indian Turpentine and Rosin Company Limited

4A.8 Infructuous expenditure on installation of Secondary Effluent Treatment Plant (SETP)

Decision to install SETP despite recommendations for leasing out the unit resulted in unfruitful expenditure of Rs. 70 lakh.

Despite recommendation for leasing out of the unit the Company spent Rs. 70 lakh on second SETP

Installation of Effluent Treatment Plants for treatment of effluent emitted from distilleries was mandatory in terms of directives of the Hon'ble Supreme Court. As such a Primary Effluent Treatment Plant (PETP) was installed (June 1992) in the Industrial Alcohol unit of the Company at a lease rent of Rs. 41.40 lakh *per annum*. Subsequently, the committee which was constituted (July 1993) for review of the overall performance of the unit observed that the unit remained under utilised from the very beginning, faced problems in sale of alcohol and had been incurring huge losses. Accordingly, the committee recommended (July 1993) for its leasing out to some business house as the Management was not capable of running the unit out of its available resources. However, the Company decided (January 1994) for installation of Secondary Effluent Treatment Plant (SETP) and incurred an expenditure of Rs. 70 lakh on its installation (January 1995). For this purpose funds to the extent of Rs. 45 lakh were arranged from the State Government as loan. The plant could not be commissioned so far (March 1999) due to paucity of funds.

Thus, the decision of the Company to install SETP despite recommendation of the committee to lease out the unit resulted in unfruitful expenditure of Rs. 70 lakh on incomplete installation of SETP. Besides, additional liability of Rs. 46.08 lakh towards interest (up to March 1999) on State Government loan had been incurred.

Management stated (July 1999) that decision of installation of SETP was taken in 1993-94 as it became obligatory in terms of notice (March 1994) of U.P. Pollution Control Board and in anticipation of allotment of sufficient molasses by the Government for processing; thereby, the fixed expenses could have been recovered. The reply is not convincing as decision for leasing out the unit was taken in July 1993 whereas the plant was installed in January 1995.

The matter was reported to the Government in June 1999; their reply was awaited (October 1999).

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Uttar Pradesh Mahila Kalyan Nigam Limited

4A.9 Injudicious expenditure on rent for office accommodation

Due to not obtaining prior approval of Government, an extra expenditure of Rs. 18.44 lakh was incurred on hiring of bigger office accommodation.

The Central Government accorded (October 1998) administrative approval to World Bank sponsored "Rural Women's Development and Empowerment Project" at a total cost of Rs. 50.61 crore for Uttar Pradesh. The project was to be implemented for a period of 5 years commencing from 1998-99. The Company was appointed as nodal agency and the expenditure incurred on the project was to be reimbursed by the World Bank.

Extra expenditure of Rs. 18.44 lakh was incurred in hiring of bigger office accommodation without prior approval of Government

The Company was having its corporate office in hired accommodation at a monthly rent of Rs. 9080. In anticipation of the approval of the Central Government to the scheme and in order to cope with the increase in the staff and space requirement, the Company shifted its office to bigger accommodation hired from December 1996 at a monthly rent of Rs. 80544 per month without obtaining the prior approval of the Central Government. However, the Government accorded (October 1998) approval for maximum incremental monthly rent of Rs. 33000 only on hired accommodation as a whole including its field offices and as such, the Company shifted (15 May 1999) to another accommodation hired at monthly rent of Rs. 15500. Thus, the Company incurred avoidable expenditure of Rs. 18.44 lakh.

Management stated (June 1999) that expenditure on rent was incurred as per the prescribed norms and guidelines under the World Bank project. The reply is not acceptable because the extra expenditure could have been avoided had the approval of Government been obtained before hiring the bigger accommodation.

The matter was reported to the Government in June 1999; their reply was awaited (October 1999).

4A.10 Unauthorised expenditure on five trades of Kaushal Sudhar Yojna

The Company incurred an expenditure of Rs. 14.84 lakh on training of 400 beneficiaries in five trades not covered under Kaushal Sudhar Yojna.

Kaushal Sudhar Yojna was started (1989-90) with the object of developing existing skills of such working women who were economically poor and working in unorganised sectors by imparting training to improve their productivity and economic condition. The beneficiaries of the scheme were to be restricted only to women already doing some skill oriented work, who were to be trained through the trainers selected mainly out of recipients of artisan's awards at National or State level.

Rs. 14.84 lakh incurred on the training of five unauthorised trades

The Company received Rs. 131.27 lakh for training to 7105 beneficiaries during the period from 1989-90 to 1997-98, against which 7285 beneficiaries were trained by spending Rs. 125.67 lakh up to March 1998. Funds of Rs. 70 lakh for the year

1996-97 were received in last quarter of the financial year for training 1148 beneficiaries in 11 specified trades and therefore, were utilised in 1997-98. Test check of records (May 1998) pertaining to this scheme for 1997-98 revealed that none of the beneficiaries selected were doing any skill oriented work as was envisaged in the scheme. Moreover, out of the funds received, a sum of Rs. 64.40 lakh was actually incurred on imparting training to 1815 beneficiaries in 14 trades. Out of this, 5 trades were not authorised on which a sum of Rs. 14.84 lakh was incurred on imparting training to 400 beneficiaries.

Thus, the Company incurred an unauthorised expenditure of Rs. 14.84 lakh on training of 400 beneficiaries in these trades.

The Management stated (June 1999) that due to changes in economic scenario, emphasis on non-traditional trades were given and training to freshers were also imparted. Reply is not convincing as the deviations from the objectives of the scheme were not approved by the Government.

The matter was reported to the Government in June 1999; their reply was awaited (October 1999).

Uttar Pradesh State Bridge Corporation Limited

4A.11 Inadmissible payment of deputation allowance

The Company did not recover inadmissible deputation allowance of Rs. 15.43 lakh paid to officers/staff despite Government orders.

The Government order (No. 3033 dated 14 December 1982) inter alia provided that (i) no Government servant shall be transferred on deputation for more than five years (ii) if a Government servant remains on deputation beyond five years without sanction of the Government, no deputation allowance shall be payable to him/her (iii) once a Government servant has been on deputation, he/she may be sent again on deputation only after completion of two years service in his/her parent department.

182 officers and workers remained on deputation for more than five years

It was observed in Audit (April 1999) that 182 officers and workers joined the Company on deputation and remained there for more than five years during the period from March 1973 to August 1981. Out of the above, 35 officers got absorbed in the Company with effect from June 1987 and the others either remained on deputation throughout the period up to March 1991 or were transferred on promotion to their parent departments and came back again on deputation without completing the service of two years therein.

Despite Government orders the Company did not recover deputation allowance paid for period beyond 5 years

The payment of deputation allowance to the officers/workers who had completed deputation of five years was, however, stopped from October 1989 and the Management requested (December 1989) the Government for regularisation of payment of the deputation allowance. The Governor, under the Fundamental Rule- 110 and in continuance to the Government order No. 4375 dated 16 October 1984, approved (March 1990) the extension of deputation period of the above 182 officers/workers up to 31 March 1991 or up to any earlier date, if the Government decides so, with the condition that no deputation allowance will be paid after 31 March 1985 and if it was already paid, the same would be recovered immediately from them. Accordingly, the Government instructed (September 1993) the Company to affect the recovery immediately. The Company, however, did not recover the deputation allowance amounting to Rs. 15.43 lakh paid during April 1985 to September 1989 from the officers/workers remaining on deputation for the period over five years.

The matter was reported to the Company and the Government in June 1999; their replies were awaited (October 1999).

Uttar Pradesh State Agro Industrial Corporation Limited

4A.12 Avoidable payment of damages on EPF contribution

Belated deposit of EPF contribution resulted in avoidable payment of damages of Rs. 7.36 lakh.

According to section 6 of the Employees Provident Funds and Miscellaneous Provisions Act 1952, each employer is required to remit its contribution of Employees Provident Fund along with the share of employees to the Regional Provident Fund Commissioner (RPFC) within 15 days of following month. Failure to adhere to these statutory provisions attracts damages at the rate of 2 *per cent* per month subject to a maximum equivalent to the amount of default (section 14 B ibid).

Damages of Rs. 15.63 lakh was paid due to delay in deposit of EPF contribution

Scrutiny of records (March 1999) of the Company revealed that the EPF contribution in respect of Agricultural Workshop, Talkatora, Lucknow for the period from October 1982 to October 1993 was deposited after delays ranging from 4 to 545 days. The RPFC levied (November 1995) damages of Rs. 15.63 lakh for delayed deposit of contribution which was paid by the Company during September 1997 to June 1999.

The Management stated (July 1999) that due to shortage of fund, EPF could not be deposited in time. The reply is not tenable as EPF contribution could have been deposited in time, by utilising the cash credit, so as to avoid the payment of damages to the extent of Rs. 7.36 lakh representing differential amount of the interest payable on cash credit and damages paid to RPFC.

The matter was reported to the Government in May 1999; their reply was awaited (October 1999).

Kumaon Mandal Vikas Nigam Limited

4A.13 Avoidable loss of interest on remittance-in-transit

Failure in reconciliation of funds transferred from branch account to main account of the bank resulted in loss of interest of Rs. 6.21 lakh.

The Company, at its head office at Nainital, is running its business from the loans taken from State Government and Banks and operates current accounts in Nainital Bank and State Bank of India. The units of the Company situated at various places in Kumaon region deposit their receipts/income into the branches of these banks. The branches are required to remit the money deposited with them to the current accounts of the Company, maintained by each bank at their main branch at Nainital. The Company, by periodical reconciliation of its account, should ensure that all the money remitted from branches of the banks are credited timely to its current accounts at the main branch so that overdraft on the current account could be avoided.

Failure in ensuring the prompt accountal of remittances resulted in belated credits

It was observed in Audit (May 1999) that branches of the bank remitted Rs. 16.74 lakh to their Head Offices for credit to the current accounts of the Company at Nainital during April 1983 to March 1996 of which Rs. 14.50 lakh was credited in the current accounts of the Company after a considerable delay ranging between 24 to 119 months. Thus, the Company could not ensure prompt transfer/accountal of all the remittances to main branch of the bank at Nainital. This resulted in loss of interest of Rs. 6.21 lakh at the rate of interest ranging from 8 to 11 *per cent* applicable to overdraft on current account.

The Management stated (August 1999) that certificate of transfer of funds from banks had since been obtained which would be credited to their account after reconciliation by the bank. The reply confirms the failure of the Management in ensuring prompt credit of all remittances by branches of the bank to their respective main branches.

The matter was reported to the Government in June 1999; their reply was awaited (October 1999).

4B

Other Statutory Corporations

Uttar Pradesh State Road Transport Corporation

4B.1 Delay in deposit of EPF Contribution

The Company had to pay damages of Rs. 18.92 lakh to RPFC due to delay in depositing the EPF contribution.

As mentioned in paragraph 4A.12 *supra* the monthly contribution for provident fund is required to be deposited within 15 days of following month to RPFC, failing which damages at the rate of 2 *per cent* per month is leviable.

It was observed in Audit (February 1999) that the Ghaziabad Region of the Corporation failed to deposit the contributions within the stipulated time in respect of its five depots (Khurja, Bulandshahar, Hapur, Sahibabad and Sikandrabad) during the period from March 1973 to September 1996. The RPFC issued show-cause notices to Regional Manager in April/July 1997 rejecting the plea of the management that the delay was caused due to financial hardships. The RPFC imposed damages of Rs. 18.92 lakh between October 1997 to January 1998. The Corporation filed an appeal with the EPF Appellate Tribunal (AT) which was rejected in July 1998 for being time barred. Thus an amount of Rs. 18.92 lakh was recovered (November 1998) from the Corporation on account of damages.

The Management stated (July 1999) that the AT held (8 October 1998) that the imposition of damages was not in consonance with the law. The reply was not acceptable since damages were required to be paid in terms of the section 14 B ibid and as per decision of AT, loss on account of crediting interest from back date was recoverable from the employer.

The matter was reported to the Government in May 1999; reply was awaited (October 1999).

4B.2 Inadmissible payment of Hill Development Allowance

The Corporation made inadmissible payment of Hill Development Allowance (HDA) of Rs. 21.25 lakh to its staff at Rishikesh and Kotdwar.

The Government order effective from 1 January 1991, provided for payment of

HDA to the employees of the public sector undertakings at rates ranging from Rs. 75 to Rs. 200 per month for the hilly areas and at rates ranging from Rs. 40 to Rs. 120 per month for the plain areas of the hill districts of the State. The rate for plain area of hill district was admissible in respect of Kotdwar. Further, in terms of orders (February 1978) of District Magistrate, Dehradun, HDA was not admissible for Rishikesh.

During test check of records, it was noticed (February 1999) that the HDA was being paid to the employees working at Rishikesh where it was not admissible. Further, HDA was paid at Kotdwar at hill rates instead of rates applicable to plain area. The inadmissible payment of HDA in these offices aggregated Rs. 13.35 lakh during April 1996 to August 1999.

The matter was reported to the Management and to the Government in June 1999; their replies were awaited (October 1999).

4B.3 Avoidable liability of interest on belated deposit of Trade Tax

Belated deposit of trade tax realised on sale of scrap resulted in imposition of interest of Rs. 22.16 lakh.

Under the provisions of Section 8 of Uttar Pradesh Trade Tax Act, 1948 the amount of Trade Tax recovered by a dealer is to be deposited into Government treasury before expiry of the following month in which recovery is made, failing which interest at the rate of 2 *per cent* per month is payable for the period of delay on the amount of Trade Tax deposited.

It was observed in Audit (March 1999) that Lucknow region of the Corporation failed to deposit within the stipulated period, the Trade Tax of Rs. 27.22 lakh recovered on the sale of iron/aluminum scraps and obsolete materials valued at Rs. 327.01 lakh during January 1991 to December 1992. It was deposited belatedly in July 1995. Therefore, the Trade Tax authorities imposed (February 1999) an interest of Rs. 22.16 lakh for the delay ranging between 37 to 61 months in depositing the trade tax. The amount of interest had not been paid as of date (June 1999). Responsibility for the lapse of delay in remittance of trade tax had also not been fixed by the Management.

The Management stated (September 1999) that the tax could not be deposited in time as Corporation was not registered with the Trade Tax Department and arrangements were being made to ensure the timely deposit of trade tax in future.

The matter was reported to the Government in June 1999; their reply was awaited (October 1999).

Uttar Pradesh Avas Evam Vikas Parishad

4B.4 Non utilisation of loan

The drawal of loan without finalisation of rates for compensation in two cases resulted in avoidable payment of interest of Rs. 3.20 crore.

(a) Government of Uttar Pradesh entrusted (July 1991) Telibagh Land Development and Housing Scheme No. 1 Lucknow to Uttar Pradesh Avas Evam Vikas Parishad (UPAEVP) and directed (June 1993) UPAEVP to acquire 432.5 acres of land through Special Land Acquisition Officer (SLAO), Lucknow. The SLAO asked (February 1993) for land compensation money at the rate of Rs. 8 per sqft plus 15 *per cent* solatium which was reduced (August 1994) to Rs. 2.37 per sqft after being objected by the UPAEVP. Meanwhile, UPAEVP entered (October 1993) into an agreement with Housing and Urban Development Corporation (HUDCO) for a loan of Rs. 14.29 crore for acquisition of land and drew Rs. 11.43 crore against the actual requirement of Rs. 5.29 crore only, worked out at the rate of Rs. 2.37 per sqft Of the amount so drawn, Rs. 3.77 crore were deposited (February 1995) in the Personal Ledger Account (PLA) of the District Magistrate. The SLAO paid (March-August 1995) Rs. 1.40 crore as compensation for the land whose title was given to the UPAEVP in July 1995. The balance amount of Rs. 2.37 crore was utilised (July 1995 to January 1996) by the SLAO for other purposes. The land owners not being satisfied with the rate of compensation did not allow the UPAEVP to start the work (July 1998).

Board paid interest of Rs. 1.57 crore on the loan

UPAEVP repaid the loan of Rs. 11.43 crore and interest amounting to Rs. 1.57 crore to the HUDCO during December 1994 to December 1996. Out of Rs. 1.57 crore paid as interest, Rs. 69.46 lakh pertained to excess drawal of Rs. 6.14 crore.

Thus, drawal of loan before the finalisation of the rate and ensuring the availability of land resulted not only in unfruitful payment of land compensation of Rs. 1.40 crore but also an avoidable expenditure of Rs. 1.57 crore on account of interest.

The UPAEVP stated (August 1999) that the efforts were being made to acquire the land under Section 11 (2) of the Land Acquisition Act. However, the UPAEVP could not justify the excess drawal of loan.

Loan drawn from HUDCO without settlement of rates with land owners had to be refunded with interest of Rs. 1.63 crore

(b) Similarly, UPAEVP entered into an agreement (March 1994), with HUDCO for obtaining loan of Rs. 11.10 crore (80 *per cent* of the estimated cost) for acquisition of land through negotiation of rates with the land owners in respect of Majhola Land Development and Housing Scheme No. 4 (Part –II) Moradabad. The agreement, inter alia, stipulated that in case of non utilisation of loan within six months, additional interest at the rate of 3 *per cent* was payable. The UPAEVP drew Rs. 8.38 crore in September 1994 and Rs. 50 lakh in January 1995 before finalisation of rate for purchase of land as the rates proposed by the UPAEVP though approved by the Commissioner, Moradabad (June 1995) were not acceptable to the land owners. The UPAEVP could not utilise the loan as it failed to acquire the land either through SLAO or by negotiating directly with the land owners. Consequently, the UPAEVP refunded (December 1994 to September 1995) the loan along with interest of Rs. 1.63 crore without utilising the borrowed money.

The UPAEVP stated (January 1999) that the loan could not be utilised as the rates approved by the Commissioner were not agreed by the land owners. The reply is not tenable since the drawal of loan before ensuring the availability of land was not justifiable.

The matter was reported to Government in May 1999; reply was awaited (October 1999)

Uttar Pradesh Jal Nigam

4B.5 Injudicious Expenditure

Installation of 145 hand pumps in 103 already saturated villages at a cost of Rs. 26.10 lakh defeated the purpose of Accelerated Rural Water Supply Programme.

With a view to providing drinking water facility to scarcity prone rural areas of district Sitapur, Executive Engineer (EE), Construction Division, Sitapur, framed an estimate for installation of 1175 India Marka II hand pumps (at an estimated cost of Rs. 0.18 lakh each) in 1997-98 under Accelerated Rural Water Supply

Programme (ARWSP), financed by the Central Government. The hand pumps were to be installed in 611 problem ridden villages/habitations.

Test-check in Audit (September 1998) revealed that 145 hand pumps were installed (at a cost of Rs. 26.10 lakh) in 103 fully saturated villages/habitations where clean potable water was already available. Thus, the expenditure of Rs. 26.10 lakh incurred was injudicious and contrary to the objective of the programme.

While admitting installation of hand pumps in fully saturated villages, EE stated (September 1998) that the hand pumps were installed on the basis of proposals received from local Member of Parliament, Member of Legislative Assembly, Gram Pradhan etc. and that the expenditure was not unfruitful as people were getting water from these hand pumps.

The reply is not tenable as the object of the programme was to provide drinking water to non source habitation and partially covered habitations which could not be achieved to that extent.

The matter was reported to Government in March 1999; reply was awaited (October 1999).

4B.6 Unfruitful expenditure on abandoned water supply scheme

The decision of Uttar Pradesh Jal Nigam to abandon the work after incurring expenditure of Rs. 10.92 lakh was injudicious as the town area qualified for the scheme.

Construction Division, Barabanki prepared (October 1994) Sirauli Gauspur Water Supply Scheme at an estimated cost of Rs. 59.59 lakh with a view to supply potable water to the inhabitants. The division was allotted (January 1995) Rs. 19 lakh for execution of work. While the technical sanction to estimate was accorded in February 1995, the administrative approval and financial sanction were accorded in October 1996.

Test check of records of division revealed (February 1999) that out of Rs. 19 lakh received, a sum of Rs. 5 lakh was transferred to Electrical/Mechanical Division Faizabad for construction of one tubewell. Construction of pump house, boundary wall and site development work was executed by Construction Division and a total expenditure of Rs. 10.92 lakh (Rs. 5.61 lakh on Civil Works and Rs. 5.31

lakh on Mechanical Works) was incurred. The Electrical/Mechanical Division, however, did not take electric connection so far.

The Board of Directors decided (October 1996) to abandon the scheme at that stage since the scheme was meant for town area having population less than 20,000. However, the decision of the Jal Nigam to abandon the work was injudicious since as per the estimates prepared in October 1994 the anticipated population of the town area was 10500 only.

The matter was reported to the Government in July 1999; reply was awaited (October 1999).

Uttar Pradesh Forest Corporation

4B.7 Shortage of fire wood

Failure of the Corporation in observing laid down procedure for measurement resulted in shortage of fire wood valued at Rs. 13.04 lakh.

Against the order of supply of 20000 quintal 'Jalauni' (fire wood) above 6 inch diameter to Delhi Nagar Nigam (DNN) at Nigam Bodh Ghat during 1993-94, Jaunpur depot of the region delivered 10118.185 cum Jalauni out of its available stock of 24415.500 cum leaving a book balance of 14297.315 cum. It was observed in Audit (October 1998) that during physical verification (18 March 1994) of wood stock of wood in the depot, only 8435.130 cum Jalauni was found in stock against the book balance of 14297.315 cum resulting in a shortage of 5862.185 M^3 worth Rs. 13.04 lakh. The reasons attributed by the Assistant Logging Manager (ALM) of the depot for the shortage were (i) restacking of below 6 inch dia wood (Jhalasi) after supply of Jalauni to DNN of requisite size and (ii) taking the measurement of the wood supplied to DNN after loading on the truck. The reasons advanced for the shortage were not satisfactory in view of the fact that fire wood below 6 inch dia. called Jhalasi, was not received in the depot at all and the measurement taken on truck was against the laid down procedure of taking the measurement by stacking the wood on the ground.

The ALM was placed under suspension in October 1994. Regional Manager, Allahabad region who was appointed (September 1996) as an Inquiry Officer submitted his report to Head Office in May 1998. Further action in the matter was awaited (May 1999).

The matter was reported to the Management in May 1999 and to the Government in June 1999; their replies were awaited (October 1999).

4C

Uttar Pradesh State Electricity Board

4C.1 Undue favour to a consumer

Undue benefit to a consumer was given by way of short recovery of bay charges (Rs. 10.87 lakh) and security deposit (Rs. 79.50 lakh) coupled with non assessment for slow running of meter (Rs. 411.71 lakh).

The load of 3600 KVA to Lucknow Alloys Private Limited for their induction furnace unit at Amausi, Lucknow was increased to 5400 KVA from 18 June 1998 pursuant to verification of the capacity of their furnace at 9 MT in terms of Board's circular of June 1998. During test check in Audit (June 1999) of Electricity Distribution Division, Khurramnagar, Lucknow it was seen that the consumer was given an undue benefit of Rs. 502.08 lakh on account of the following:

Cost of 33 KV bay was not fully charged

(i) As per directives (April 1993) of Chief Engineer (Transmission), the cost of construction of 33 KV bay was to be realised from the consumer even if the bay was already existing. However, the balance cost of the bay amounting to Rs. 10.87 lakh after adjusting cost of material required for providing the bay was not recovered;

Security was under-charged

(ii) The consumer was under-charged by Rs. 79.50 lakh on account of security deposit as security of Rs. 17.70 lakh only was recovered as against recoverable amount of Rs. 97.20 lakh calculated at double the rate of MCG in terms of rates prescribed under Board orders of March 1994; and

Old meter was 68.22 *per cent* slow as compared to new meter, which resulted in undercharge of Rs. 4.12 crore

(iii) The Equator team of Board checked the premises of the consumer in March 1998 and observed that paper seal in Current Transformer/Potential Transformer (CT/PT) front and back doors were in torn out condition, B phase of 33 KV PT had burst and was damaged. The report of Equator was not made available by the unit. However, it was seen that the average consumption per MT of production recorded during January 1997 to April 1998 in old meter (replaced in May 1998) was 68.22 *per cent* less as compared to the consumption recorded in new meter. This resulted in undercharge of revenue of Rs. 411.71 lakh excluding other charges for the period from January 1997 to April 1998 which was not billed to the consumer.

The divisional officer stated (August 1999) that no undue favour was given to the consumer as the actual cost of bay charges had been recovered and the security was correctly charged as per Board notification of March 1994. The reply is not tenable as the recovery of bay charges was not subject to actual expenditure since according to directives (April 1993) of Chief Engineer (Transmission), bay charges were recoverable even where the bay already existed. Further, Board's notification (March 1994) was quite clear about charging the security at the rate of Rs. 300.00 per BHP or at double the rate of MCG which ever is higher. This was again clarified vide Board's notification of October 1996, accordingly security was chargeable as calculated above.

The matter was reported to the Board and to the Government in July 1999; their replies were awaited (October 1999).

4C.2 Extra expenditure on inspection and testing of transformers

The Board incurred extra expenditure of Rs. 59.56 lakh for getting the routine and type test of transformers carried out by private firms.

In order to ensure the quality of the transformers purchased, its routine test and inspection have been carried out at manufacturers/suppliers works by the officers of the Board since inception. The variable cost of such work worked out by the Board was 0.31 *per cent* of the cost of transformers.

Testing and inspection of transformers was placed on outside agency at an extra cost of Rs. 59.36 lakh

During test check (April 1999) of the records of Superintending Engineer Electricity Stores Procurement Circle I, Lucknow, it was noticed that at the instance of Hon'ble Energy Minister, the Board decided (December 1997) to get the inspection done through outside agencies at a cost of 0.84 *per cent* of the cost of transformers. Accordingly orders were placed (April 1998) on Lloyd's Register Industrial Services (India) Pvt. Ltd. and RITES, New Delhi for witness of routine test and type test of 1650 nos. transformers (capacity 25 KVA to 100 KVA) by each firm at a rate of Rs. 2000 per transformer. The firms which witnessed the routine and type tests of transformers carried out by the manufacturers at their works during April 1998 to January 1999 were paid Rs. 54.83 lakh up to January 1999 leaving a liability of Rs. 11.17 lakh.

Thus, the Board incurred extra expenditure of Rs. 59.56 lakh for witnessing the routine test of transformers which could have been avoided had the said work been carried out by the officers of the Board.

The Board stated (October 1999) that the third party inspection was carried out to ensure the quality of transformers and the cost of the third party inspection was 0.84 *per cent* of transformer as against the departmental cost of 0.81 *per cent*. The reply was not tenable as the cost of third party inspection actually works out to 8.4 *per cent* instead of 0.84 *per cent*. Further, the Board had specialised wing for store inspection since inception and the variable cost of departmental inspection worked out only 0.31 *per cent*.

The matter was reported to Government in April 1999, their reply was awaited (October 1999).

4C.3 Unfruitful expenditure

The expenditure of Rs. 38.44 lakh incurred on construction of 33/11 KV sub station/lines remained unfruitful due to non replacement of conductor stolen in September 1995.

An estimate for Rs. 52.72 lakh was sanctioned (October 1994) by the Superintending Engineer, Electricity Works Circle, Agra to cover the cost of construction of 33/11KV sub station Nidhauli Kalan, Etah. In order to feed supply to the sub station, two estimates amounting to Rs. 20.69 lakh and Rs. 52.18 lakh were also sanctioned in August and October 1994, to cover the cost of construction of 33 KV lines from Pilua and Jalesar sub stations respectively to the above sub station.

During test check in Audit (April 1999) it was noticed that although the 33/11 KV sub station, Nidhauli Kalan was completed in 1996 at a cost of Rs. 24.26 lakh, it could not be energised due to non replacement of 10 km raccoon conductor (valued at Rs. 2.00 lakh approx.) stolen in September 1995 from the 33 KV line from Pilua to Nidhauli sub station completed at a cost of Rs. 12.86 lakh. The stolen conductor had not been replaced so far (April 1999). Besides, the construction of 33 KV line from Jalesar sub station was stopped (February 1997) after incurring an expenditure of Rs. 1.32 lakh on erection of 60 nos. supports without assigning any reason.

Thus, due to non replacement of stolen raccoon conductor, the line and sub station remained unenergised so far (April 1999) and the expenditure of Rs. 38.44 lakh remained unfruitful since 1996.

The matter was reported to Board and Government in May 1999; their replies were awaited (October 1999).

4C.4 Undue benefit to a consumer by tapping of trunk line

An undue benefit of Rs. 35.01 lakh was given to a consumer in releasing the connection by tapping of Board's trunk line.

According to Board's order of June 1992 read with order of May 1994, tapping of Board's 33 KV trunk line is not allowed under any circumstances.

Supply was released by tapping the Board's trunk line without depositing the full cost of the feeder

Monga Metal Malwan, Fatehpur was sanctioned (December 1991) 2350 KVA load for manufacture of alloy steel with the condition that supply would be given at 33 KV voltage from 132 KV sub station Malwan through an independent feeder. Accordingly, an estimate for Rs. 35.01 lakh covering the cost of independent feeder was sanctioned (November 1992) which was not deposited by the consumer. However, in contravention of Board's order as above and despite the fact that the consumer deposited (January 1993) Rs. 4.00 lakh only against the cost of independent feeder of Rs. 16.00 lakh, the supply was released (January 1993) by tapping the existing 33 KV Malwan-Fatehpur trunk line temporarily till completion of 33/11 KV industrial estate sub station Malwan which was under construction. Further, at the request of the consumer (December 1997) Rs. 4.00 lakh deposited by him in January 1993 was adjusted towards electricity dues.

It was observed in Audit (August 1998) that the Board did not recover the cost of sub station from the consumer (Rs. 7.88 lakh). Thus, due to supply of energy by tapping of 33 KV trunk line in contravention of Board's order mentioned above, the consumer was given undue benefit of Rs. 35.01 lakh.

The matter was reported to Board in January 1999 and to the Government in June 1999; their replies were awaited (October 1999).

4C.5 Non-recovery of system loading charges

The Board allowed irregular adjustment of system loading charges amounting to Rs. 13 lakh to a consumer.

Rathi Udyog Ghaziabad having a contracted load of 3288 KVA was sanctioned (August 1989) an additional load of 2000 KVA for which the terms & condition (TC) were offered (September 1991) for depositing line charges (Rs. 0.89 lakh) and executing an agreement for the same. The line charges were deposited in October 1991 but the agreement was not executed by the consumer. As such the additional load was cancelled in December 1992 in terms of clause 3 of sanction order as the connection was not released even after expiry of two years. On the request of the consumer (January 1994), the Board extended (May 1994) the release of load up to March 1995 and accordingly a revised TC for Rs. 30.85 lakh (line charges: Rs. 4.28 lakh, system loading charges: Rs. 13.00 lakh and additional security: Rs. 13.57 lakh) was offered in February 1995. The TC amount was deposited and agreement for revised load of 5288 KVA was also executed in February 1995. It was observed in Audit (March 1999) that at the instance of Chief Engineer (Commercial), system loading charges paid by the consumer were adjusted in December 1995 on the ground that system loading charges had not been introduced at the time of deposit of TC in October 1991. However, the adjustment of system loading charges was not justified as the date of payment of line charges was reckoned as 13.02.95 as clarified by the Chief Engineer (Commercial) in February 1997 and additional load was released in July 1995. No supplementary demand for system loading charges of Rs.13 lakh was raised against the consumer pursuant to the decision (February 1997) of Chief Engineer (Commercial).

The Board stated (October 1999) that line charges were paid by the consumer in October 1991 and as per orders of March 1995 the system loading charges was not recoverable if the line charges were recovered before 3 December 1993. The reply is not tenable as the date of payment of line charges should have been reckoned as February 1995 when the revised TC charges at prevailing rates including line charges were paid.

The matter was reported to the Government in May 1999; their replies were awaited (October 1999).

4C.6 Electrification of Ambedkar Villages

Out of funds of Rs. 325.03 crore provided by the State Government (up to March 1998) for electrification of 9787 Ambedkar Villages, the Board incurred expenditure of Rs. 173.18 crore only on electrification of 6738 villages up to March 1999, the balance Rs. 151.85 crore was kept in current account resulting in recurring interest liability of Rs. 22.02 crore per annum.

With a view to provide direct benefit and intensive development of selected villages having substantial population of scheduled caste/scheduled tribes communities, the State Government introduced (January 1991) "Ambedkar Gram Vikas Yojna". The developmental work *inter alia* included electrification of villages identified under the scheme by the District Magistrate. The electrification of such villages, was entrusted by the State Government to U.P. State Electricity Board.

Out of 11218 villages identified (September 1995) for electrification under the scheme, 1431 villages were already electrified up to March 1995. The State

Ambedkar Gram Vikas Yojna included the electrification of identified villages

Government fixed (September 1995) a target of 5000 villages to be electrified during 1995-96 and the balance 4787 villages in 1996-97. The State Government provided funds of Rs. 325.03 crore (Rs. 92.55 crore in 1995-96, Rs. 52.48 crore in 1996-97 and Rs. 180 crore in 1997-98) as loan, bearing interest at 14.5 *per cent per annum* for electrification of the remaining 9787 villages. Against this, 6738 villages could be electrified up to 1998-99 at an estimated cost of Rs. 173.18 crore. The balance amount of Rs. 151.85 crore remained in current account. This resulted in recurring interest liability of Rs. 22.02 crore *per annum*.

The Board requested (September 1995) the Government to convert the loan into grant to avoid recurring liability for interest. However, the approval of the Government was awaited (July 1999).

In test check (March 1999) of the records of the Board and 14 implementing divisions covering the period from 1995-96 to 1998-99, the following deficiencies/ irregularities were noticed in execution of the scheme:

No connection was released in 735 villages electrified under the scheme

- Out of 735 villages electrified in 14 divisions, not a single connection had been released though 1 to 3 years had elapsed after completion of electrification work, despite clear provision in the scheme for giving at least 10 connections in each village. Besides, keeping the line energised without load prompted unauthorised tapping (*katia* connections) as was seen at Bhadohi where 25/30 illegal connections were noticed by the Board officials.

Funds were diverted to other works

- Electricity Distribution Division I (EDD) Ghazipur diverted funds of Rs. 39.17 lakh for procurement of materials for energisation of private tubewells while EDD Bhadohi, electrified a non Ambedkar village viz. Tarapur at a cost of Rs. 2.65 lakh during 1995-96 from 'Ambedkar Gram Vikas Yojna' funds.

- EDDs, Badaun, Bulandshahr, Banda, Bijnor and Meerut installed 63 KVA transformers in 30 villages, against the provision of 25 KVA transformer at an extra expenditure of Rs. 9.01 lakh. Further in the absence of watch and ward for patrolling, line materials worth Rs. 1.90 lakh were stolen from Bakhatpur village electrified in June 1997 by EDD-I, Badaun at a cost of Rs. 12.50 lakh.

Expenditure on LT lines exceeded the norms

- Against the norm of expenditure on LT lines per km ranging between Rs. 69800 (1995-96) and Rs. 75250 (1997-98) the actual expenditure in 10 divisions varied from Rs. 80781 (1995-96) to Rs. 172653 (1997-98) respectively. Due to non-observance of the norm there was extra expenditure of Rs. 152.75 lakh on construction of 547.451 kms line during the three years ending 1997-98.

- Contrary to the orders of Government for procurement of line material by Board, the District Magistrate, Meerut placed orders for Rs. 110.16 lakh during March 1996 and the payments were released by the DM out of loan sanctioned by the Government. An analysis by Audit revealed that an extra expenditure of Rs. 5.12 lakh was incurred in procurement of 499.902 Kms of ACSR weasel conductor and 150 nos. of 25 KVA transformers at rates higher than those paid by the Board for these items during the same period.

Villages already electrified under RE scheme were again electrified under the Ambedkar Yojna

- 20 Villages with their Harijan Bastis which had already been electrified under Rural Electrification scheme in earlier years, were again shown electrified under 'Ambedkar Gram Vikas Yojna' at an estimated cost of Rs. 52.62 lakh.

- Against the estimated expenditure of Rs. 173.18 crore booked under the scheme up to 1998-99, the Board reported expenditure of Rs. 269.45 crore to the Government.

The matter was reported to the Board and Government (May 1999); their replies were awaited (October 1999).

Lucknow,
The 6-4-2000

(P. MUKHERJEE)
Accountant General (Audit)-II
Uttar Pradesh

Countersigned

V. K. Shunglu

New Delhi,
The 7-4-2000

(V. K. SHUNGLU)
Comptroller and Auditor General of India

Annexures

Annexure-1

(Referred to in paragraph No. 1.2.1 & 1.4)

Statement showing particulars of capital, loans/equity received out of budget, other loans and loans outstanding as on 31 March 1999 in respect of Government companies and Statutory corporations.

(Figures in column 3(a) to 4(f) are Rupees in lakh)

Sl. No.	Sector & name of the company/corporation	Paid-up capital as at the end of the current year (Figures in bracket indicate share application money)					Equity/loans received out of Budget during the year		Other loans received during the year@	Loans** outstanding at the close of 1998-99			Debt equity ratio for 1998-99 (Previous year) 4 (f)/3(e)
		State Govern-ment	Central Govern-ment	Holding Compan-ies	Others	Total	Equity	Loans		Govern-ment	Others	Total	
(1)	(2)	3(a)	3(b)	3(c)	3(d)	3(e)	4(a)	4(b)	4(c)	4(d)	4(e)	4(f)	5
A. Government Companies													
	Agriculture and allied												
1.	Uttar Pradesh State Agro Industrial Corporation Limited	3667.17	332.83	---	--	4000.00	--	1000.00	--	--	--	--	-- (0.17:1)
2.	Uttar Pradesh Poultry and Livestock Specialities Limited	44.00 (243.50)	6.00	--	--	50.00 (243.50)	--	--	--	109.75	--	109.75	0.37:1 (2.19:1)
3.	Uttar Pradesh Pashudhan Udyog Nigam Limited	146.85 (126.00)	--	--	--	146.85 (126.00)	--	156.22	--	61.11	--	61.11	0.22:1 (0.79:1)
4.	Uttar Pradesh (Rohelkhand-Tarai) Ganna Beej Evam Vikas Nigam Limited	38.25	--	--	32.96 (0.46)	71.21 (0.46)	--	--	--	--	--	--	-- (--)

(1)	(2)	3(a)	3(b)	3(c)	3(d)	3(e)	4(a)	4(b)	4(c)	4(d)	4(e)	4(f)	5
5.	Uttar Pradesh (Paschim) Ganna Beej Evam Vikas Nigam Limited	50.50	--	--	--	50.50	--	--	--	--	--	--	-- (14.39:1)
6.	Uttar Pradesh (Poorva) Ganna Beej Evam Vikas Nigam Limited	22.73	--	--	7.67 (0.44)	30.40 (0.44)	--	--	--	--	--	--	-- (10.87:1)
7.	Uttar Pradesh (Madhya) Ganna Beej Evam Vikas Nigam Limited	15.30	--	--	7.85 (2.03)	23.15 (2.03)	--	--	--	--	118.00	118.00	4.69:1 (30.39:1)
8.	Uttar Pradesh Projects & Tubewells Corporation Limited	540.00 (447.00)	100.00	--	--	640.00 (447.00)	--	--	--	--	--	--	-- (--)
9.	Uttar Pradesh State Horticultural Produce Marketing & Processing Corporation Limited	640.68	--	--	64.25	704.93	--	--	--	122.48	--	122.48	0.17:1 (0.38:1)
10.	Uttar Pradesh Bhumi Sudhar Nigam	150.00	--	--	--	150.00	--	--	--	--	--	--	-- (--)
11.	Uttar Pradesh Matsya Vikas Nigam Limited	107.00	--	--	--	107.00	--	--	--	--	--	--	-- (--)
	Sector wise total	**5422.48 (816.50)**	**438.83**	**--**	**112.73 (2.93)**	**5974.04 (819.43)**	**--**	**1156.22**	**--**	**293.34**	**118.00**	**411.34**	**0.06:1 (0.51:1)**
	Industry												
12.	Uttar Pradesh Small Industries Corporation Limited	596.05	--	--	--	596.05	--	600.00	--	631.41	--	631.41	1.05:1 (0.67:1)
13.	Mohammadabad Peoples Tannery Limited	3.06	--	--	2.55	5.61	--	--	--	--	--	--	-- (--)

(1)	(2)	3(a)	3(b)	3(c)	3(d)	3(e)	4(a)	4(b)	4(c)	4(d)	4(e)	4(f)	5
14.	Uttar Pradesh Plant Protection Appliances (Private) Limited (Subsidiary of Uttar Pradesh Small Industries Corporation Limited)	--	--	1.63	--	1.63	--			3.00	--	3.00	1.84:1 (0.94:1)
15.	Auto Tractors Limited	562.59	--	--	187.41	750.00	--			37.50	--	37.50	0.05:1 (0.05:1)
16.	Uttar Pradesh Instruments Limited (Subsidiary of Uttar Pradesh State Industrial Development Corporation Limited)	--	--	177.72	15.50 (9.00)	193.22 (9.00)	--	84.00		--	1157.40	1157.40	5.72:1 (5.83:1)
17.	Trans Cables Limited (Subsidiary of Kumaon Mandal Vikas Nigam Limited)	--	--	137.80	0.44	138.24	75.00	--		--	250.00	250.00	1.81:1 (6.80:1)
18	Northern Electrical Equipment Industries Limited (Subsidiary of Kumaon Mandal Vikas Nigam Limited)	--	--	0.07	--	0.07	--	--		--	--	--	-- (--)
19.	Uttar Pradesh State Leather Development and Marketing Corporation Limited	573.94	--	--	--	573.94	--	--		191.40	--	191.40	0.33:1 (0.33:1)
20.	Uttar Pradesh State Brassware Corporation Limited	527.86	10.00	--	--	537.86	--	--		194.23	--	194.23	0.36:1 (0.36:1)

(1)	(2)	3(a)	3(b)	3(c)	3(d)	3(e)	4(a)	4(b)	4(c)	4(d)	4(e)	4(f)	5
21.	UPSIC Potteries Limited (Subsidiary of Uttar Pradesh Small Industries Corporation Limited)	--	--	76.25	--	76.25	--	--		--	--	--	-- (1.61:1)
22.	Uttar Pradesh Digitals Limited (Subsidiary of Uttar Pradesh State Industrial Development Corporation Limited)	--	--	35.20	--	35.20	--	--	32.5	--	467.66	467.66	13.29:1 (12.36:1)
23.	Continental Float Glass Limited (Subsidiary of Uttar Pradesh State Mineral Development Corporation Limited)	--	--	2922.00	1702.00	4624.00	--	--		--	13820.00	13820.00	2.99:1 (3.05:1)
24.	The Turpentine Subsidiary Industries Limited (Subsidiary of The Indian Turpentine and Rosin Company Limited)	--	--	15.56	--	15.56	--	--		--	--	--	-- (--)
25.	Indian Bobbin Company Limited	2.74	--	--	--	2.74	--	--		--	--	--	-- (--)
26.	Uttar Pradesh Abscott Private Limited (Subsidiary of Uttar Pradesh Small Industries Corporation Limited)	--	--	4.85	--	4.85	--	--	--	--	--	--	-- (--)
27.	Uttar Pradesh Tyre and Tubes Limited (Subsidiary of Uttar Pradesh State Industrial Development Corporation Limited)	--	--	183.16	--	183.16	--	--	--	--	--	--	-- (--)

(1)	(2)	3(a)	3(b)	3(c)	3(d)	3(e)	4(a)	4(b)	4(c)	4(d)	4(e)	4(f)	5
28.	UPAI Limited	17.01	--	--	--	17.01	--	--	--	--	--	--	-- (--)
	Sector wise total	**2283.25**	**10.00**	**3554.24**	**1907.90 (9.00)**	**7755.39 (9.00)**	**75.00**	**684.00**	**32.50**	**1057.54**	**15695.06**	**16752.60**	**2.16:1 (2.22:1)**
	Electronics												
29.	Uttar Pradesh Electronics Corporation Limited	7030.07 (721.24)	--	--	--	7030.07 (721.24)	639.37	698.00	--	3544.00	--	3544.00	0.46:1 (0.40:1)
30.	Uptron Powertronics Limited (Subsidiary of Uttar Pradesh Electronics Corporation Limited)	--	--	117.00	--	117.00	--	--	--	--	20.00	20.00	0.17:1 (0.03:1)
S31.	Shreetron India Limited (Subsidiary of Uttar Pradesh Electronics Corporation Limited)	--	--	124.08	50.63	174.71	--	--	--	--	324.00	324.00	1.85:1 (3.06:1)
32.	Uptron India Limited (Subsidiary of Uttar Pradesh Electronics Corporation Limited)	--	--	5315.59	--	5315.59	--	--	--	--	8507.96	8507.96	1.60:1 (1.60:1)
33.	Uttar Pradesh Hill Electronics Corporation Limited	894.53	--	--	--	894.53	--	--	--	--	--	--	-- (--)
34.	Kumtron Limited (Subsidiary of Uttar Pradesh Hill Electronics Corporation Limited)	--	--	9.34	8.97	18.31	--	--	--	--	--	--	-- (--)

(1)	(2)	3(a)	3(b)	3(c)	3(d)	3(e)	4(a)	4(b)	4(c)	4(d)	4(e)	4(f)	5
35	Uttar Pradesh Hill Phones Limited (Subsidiary of Uttar Pradesh Hill Electronics Corporation Limited)	--	--	1.67	1.60	3.27	--	--	--	--	--	--	-- (--)
36.	Uttar Pradesh Hill Quartz Limited (Subsidiary of Uttar Pradesh Hill Electronics Corporation limited)	--	--	0.79	--	0.79	--	--	--	--	--	--	-- (--)
37.	Teletronix Limited (Subsidiary of Kumaon Mandal Vikas Nigam Limited)	--	--	110.00	64.71	174.71	--	--	--	--	--	--	-- (--)
38.	Uptron Sempack Limited (Subsidiary of Uttar Pradesh Electronics Corporation Limited)	--	--	2.55	--	2.55	--	--	--	--	2.77	2.77	1.09:1 (1.23:1)
39.	Kumaon Television Limited (Subsidiary of Kumaon Mandal Vikas Nigam Limited)	--	--	52.00	47.75	99.75	--	--	--	--	--	--	-- (--)
40.	Kanpur Components Limited (Subsidiary of Uttar Pradesh Electronics Corporation Limited)	--	--	5.25	--	5.25	--	--	--	--	--	--	-- (--)
	Sector wise total	**7924.60** **(721.24)**	**--**	**5738.27**	**173.66**	**13836.53** **(721.24)**	**639.37**	**698.00**	**--**	**3544.00**	**8854.73**	**12398.73**	**0.85:1** **(0.86:1)**
	Textiles												

(1)	(2)	3(a)	3(b)	3(c)	3(d)	3(e)	4(a)	4(b)	4(c)	4(d)	4(e)	4(f)	5
	Textiles												
41.	Uttar Pradesh State Textile Corporation Limited	20732.37	--	--	--	20732.37	--	3206.00	--	--	24.33	24.33	-- (0.42:1)
42.	Uttar Pradesh State Yarn Company Limited (Subsidiary of Uttar Pradesh State Textile Corporation Limited)	--	--	3190.52	--	3190.52	--	--	--	2175.00	950.50	3125.50	0.98:1 (0.62:1)
43.	Uttar Pradesh State Spinning Company Limited (Subsidiary of Uttar Pradesh State Textile Corporation Limited)	--	--	7842.83 (1022.78)	0.01	7842.84 (1022.78)	--	--	1498.00	--	3404.56	3404.56	0.38:1 (0.39:1)
44.	Uttar Pradesh Textile Printing Corporation Limited (Subsidiary of Uttar Pradesh State Handloom Corporation Limited)	16.20	--	26.00	--	42.20	--	--	--	--	--	--	-- (--)
45.	Bhadohi Woollens Limited (Subsidiary of Uttar Pradesh State Textile Corporation Limited)	--	--	375.54	--	375.54	--	--	--	--	--	--	-- (--)
	Sector wise total	**20748.57**	**--**	**11434.89 (1022.78)**	**0.01**	**32183.47 (1022.78)**	**--**	**3206.00**	**1498.00**	**2175.00**	**4379.39**	**6554.39**	**0.20:1 (0.43:1)**
	Handloom and Handicrafts												
46.	Uttar Pradesh State Handloom Corporation Limited	3644.49	1062.95	--	--	4707.44	--	535.00	--	1375.71	--	1375.71	0.29:1 (0.40:1)

(1)	(2)	3(a)	3(b)	3(c)	3(d)	3(e)	4(a)	4(b)	4(c)	4(d)	4(e)	4(f)	5
47.	Handloom Intensive Development Corporation (Gorakhpur & Basti) Limited (Subsidiary of Uttar Pradesh State Handloom Corporation Limited)	--	--	3.00	--	3.00	--	--	--	19.06	41.34	60.40	20.13:1 (20.13:1)
48.	Handloom Intensive Development Project (Bijnore) Limited (Subsidiary of Uttar Pradesh State Handloom Corporation Limited)	--	--	2.00	--	2.00	--	--	--	208.67	--	208.67	104.33:1 (104.33:1)
	Sector wise total	**3644.49**	**1062.95**	**5.00**	**--**	**4712.44**	**--**	**535.00**	**--**	**1603.44**	**41.34**	**1644.78**	**0.35:1** **(0.46:1)**
	Mining												
49.	Uttar Pradesh State Mineral Development Corporation Limited	5943.48	--	--	--	5943.48	--	--	--	1828.86	--	1828.86	0.31:1 (0.31:1)
50.	Vindhyachal Abrasives Limited (Subsidiary of Uttar Pradesh State Mineral Development Corporation Limited)	--	--	3.73	3.87	7.60	--	--	6.75	--	84.42	84.42	11.11:1 (10.21:1)
	Sector wise total	**5943.48**	**--**	**3.73**	**3.87**	**5951.08**	**--**	**--**	**6.75**	**1828.86**	**84.42**	**1913.28**	**0.32:1** **(0.32:1)**
	Construction												
51.	Uttar Pradesh State Bridge Corporation Limited	1000.00	--	--	--	1000.00	--	--	--	--	--	--	-- (--)

(1)	(2)	3(a)	3(b)	3(c)	3(d)	3(e)	4(a)	4(b)	4(c)	4(d)	4(e)	4(f)	5
52.	Uttar Pradesh Rajkiya Nirman Nigam Limited	100.00	--	--	--	100.00	--	--	--	--	--	--	-- (--)
53.	Uttar Pradesh Police Avas Nigam Limited	300.00	--	--	--	300.00	--	--	--	--	--	--	-- (--)
	Sector wise total	**1400.00**	**--**	**--**	**--**	**1400.00**	**--**	**--**	**--**	**--**	**--**	**--**	**--** **(--)**
	Area Development												
54.	Kumaon Mandal Vikas Nigam Limited	1341.88	--	--	--	1341.88	--	292.50	--	--	--	--	-- (0.51:1)
55.	Uttar Pradesh Bundelkhand Vikas Nigam Limited	123.30	--	--	--	123.30	--	--	--	5.00	--	5.00	0.04:1 (--)
56.	Uttar Pradesh Poorvanchal Vikas Nigam Limited	129.80	--	--	--	129.80	--	--	--	--	--	--	-- (0.27:1)
57.	Bundelkhand Concrete Structurals Limited (Subsidiary of Uttar Pradesh Bundelkhand Vikas Nigam Limited)	--	--	1.22	--	1.22	--	--	--	--	--	--	-- (--)
58.	Allahabad Mandal Vikas Nigam Limited	67.00	--	--	--	67.00	--	--	--	65.93	--	65.93	0.98:1 (0.98:1)
59.	Bareilly Mandal Vikas Nigam Limited	125.00	--	--	--	125.00	--	--	--	--	--	--	-- (0.17:1)
60.	Lucknow Mandaliya Vikas Nigam Limited	70.00	--	--	--	70.00	--	--	--	85.79	--	85.79	1.22:1 (1.22:1)
61.	Agra Mandal Vikas Nigam Limited	100.00	--	--	--	100.00	--	--	--	5.00	--	5.00	0.05:1 (0.05:1)

(1)	(2)	3(a)	3(b)	3(c)	3(d)	3(e)	4(a)	4(b)	4(c)	4(d)	4(e)	4(f)	5
62.	Gorakhpur Mandal Vikas Nigam Limited	93.56	--	--	32.47	126.03	--	--	--	91.60	--	91.60	0.73:1 (0.73:1)
63.	Garhwal Mandal Vikas Nigam Limited	646.00	--	--	--	646.00	33.85	--	--	957.42	--	957.42	1.48:1 (2.09:1)
64.	Meerut Mandal Vikas Nigam Limited	100.00	--	--	--	100.00	--	--	--	--	--	--	-- (--)
65.	Varanasi Mandal Vikas Nigam Limited	70.00	--	--	--	70.00	--	--	--	30.00	--	30.00	0.43:1 (0.43:1)
66.	Moradabad Mandal Vikas Nigam Limited	25.00	--	--	--	25.00	--	--	--	64.60	--	64.60	2.58:1 (2.58:1)
67.	Gandak Smadesh Kshetriya Vikas Nigam Limited	46.00	--	--	--	46.00	--	--	--	--	--	--	-- (--)
	Sector wise total	**2937.54**	**--**	**1.22**	**32.47**	**2971.23**	**33.85**	**292.50**	**--**	**1305.34**	**--**	**1305.34**	**0.44:1** **(0.81:1)**
	Development of economically weaker section												
68.	Uttar Pradesh Scheduled Castes Finance and Development Corporation Limited	5989.31	4665.43	--	--	10654.74	1500.00	--	510.50	--	--	--	-- (0.27:1)
69.	Garhwal Anusuchit Janjati Vikas Nigam Limited (Subsidiary of Garhwal Mandal Vikas Nigam Limited)	20.00	--	30.00	--	50.00	--	--	--	17.48	--	17.48	0.35:1 (0.35:1)

(1)	(2)	3(a)	3(b)	3(c)	3(d)	3(e)	4(a)	4(b)	4(c)	4(d)	4(e)	4(f)	5
70.	Kumaon Anusuchit Janjati Vikas Nigam Limited (Subsidiary of Kumaon Mandal Vikas Nigam Limited)	22.00	--	28.00	--	50.00	--	--	--	--	--	--	-- (--)
71.	Tarai Anusuchit Janjati Vikas Nigam Limited	45.00	--	--	--	45.00	--	--	--	125.00	--	125.00	2.78:1 (2.78:1)
72.	Uttar Pradesh Samaj Kalyan Nirman Nigam Limited	15.00	--	--	--	15.00	--	--	--	--	187.83	187.83	12.52:1 (23.01:1)
73.	Uttar Pradesh Pichhara Varg Vitta Evam Vikas Nigam Limited (Formerly Uttar Pradesh Pichhari Jati Vitta Evam Vikas Nigam Limited)	910.00 (100.00)	--	--	--	910.00 (100.00)	100.00	--	1360.37	--	629.00	629.00	0.62:1 (0.94:1)
	Sector wise total	**7001.31 (100.00)**	**4665.43**	**58.00**	**--**	**11724.74 (100.00)**	**1600.00**	**--**	**1870.87**	**142.48**	**816.83**	**959.31**	**0.08:1 (0.38:1)**
	Public Distribution												
74	Uttar Pradesh State Food and Essential Commodities Corporation Limited	500.00 (50.39)	--	--	--	500.00 (50.39)	--	--	--	1496.50	--	1496.50	2.72:1 (3.03:1)
	Sector wise total	**500.00 (50.39)**	**--**	**--**	**--**	**500.00 (50.39)**	**--**	**--**	**--**	**1496.50**	**--**	**1496.50**	**2.72:1 (3.03:1)**
	Sugar												
75.	Uttar Pradesh State Sugar Corporation Limited	48001.92	--	--	--	48001.92	--	3658.00	--	--	11767.31	11767.31	0.24:1 (2.45:1)

(1)	(2)	3(a)	3(b)	3(c)	3(d)	3(e)	4(a)	4(b)	4(c)	4(d)	4(e)	4(f)	5
76.	Kichha Sugar Company Limited (Subsidiary of Uttar Pradesh State Sugar Corporation Limited)	32.59 (0.40)	--	1620.99	45.06	1698.64 (0.40)	--	--	--	--	--	--	-- (--)
77.	Chhata Sugar Company Limited (Subsidiary of Uttar Pradesh State Sugar Corporation Limited)	--	--	1224.52	--	1224.52	--	--	--	--	505.60	505.60	0.41:1 (1.61:1)
78.	Nandganj-Sihori Sugar Company Limited (Subsidiary of Uttar Pradesh State Sugar Corporation Limited)	--	--	3404.05	--	3404.05	--	--	15.00	--	763.57	763.57	0.22:1 (0.55:1)
79.	Ghatampur Sugar Company Limited (Subsidiary of Uttar Pradesh State Sugar Corporation Limited)	--	--	879.85	15.00	894.85	--	--	--	--	1832.41	1832.41	2.05:1 (2.05:1)
	Sector wise total	**48034.51 (0.40)**	**--**	**7129.41**	**60.06**	**55223.98 (0.40)**	**--**	**3658.00**	**15.00**	**--**	**14868.89**	**14868.89**	**0.27:1 (2.23:1)**
	Cement												
80.	Uttar Pradesh State Cement Corporation Limited	6828.00	--	--	--	6828.00	--	--	--	12476.52	--	12476.52	1.83:1 (1.83:1)
	Sector wise total	**6828.00**	**--**	**--**	**--**	**6828.00**	**--**	**--**	**--**	**12476.52**	**--**	**12476.52**	**1.83:1 (1.83:1)**
	Tourism												
81.	Uttar Pradesh State Tourism Development Corporation Limited	1512.53	--	--	--	1512.53	--	--	--	48.33	--	48.33	0.03:1 (0.03:1)
	Sector wise total	**1512.53**	**--**	**--**	**--**	**1512.53**	**--**	**--**	**--**	**48.33**	**--**	**48.33**	**0.03:1 (0.03:1)**

(1)	(2)	3(a)	3(b)	3(c)	3(d)	3(e)	4(a)	4(b)	4(c)	4(d)	4(e)	4(f)	5
	Drugs, chemicals & pharmaceuticals												
82.	The Indian Turpentine and Rosin Company Limited	18.73	--	--	3.29	22.02	--	--	--	45.00	--	45.00	2.04:1 (3.87:1)
83.	Uttar Pradesh Carbon and Chemicals Limited (Subsidiary of Uttar Pradesh State Industrial Development Corporation Limited)	--	--	1.27	--	1.27	--	--	--	--	--	--	-- (--)
84.	Uttar Pradesh Carbide and Chemicals Limited (Subsidiary of Uttar Pradesh State Mineral Development Corporation Limited)	--	--	658.73	--	658.73	--	--	--	--	--	--	-- (--)
	Sector wise total	**18.73**	**--**	**660.00**	**3.29**	**682.02**	**--**	**--**	**--**	**45.00**	**--**	**45.00**	**0.07:1 (0.12:1)**
	POWER												
85.	Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited	25280.50	--	--	--	25280.50	--	--	--	--	--	--	-- (--)
86.	Uttar Pradesh Jal Vidyut Nigam Limited	70.00	--	--	--	70.00	--	360.00	--	2760.00	--	2760.00	39.43:1 (34.29:1)
	Sector wise total	**25350.50**	**--**	**--**	**--**	**25350.50**	**--**	**360.00**	**--**	**2760.00**	**--**	**2760.00**	**0.11:1 (0.09:1)**

(1)	(2)	3(a)	3(b)	3(c)	3(d)	3(e)	4(a)	4(b)	4(c)	4(d)	4(e)	4(f)	5
	Financing												
87.	Uttar Pradesh State Industrial Development Corporation Limited	2407.51	--	--	--	2407.51	--	500.00	1000.00	3869.39	3550.00	7419.39	3.08:1 (2.45:1)
88.	The Pradeshiya Industrial and Investment Corporation of Uttar Pradesh Limited	11057.50	--	--	--	11057.50	--	--	--	--	51009.03	51009.03	4.61:1 (4.61:1)
89.	Uttar Pradesh Panchayati Raj Vitta Evam Vikas Nigam Limited	77.77	--	--	70.02	147.79	--	--	--	--	--	--	-- (--)
90.	Uttar Pradesh Alpsankhyak Vittya Avam Vikas Nigam Limited	2352.50	--	--	--	2352.50	200.00	90.00	933.38	1010.42	4441.18	5451.60	2.32:1 (2.20:1)
91.	Uplease Financial Services Limited (Subsidiary of Uttar Pradesh Electronics Corporation Limited)	--	--	100.00	5.87	105.87	--	--	--	--	--	--	-- (3.93:1)
	Sector wise total	**15895.28**	**--**	**100.00**	**75.89**	**16071.17**	**200.00**	**590.00**	**1933.38**	**4879.81**	**59000.21**	**63880.02**	**3.97:1 (3.91:1)**
	Miscellaneous												
92.	Uttar Pradesh Export Corporation Limited	634.27	--	--	70.00	704.27	--	200.00	--	151.88	10.00	161.88	0.23:1 (0.22:1)
93.	Uttar Pradesh Chalchitra Nigam Limited	818.20	--	--	0.22	818.42	--	--	--	697.04	--	697.04	0.85:1 (--)
94.	Uttar Pradesh Development Systems Corporation Limited	100.00	--	--	--	100.00	--	--	--	--	--	--	-- (--)

(1)	(2)	3(a)	3(b)	3(c)	3(d)	3(e)	4(a)	4(b)	4(c)	4(d)	4(e)	4(f)	5
95.	Uttar Pradesh Waqf Vikas Nigam Limited	350.00	--	--	--	350.00	100.00	--	--	--	--	--	-- (--)
96.	Uttar Pradesh Mahila Kalyan Nigam Limited	61.00	48.03	--	--	109.03	--	--	--	--	--	--	-- (--)
97.	Uttar Pradesh Bhutpoorva Sainik Kalyan Nigam Limited	42.54	--	--	--	42.54	--	--	--	--	--	--	-- (--)
	Sector wise total	**2006.01**	**48.03**	**--**	**70.22**	**2124.26**	**100.00**	**200.00**	**--**	**848.92**	**10.00**	**858.92**	**0.40:1 (0.07:1)**
	Total – A (All sector wise Government companies)	**157451.28 (1688.53)**	**6225.24 (--)**	**28684.76 (1022.78)**	**2440.10 (11.93)**	**194801.38 (2723.24)**	**2648.22**	**11379.72**	**5356.50**	**34505.08**	**103868.87**	**138373.95**	**0.70:1 (1.37:1)**
B	**Statutory Corporations**												
	Power												
1.	Uttar Pradesh State Electricity Board	--	--	--	--	--	--	112893.00	56484.00	1227737.00	290138.00	1517875..00	--
	Sector wise total	**--**	**--**	**--**	**--**	**--**	**--**	**112893.00**	**56484.00**	**1227737.00**	**290138.00**	**1517875.00**	**--**
	Transport												
2.	Uttar Pradesh State Road Transport Corporation	25231.95	6925.29	--	--	32157.24	573.95	--	3152.05	1171.05	9411.45	10582.50	0.33:1 (0.31:1)
	Sector wise total	**25231.95**	**6925.29**	**--**	**--**	**32157.24**	**573.95**	**--**	**3152.05**	**1171.05**	**9411.45**	**10582.50**	**0.33:1 (0.31:1)**

(1)	(2)	3(a)	3(b)	3(c)	3(d)	3(e)	4(a)	4(b)	4(c)	4(d)	4(e)	4(f)	5
	Financing												
3.	Uttar Pradesh Financial Corporation	6345.00	--	--	3655.00	10000.00	--	--	--	1125.60	141178.10	142303.70	14.23:1 (13.91:1)
	Sector wise total	**6345.00**	**--**	**--**	**3655.00**	**10000.00**	**--**	**--**	**--**	**1125.60**	**141178.10**	**142303.70**	**14.23:1 (13.91:1)**
	Agriculture and Allied												
4.	Uttar Pradesh State Warehousing Corporation	758.95	518.25	--	--	1277.20	140.00	--	--	--	142.59	142.59	0.11:1 (0.16:1)
	Sector wise total	**758.95**	**518.25**	**--**	**--**	**1277.20**	**140.00**	**--**	**--**	**--**	**142.59**	**142.59**	**0.11:1 (0.16:1)**
	Forest												
5.	Uttar Pradesh Forest Corporation	--	--	--	--	--	--	700.00	--	--	700.00	700.00	--
	Sector wise total	**--**	**--**	**--**	**--**	**--**	**--**	**700.00**	**--**	**--**	**700.00**	**700.00**	**--**
	Miscellaneous												
6.	Uttar Pradesh Avas Evam Vikas Parishad	--	--	--	--	--	--	750.00	670.66	2826.29	--	2826.29	--
7.	Uttar Pradesh Jal Nigam	--	--	--	--	--	--	605.80	--	28745.30	1475.10	30220.40	--

(1)	(2)	3(a)	3(b)	3(c)	3(d)	3(e)	4(a)	4(b)	4(c)	4(d)	4(e)	4(f)	5
8.	Uttar Pradesh State Employees Welfare Corporation	--	--	--	--	--	--	--	--	237.48	--	237.48	--
	Sector wise total	--	--	--	--	--	--	1355.80	670.66	31809.07	1475.10	33284.17	--
	Total – B (All sector wise Statutory Corporations)	32335.90	7443.54	--	3655.00	43434.44	713.95	114948.80	60306.71	1261842.72	443045.24	1704887.96	39.25:1 (37.38:1)
	Grand Total (A+B)	189787.18 (1688.53)	13668.78 (--)	28684.76 (1022.78)	6095.10 (11.93)	238235.82 (2723.24)	3362.17	126328.52	65663.21	1296347.80	546914.11	1843261.91	7.74:1 (8.08:1)

Note: Except in respect of Companies and Corporations which finalised their accounts for 1998-99 (Serial No. 30, 31 & 82) figures are provisional and as given by the companies/corporations.

@ Includes bonds, debentures, inter-corporate deposits etc.

** Loans outstanding at the close of 1998-99 represents long-term loans only.

Annexure-2

(Referred to in paragraph No. 1.2.1, 1.2.2, 1.5.1, 1.6, 1.6.1.1, 1.6.2.1 & 1.7)

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

(Figures in column 7 to 12 are in Rupees in lakh)

Sl. No	Sector and name of company/corporation	Name of Department	Date of Incorporation	Period of accounts	Year in which accounts finalised	Net Profit(+)/ loss(-)	Net impact of audit comments	Paid-up capital	Accumulated profit(+) /loss(-)	Capital employed (A)	Total Return on capital employed	Percentage of total return on capital employed	Arrears of accounts in terms of years	Status of the Company/ Corporation
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
A	**Government Companies**													
	Agriculture and Allied													
1.	Uttar Pradesh State Agro Industrial Corporation Limited	Agriculture	29.03.1967	1997-98	1998-99	(+)328.99	--	4000.00	(-)5309.36	(-) 38.62	536.61	--	1	Working company
2.	Uttar Pradesh Poultry and Livestocks Specialities Limited	Pashudhan Evam Matsya	07.12.1974	1994-95	1997-98	(-) 4.91	--	163.50	(-) 11.26	196.71	(-) 4.91	--	4	Working company
3.	Uttar Pradesh Pashudhan Udyog Nigam Limited	Pashudhan Evam Matsya	05.03.1975	1990-91	1996-97	(-) 16.10	--	146.85	(-) 168.72	220.44	(-) 6.63	--	8	Non working – Others

Note : (A) Capital employed represents net fixed assets (including capital work-in-progress plus working capital except in case of financing companies/corporations Sl No. A-68, 73, 87, 88, 89, 90, 91 & B-3 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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
4.	Uttar Pradesh (Rohelkhand-Tarai) Ganna Beej Evam Vikas Nigam Limited	Sugar and Cane Development	27.08.1975	1997-98	1998-99	(-) 42.76	--	70.75	(-) 29.19	1515.08	156.72	10.34	1	Working company
5.	Uttar Pradesh (Paschim) Ganna Beej Evam Vikas Nigam Limited	Sugar and Cane Development	27.08.1975	1997-98	1998-99	(+)17.10	(+) 1.57	61.32	(+) 35.56	990.22	207.56	20.96	1	Working company
6.	Uttar Pradesh (Poorva) Ganna Beej Evam Vikas Nigam Limited	Sugar and Cane Development	27.08.1975	1997-98	1998-99	(-) 5.05	--	30.05	(+) 1.99	361.56	28.38	7.85	1	Working company
7.	Uttar Pradesh (Madhya) Ganna Beej Evam Vikas Nigam Limited	Sugar and Cane Development	27.08.1975	1997-98	1998-99	(+) 8.18	--	25.00	(+) 1.00	749.31	55.02	7.34	1	Working company
8.	Uttar Pradesh Projects and Tubewells Corporation Limited	Irrigation	26.05.1976	1997-98	1998-99	(-) 281.77	(-) 7.39	590.00	(-) 721.23	342.54	(-) 281.77	--	1	Working company
9.	Uttar Pradesh Horticultural Produce Marketing and Processing Corporation Limited	Food Processing and Horticulture	06.04.1977	1984-85	1994-95	(-) 66.57	--	190.76	(-) 255.33	80.72	(-) 51.97	--	14	Non Working – Others

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
10.	Uttar Pradesh Bhumi Sudhar Nigam	Agriculture	30.03.1978	1997-98	1998-99	(+) 0.05	--	150.00	(-) 54.13	11140.75	0.05	--	1	Working company
11.	Uttar Pradesh Matsya Vikas Nigam Limited	Pashudhan Evam Matsya	27.10.1979	1990-91	1998-99	(-) 33.25	--	100.00	(-)153.60	519.47	(-) 9.27	--	8	Working company
	Sector wise total	--	--	--	--	**(+) 354.32** **(-) 450.41**	**(+) 1.57** **(-) 7.39**	**5528.23**	**(+) 38.55** **(-) 6702.82**	**(+) 16116.80** **(-) 38.62**	**(+) 984.34** **(-) 354.55**	--	--	--
	INDUSTRY													
12.	Uttar Pradesh Small Industries Corporation Limited	Niryat Protsahan/ Laghu Udyog	01.06.1958	1992-93	1996-97	(-) 340.82	--	596.05	(-) 448.52	1737.51	(-) 98.06	--	6	Working company
13.	Mohammadabad Peoples Tannery Limited	Planning	21.12.1964	1976-77	1992-93	(-) 0.01	--	5.61	(-) 4.26	1.35	(-) 0.01	--	22	Non working – Others
14.	Uttar Pradesh Plant Protection Appliances (Private) Limited (Subsidiary of Uttar Pradesh Small Industries Corporation Limited)	Niryat Protsahan/ Laghu Udyog	28.06.1972	1974-75	1984-85	(-) 0.81	--	0.92	(-) 0.81	6.79	(-) 0.81	--	24	Non working – Others
15	Auto Tractors Limited	Industrial Development	28.12.1972	1991-92	1995-96	(+) 10.71	--	750.00	(-) 6482.96	1114.18	36.32	3.26	7	Non working – Others

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
16.	Uttar Pradesh Instruments Limited (Subsidiary of Uttar Pradesh State Industrial Development Corporation Limited)	Industrial Development	01.01.1975	1996-97	1998-99	(-) 674.96	--	193.22	(-) 2907.16	(-) 1798.36	(-) 674.96	--	2	Working company
17.	Trans Cables Limited (Subsidiary of Kumaon Mandal Vikas Nigam Limited)	Uttranchal Development	29.11.1973	1994-95	1997-98	(-) 46.38	--	63.24	(-) 270.66	104.00	(-) 23.80	--	4	Working company
18.	Northern Electrical Equipment Industries Limited (Subsidiary of Kumaon Mandal Vikas Nigam Limited)	Uttranchal Development	29.01.1974	1989-90	1997-98	(-) 0.01	--	0.07	(-)0.55	0.07	(-) 0.01	--	9	Non working – Others
19.	Uttar Pradesh State Leather Development and Marketing Corporation Limited	Niryat Protsahan/ Laghu Udyog	12.02.1974	1996-97	1997-98	(+) 13.99	(+) 2.59	573.94	(-) 667.11	461.94	23.75	5.14	2	Working company
20.	Uttar Pradesh State Brassware Corporation Limited	Niryat Protsahan/ Laghu Udyog	12.02.1974	1991-92	1995-96	(-) 45.29	--	537.86	(-) 648.86	793.04	(-) 34.96	--	7	Non working – Others
21	UPSIC Potteries Limited (Subsidiary of Uttar Pradesh Small Industries Corporation Limited)	Niryat Protsahan/ Laghu Udyog	27.04.1976	1990-91	1998-99	(-) 47.05	--	76.26	(-) 272.71	(-) 54.51	(-) 28.61	--	8	Working company

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
22.	Uttar Pradesh Digitals Limited (Subsidiary of Uttar Pradesh State Industrial Development Corporation Limited)	Industrial Development	08.03.1978	1996-97	1997-98	(-) 118.66	--	35.20	(-) 694.54	35.26	(-) 57.60	--	2	Working company
23.	Continental Float Glass Limited (Subsidiary of Uttar Pradesh State Mineral Development Corporation Limited)	Industrial Development	12.04.1985	1995-96	1996-97	--	--	4599.95	--	11818.42	--	--	3	Non working – Others
24.	The Turpentine Subsidiary Industries Limited (Subsidiary of The Indian Turpentine and Rosin Company Limited)	Industrial Development	11.07.1939	1977-78	--	(-) 1.91	--	15.56	--	11.64	(-) 0.47	--	Nil	Under liquidation from 01.04.78
25.	Indian Bobbin Company Limited	Industrial Development	22.02.1964	1973-74	--	(+) 0.03	--	2.74	--	3.67	0.03	0.82	Nil	Under liquidation from 10.09.73
26.	Uttar Pradesh Abscott Private Limited (Subsidiary of Uttar Pradesh Small Industries Corporation Limited)	Industrial Development	28.06.1972	1975-76	--	(-) 1.55	--	4.85	--	12.39	(-) 0.41	--	10	Under liquidation from 19.04.86

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
27.	Uttar Pradesh Tyre and Tubes Limited (Subsidiary of Uttar Pradesh State Industrial Development Corporation Ltd.)	Industrial Development	14.01.1976	1992-93	--	(-) 217.08	--	183.16	(-) 996.09	(-) 405.96	209.53	--	3	Under liquidation from 09.01.96
28.	UPAI Limited	Uttranchal Development	20.04.1977	1985-86	--	(-) 0.35	--	17.01	(+) 3.17	12.39	(-) 0.35	--	5	Under liquidation from 31.03.91
	Sector wise total	--	--	--	--	**(+) 24.73 (-) 1494.88**	**(+) 2.59**	**7655.64**	**(+) 3.17 (-) 13394.23**	**(+) 16112.65 (-) 2258.83**	**(+) 269.63 (-) 920.05**	--	--	--
	ELECTRONICS													
29.	Uttar Pradesh Electronics Corporation Limited	Electronics and Information Technology	20.03.1974	1997-98	1998-99	(+) 0.30	--	7111.44	(+) 38.82	4025.88	0.30	--	1	Working company
30.	Uptron Powertronics Limited (Subsidiary of Uttar Pradesh Electronics Corporation Limited)	Electronics and Information Technology	10.04.1977	April 1997 to September 1998	1998-99	(-) 13.81	--	117.00	(-)57.92	520.65	78.71	15.12	Nil	Working company
31.	Shreetron India Limited (Subsidiary of Uttar Pradesh Electronics Corporation Limited)	Electronics and Information Technology	01.02.1979	1998-99	1998-99	(+) 10.08	--	174.71	(-) 260.79	988.16	65.32	6.61	Nil	Working company
32.	Uptron India Limited (Subsidiary of Uttar Pradesh Electronics Corporation Limited)	Electronics and Information Technology	18.10.1979	1995-96	1997-98	(-) 3212.23	--	5315.59	(-) 19693.43	3275.69	(-) 406.07	--	3	Working company

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
33.	Uttar Pradesh Hill Electronics Corporation Limited	Uttranchal Development	26.06.1985	1993-94	1997-98	(-) 21.41	--	794.03	(-) 68.10	447.27	(-) 21.41	--	5	Working company
34.	Kumtron Limited (Subsidiary of Uttar Pradesh Hill Electronics Corporation Limited)	Uttranchal Development	27.04.1987	1989-90	1990-91	(-) 1.61	--	18.31	(-) 1.61	12.35	(-) 1.61	--	9	Non working – Others
35.	Uttar Pradesh Hill Phones Limited (Subsidiary of Uttar Pradesh Hill Electronics Corporation Limited)	Uttranchal Development	10.08.1987	*									13	Non working – Others
36.	Uttar Pradesh Hill Quartz Limited (Subsidiary of Uttar Pradesh Hill Electronics Corporation Limited)	Uttranchal Development	18.07.1989	*									11	No working – Others
37.	Teletronix Limited (Subsidiary of Kumaon Mandal Vikas Nigam Limited)	Uttranchal Development	27.01.1973	1992-93	1998-99	(-) 79.09	--	174.71	(-) 230.11	211.37	(-) 73.29	--	4	Under liquidation from 30.11.96
38.	Uptron Sempack Limited (Subsidiary of Uttar Pradesh Electronics Corporation Limited)	Electronics and Information Technology	23.05.1977	1979-80	1983-84	(-) 0.78	--	2.55	(-) 3.37	1.86	(-) 0.36	--	16	Under liquidation from 10.06.96
39.	Kumaon Television Limited (Subsidiary of Kumaon Mandal Vikas Nigam Limited)	Uttranchal Development	24.08.1977	1995-96	1998-99	(-) 43.48	--	99.75	(-) 276.91	101.72	(-) 3.71	--	1	Under liquidation from 30.11.96

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
40.	Kanpur Components Limited (Subsidiary of Uttar Pradesh Electronics Corporation Limited)	Electronics and Information Technology	31.03.1978	*	--	--	--	5.25	--	--	--	--	18	Under liquidation from 10.06.96
	Sector wise total	--	--	--	--	**(+) 10.38** **(-) 3372.41**	--	**13813.34**	**(+) 38.82** **(-) 20592.24**	**(+)9584.95**	**(+) 144.33** **(-) 506.45**	--	--	--
	TEXTILES													
41.	Uttar Pradesh State Textile Corporation Limited	Industrial Development	02.12.1969	1997-98	1998-99	(+) 280.63	--	16079.37	(-) 18056.07	3844.60	1700.60	44.23	1	Working company
42.	Uttar Pradesh State Yarn Company Limited (Subsidiary of Uttar Pradesh State Textile Corporation Limited)	Industrial Development	20.08.1974	1997-98	1998-99	(-) 545.05	--	3190.52	(-)5635.61	1598.58	(-) 337.72	--	1	Working company
43.	Uttar Pradesh State Spinning Company Limited (Subsidiary of Uttar Pradesh State Textile Corporation Limited)	Industrial Development	20.08.1976	1997-98	1998-99	(+)1860.42	--	7842.84	(-)8041.21	5454.74	2353.63	43.15	1	Working company
44.	Uttar Pradesh Textile Printing Corporation Limited (Subsidiary of Uttar Pradesh State Handloom Corporation Limited)	Handloom	05.12.1975	1988-89	1998-99	(-)13.52	--	26.00	(-) 11.56	36.74	(-)13.52	-	2	Under merger

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
45.	Bhadohi Woollens Limited (Subsidiary of Uttar Pradesh State Textile Corporation Limited)	Industrial Development	14.06.1976	1994-95	--	(-) 165.77	--	375.54	(-) 1195.91	(-) 49.09	85.35	--	1	Under liquidation from 20.02.96
	Sector wise total	--	--	--	--	**(+) 2141.05** **(-) 724.34**	--	**27514.27**	**(-) 32940.36**	**(+) 10934.66** **(-) 49.09**	**(+) 4139.58** **(-) 351.24**	--	--	--
	HANDLOOM AND HANDICRAFTS													
46.	Uttar Pradesh State Handloom Corporation Limited	Handloom	09.01.1973	1988-89	1998-99	(+) 38.12	--	1193.49	(-)1123.26	4339.83	134.00	3.09	10	Working Company
47.	Handloom Intensive Development Corporation (Gorakhpur & Basti) Limited (Subsidiary of Uttar Pradesh State Handloom Corporation Limited)	Handloom	26.05.1976	1989-90	1998-99	(+)4.55	--	3.00	(+) 2.71	88.41	103.21	116.74	1	Under merger
48.	Handloom Intensive Development Project (Bijnore) Limited (Subsidiary of Uttar Pradesh State Handloom Corporation Limited)	Handloom	13.09.1976	1986-87	1998-99	(+) 36.16	--	2.00	(+)71.72	314.79	55.38	17.59	4	Under merger
	Sector wise total	--	--	--	--	**(+) 78.83**	--	**1198.49**	**(+) 74.43** **(-) 1123.26**	**(+) 4743.03**	**(+) 292.59**	--	--	--

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
	MINING													
49.	Uttar Pradesh State Mineral Development Corporation Limited	Industrial Development	23.03.1974	1994-95	1997-98	(-) 108.44	--	5640.48	(-) 209.27	3018.69	(-) 106.60	-	4	Working company
50.	Vindhyachal Abrasives Limited (Subsidiary of Uttar Pradesh State Mineral Development Corporation Limited)	Industrial Development	05.12.1985	1987-88	1995-96	(-) 11.78	--	270.00	(-) 76.93	0.79	(-) 10.86	-	11	Non working – Others
	Sector wise total	--	--	--	--	**(-) 120.22**	--	**5910.48**	**(-) 286.20**	**(+) 3019.48**	**(-) 117.46**	--	--	--
	CONSTRUCTION													
51.	Uttar Pradesh State Bridge Corporation Limited	Public Works	18.10.1972	1997-98	1998-99	(+) 264.21	--	1000.00	(+) 744.24	2191.20	264.21	12.05	1	Working Company
52.	Uttar Pradesh Rajkiya Nirman Nigam Limited	Public Works	01.05.1975	1997-98	1998-99	(+) 64.97	(+) 249.47	100.00	(+)1132.35	1469.81	72.59	4.94	1	Working Company
53.	Uttar Pradesh Police Avas Nigam Limited	Home	27.03.1987	1997-98	1998-99	(+) 132.34	--	300.00	(+)386.52	697.96	132.34	18.96	1	Working Company
	Sector wise total	--	--	--	--	**(+) 461.52**	**(+) 249.47**	**1400.00**	**(+) 2263.11**	**(+) 4358.97**	**(+) 469.14**	--	--	--
	AREA DEVELOPMENT													
54.	Kumaon Mandal Vikas Nigam Limited	Uttranchal Development	30.03.1971	1995-96	1998-99	(-) 14.80	(-) 106.59	836.61	(-) 257.68	994.71	29.00	2.92	3	Working company
55.	Uttar Pradesh Bundelkhand Vikas Nigam Limited	Bhumi Vikas and Jal Sansadhan	30.03.1971	1991-92	1997-98	(-) 8.72	--	123.30	(-) 134.50	(-) 0.98	(-) 8.71	-	7	Non working – Other

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
56.	Uttar Pradesh Poorvanchal Vikas Nigam Limited	Bhumi Vikas and Jal Sansadhan	30.03.1971	1987-88	1994-95	(-) 13.64	--	114.80	(-) 107.90	19.02	(-) 13.64	-	11	Non working – Others
57.	Bundelkhand Concrete Structurals Limited (Subsidiary of Uttar Pradesh Bundelkhand Vikas Nigam Limited)	Bhumi Vikas and Jal Sansadhan	02.03.1974	1986-87	1993-94	(-) 0.01	--	2.40	(-) 0.65	4.45	(-) 0.01	-	12	Non working – Others
58.	Allahabad Mandal Vikas Nigam Limited	Bhumi Vikas and Jal Sansadhan	31.01.1976	1983-84	1992-93	(-) 11.42	--	67.00	(-) 11.42	39.52	(-) 3.97	--	15	Non working – Others
59.	Bareilly Mandal Vikas Nigam Limited	Bhumi Vikas and Jal Sansadhan	31.01.1976	1984-85	1994-95	(-) 69.26	--	125.00	(-) 90.00	449.13	(-) 56.84	--	14	Non working – Others
60.	Lucknow Mandaliya Vikas Nigam Limited	Bhumi Vikas and Jal Sansadhan	31.01.1976	1981-82	1992-93	(+) 0.44	--	50.00	(+) 1.49	60.57	0.52	0.86	17	Non working – Other
61.	Agra Mandal Vikas Nigam Limited	Bhumi Vikas and Jal Sansadhan	31.03.1976	1986-87	1989-90	(+) 11.24	(+) 2.51	100.00	(-) 33.13	132.02	12.48	9.45	12	Non working – Others
62.	Gorakhpur Mandal Vikas Nigam Limited	Bhumi Vikas and Jal Sansadhan	31.03.1976	1985-86	1995-96	(+) 2.36	--	122.03	(-) 118.16	61.31	2.36	3.85	13	Non working – Others
63.	Garhwal Mandal Vikas Nigam Limited	Uttranchal Development	31.03.1976	1992-93	1996-97	(+) 88.50	--	451.50	90.30	2769.60	110.62	3.99	6	Working Company
64.	Meerut Mandal Vikas Nigam Limited	Bhumi Vikas and Jal Sansadhan	31.03.1976	1993-94	1996-97	(-) 10.48	--	100.00	(-) 76.95	29.25	(-) 10.48	--	5	Non working – Others

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
65.	Varanasi Mandal Vikas Nigam Limited	Bhumi Vikas and Jal Sansadhan	31.03.1976	1987-88	1993-94	(-) 2.71	--	70.00	(-) 26.38	88.29	(-) 2.71	--	11	Non working – Others
66.	Moradabad Mandal Vikas Nigam Limited	Bhumi Vikas and Jal Sansadhan	30.03.1978	1987-88	1996-97	(-) 15.30	--	25.00	(-) 10.57	80.51	(-) 4.64	--	11	Non working – Others
67.	Gandak Samadesh Kshetriya Vikas Nigam Limited	Bhumi Vikas and Jal Sansadhan	15.03.1975	1976-77	--	(+) 0.28	--	46.00	--	46.27	0.28	0.61	Nil	Under liquidation from 07.06.77
	Sector wise total	--	--	--	--	**(+) 102.82** **(-) 146.34**	**(+) 2.51** **(-) 106.59**	**2233.64**	**(+) 91.79** **(-) 867.34**	**(+) 4774.65** **(-) 0.98**	**(+) 155.26** **(-) 101.00**	--	--	--
	DEVELOPMENT OF ECONOMICALLY WEAKER SECTION													
68.	Uttar Pradesh Scheduled Castes Finance and Development Corporation Limited	Samaj Kalyan	25.03.1975	1992-93	1997-98	(+) 171.39	--	3663.88	(+) 605.78	4666.97	172.96	3.71	6	Working Company
69.	Garhwal Anusuchit Janjati Vikas Nigam Limited (Subsidiary of Garhwal Mandal Vikas Nigam Limited)	Uttranchal Development	30.06.1975	1987-88	1992-93	(-) 9.19	--	50.00	(-) 41.94	20.48	(-) 8.93	--	11	Working company
70.	Kumaon Anusuchit Janjati Vikas Nigam Limited (Subsidiary of Kumaon Mandal Vikas Nigam Limited)	Uttranchal Development	30.06.1975	1985-86	1998-99	(-) 2.01	--	36.00	(-) 2.85	34.64	(-) 2.01	--	13	Working company

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
71.	Tarai Anusuchit Janjati Vikas Nigam Limited	Samaj Kalyan	02.08.1975	1982-83	1990-91	(-) 4.00	--	45.00	(+) 0.45	70.44	(-) 4.00	--	16	Non working – Others
72.	Uttar Pradesh Samaj Kalyan Nirman Nigam Limited	Samaj Kalyan	25.06.1976	1997-98	1998-99	(-) 107.97	--	15.00	(+) 550.34	931.34	(-) 107.33	--	1	Working Company
73.	Uttar Pradesh Pichhara Varg Vitta Evam Vikas Nigam Limited (Formerly Uttar Pradesh Pichhari Jati Vitta Evam Viaks Nigam Limited)	Pichhara Varg Kalyan	26.04.1991	1994-95	1996-97	(-) 10.54	--	100.00	(-) 20.89	1380.12	(-) 7.79	--	4	Working company
	Sector wise total	--	--	--	--	**(+) 171.39** **(-) 133.71**	--	**3909.88**	**(+) 1156.57** **(-) 65.68**	**(+) 7103.99**	**(+) 172.96** **(-) 130.06**	--	--	--
	PUBLIC DISTRIBUTION													
74.	Uttar Pradesh State Food and Essential Commodities Corporation Limited	Food and Civil Supplies	22.10.1974	1985-86	1995-96	(+) 34.71	--	50.00	(+) 95.11	524.11	120.97	23.08	13	Working company
	Sector wise total	--	--	--	--	**(+) 34.71**	--	**50.00**	**(+) 95.11**	**(+) 524.11**	**(+) 120.97**	--	--	--
	SUGAR													
75.	Uttar Pradesh State Sugar Corporation Limited	Sugar and Cane Development	26.03.1971	1994-95	1997-98	(-) 4189.46	(-) 52.40	46740.12	(-) 56265.94	46804.44	1511.52	3.23	4	Working company

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
76.	Kichha Sugar Company Limited (Subsidiary of Uttar Pradesh State Sugar Corporation Limited)	Sugar and Cane Development	17.02.1972	1997-98	1998-99	(+) 33.03	--	1698.64	(-) 724.02	4526.38	504.90	11.15	1	Working company
77.	Chhata Sugar Company Limited (Subsidiary of Uttar Pradesh State Sugar Corporation Limited)	Sugar and Cane Development	18.04.1975	1996-97	1998-99	(-) 636.26	--	1224.52	(-) 3042.36	1715.44	(-) 261.20	--	2	Working company
78.	Nandganj Sihori Sugar Company Limited (Subsidiary of Uttar Pradesh State Sugar Corporation Limited)	Sugar and Cane Development	18.04.1975	1995-96	1998-99	(-) 759.71	(+) 6.05	3404.05	(-) 6659.56	(-) 136.44	(-) 426.34	--	3	Working company
79.	Ghatampur Sugar Company Limited (Subsidiary of Uttar Pradesh State Sugar Corporation Limited)	Sugar and Cane Development	30.05.1986	1996-97	1998-99	(-) 541.67	--	894.86	(-) 2843.15	85.44	(-) 247.69	--	2	Working company
	Sector wise total	--	--	--	--	**(+) 33.03** **(-) 6127.10**	**(+) 6.05** **(-) 52.40**	**53962.19**	**(-) 69535.03**	**(+) 53131.70** **(-) 136.44**	**(+) 2016.42** **(-) 935.23**	--	--	--
	CEMENT													
80.	Uttar Pradesh State Cement Corporation Limited	Industrial Development	29.03.1972	1995-96	1996-97	(-) 4775.52	--	6828.00	(-) 42599.38	(-) 23980.30	(-) 2291.33	--	3	Working company
	Sector wise total	--	--	--	--	**(-) 4775.52**	--	**6828.00**	**(-)42599.38**	**(-) 23980.30**	**(-) 2291.33**	--	--	--

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
	TOURISM													
81.	Uttar Pradesh State Tourism Development Corporation Limited	Tourism	05.08.1974	1997-98	1998-99	(+)20.51	(+) 23.42	1512.53	(-) 165.61	1405.20	22.20	1.58	1	Working company
	Sector wise total	--	--	--	--	**(+) 20.51**	**(+) 23.42**	**1512.53**	**(-) 165.61**	**(+) 1405.20**	**(+) 22.20**	--	--	--
	DRUGS, CHEMICALS AND PHARMACEUTI-CALS													
82.	The Indian Turpentine and Rosin Company Limited	Industrial Development	22.02.1924	1998-99	1998-99	(-) 417.45	--	22.02	(-) 2139.28	(-) 1859.51	(-) 405.02	--	Nil	Working company
83.	Uttar Pradesh Carbon and Chemicals Limited (Subsidiary of Uttar Pradesh State Industrial Development Corporation Limited)	Industrial Development	12.01.1982	*									10	Non working – Others
84.	Uttar Pradesh Carbide and Chemicals Limited (Subsidiary of Uttar Pradesh State Mineral Development Corporation Ltd.)	Industrial Development	23.04.1979	1992-93	--	(-) 617.54	--	658.73	(-) 3531.51	(-) 1844.86	(-) 50.57	--	1	Under liquidation from 19.02.94
	Sector wise total	--	--	--	--	**(-) 1034.99**	--	**680.75**	**(-) 5670.79**	**(-) 3704.37**	**(-) 455.59**	--	--	--

* Accounts not finalised since becoming a Government Company (23 February 1989).

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
	POWER													
85.	Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited	Energy	22.08.1980	1997-98	1998-99	(-) 6.93	--	100.00	(-) 10901.77	14383.06	(-) 6.93	--	1	Working company
86.	Uttar Pradesh Jal Vidyut Nigam Limited	Energy	15.04.1985	1997-98	1998-99	(+) 262.11	--	70.00	(+) 518.15	9192.60	262.11	2.85	1	Working company
	Sector wise total	--	--	--	--	**(+) 262.11 (-) 6.93**	--	**170.00**	**(+) 518.15 (-) 10901.77**	**(+) 23575.66**	**(+) 262.11 (-) 6.93**	--	--	--
	FINANCING													
87.	Uttar Pradesh State Industrial Development Corporation Limited	Industrial Development	29.03.1961	1997-98	1998-99	(+) 614.61	--	2407.51	(+) 892.35	8554.70	1249.00	14.60	1	Working company
88.	The Pradshiya Industrial and Investment Corporation of Uttar Pradesh Limited	Industrial Development	29.03.1972	1997-98	1998-99	(-) 3794.18	(-) 146.62	11057.50	(-) 5931.13	70196.37	5321.16	7.58	1	Working company
89.	Uttar Pradesh Panchayati Raj Vitta Evam Vikas Nigam Limited	Panchayati Raj	24.04.1973	1989-90	1996-97	(-) 3.42	--	132.46	(+) 3.06	143.07	(-) 3.42	--	9	Working company
90.	Uttar Pradesh Alpsankhyak Vittya Avam Vikas Nigam Limited	Alp Sankhyak Kalyan and Waqf	17.11.1984	1989-90	1995-96	(+) 7.20	--	327.50	(-) 4.32	389.17	11.64	2.99	9	Working company

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
	MISCELLANEOUS													
92.	Uttar Pradesh Export Corporation Limited	Niryat Protsahan / Lagu Udyog	20.01.1966	1995-96	1997-98	(-) 68.69	(-) 31.35	674.27	(-) 687.35	215.49	(-) 43.17	--	3	Working company
93.	Uttar Pradesh Chalchitra Nigam Limited	Tax and Institutional Finance	10.09.1975	1996-97	1998-99	(+) 52.73	--	818.42	(-) 872.22	228.56	99.99	43.75	2	Non working – Others
94.	Uttar Pradesh Development Systems Corporation Limited	Planning	15.03.1977	1996-97	1998-99	(-) 16.81	--	100.00	(-) 34.46	65.54	(-) 16.81	--	2	Working company
95.	Uttar Pradesh Waqf Vikas Nigam Limited	Alp Sankhyak Kalyan and Waqf	27.04.1987	1991-92	1997-98	(+) 0.57	--	150.00	(+) 0.55	121.03	0.57	0.47	7	Working company
96.	Uttar Pradesh Mahila Kalyan Nigam Limited	Mahila Kalyan and Baal Vikas	17.03.1988	1996-97	1998-99	(-) 14.51	--	25.00	(-) 32.97	188.05	(-) 14.51	--	2	Working company
97.	Uttar Pradesh Bhutpurva Sainik Kalyan Nigam Limited	Samaj Kalyan	23.05.1989	1995-96	1998-99	(+) 144.68	--	42.54	(+) 174.42	216.26	144.68	66.90	3	Working company
	Sector wise total	--	--	--	--	**(+) 197.98 (-) 100.01**	**(-) 31.35**	**1810.23**	**(+) 174.97 (-) 1627.00**	**(+) 1034.93**	**(+) 245.24 (-) 74.49**	--	--	--
	Total (A-Government companies)	--	--	--	--	**(+) 4515.19 (-) 22324.01**	**(+) 285.61 (-) 344.35**	**148208.51**	**(+) 5350.08 (-) 212446.69**	**(+) 236238.17 (-) 30168.63**	**(+) 15891.00 (-) 6247.80**	--	--	--

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
B	**Statutory Corporations**													
	Power													
1.	Uttar Pradesh State Electricity Board	Energy	01.04.1959	1998-99	1999-2000	(+)41064.00	(-) 221361.86	--	-	661521.00	193962.00	29.32	--	Working
	Sector wise total	--	--	--	--	**(+)41064.00**	**(-)221361.86**	--	--	**661521.00**	**193962.00**	--	--	--
	Transport													
2.	Uttar Pradesh State Road Transport Corporation	Transport	01.06.1972	1997-98	1998-99	(-) 4506.00	(-) 591.88	32157.24	(-) 48239.51	(-) 6997.00	(-) 2982.00	--	1	Working
	Sector wise total	--	--	--	--	**(-) 4506.00**	**(-) 591.88**	**32157.24**	**(-) 48239.51**	**(-) 6997.00**	**(-) 2982.00**	--	--	--
	Financing													
3.	Uttar Pradesh Financial Corporation	Industrial Develop-ment	01.11.1954	1997-98	1998-99	(-) 2469.29	--	10000.00	(-) 77752.50	152779.00	11473.00	7.51	1	Working
	Sector wise total	--	--	--	--	**(-) 2469.29**	--	**10000.00**	**(-) 77752.50**	**152779.00**	**11473.00**	--	--	--
	Agriculture and Allied													
4.	Uttar Pradesh State Warehousing Corporation	Co-operative	19.03.1958	1998-99	1998-99	(+)374.00	--	1277.20	(+)886.92	4314.00	910.00	21.09	--	Working
	Sector wise total	--	--	--	--	**(+)374.00**	--	**1277.20**	**(+)886.92**	**4314.00**	**910.00**	--	--	--

β Accounts for 1998-99 are under audit.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
	Forest													
5.	Uttar Pradesh Forest Corporation	Forest	25.11.1974	1997-98	1998-99	(+)3579.90	--	--	(+)32314.98	33030.00	3580.00	10.84	1	Working
	Sector wise total	--	--	--	--	**(+)3579.90**	--	--	**(+)32314.98**	**33030.00**	**3580.00**	--	--	--
	Miscellaneous													
6.	Uttar Pradesh Avas Evam Vikas Parishad	Housing	06.04.1966	1994-95	1998-99	(+)84.00	-	-	(+)2728.54	28619.00	2512.00	8.78	3	Working
7.	Uttar Pradesh Jal Nigam	Urban Develop-ment	06.06.1975	1997-98	1998-99	(-) 110.95	--	--	(-) 16021.87	333252.00	1957.00	0.59	1	Working
8.	Uttar Pradesh State Employees Welfare Corporation**	Food & Civil Supplies	05.05.1965	--	--	--	--	--	--	--	--	--	--	--
	Sector wise total	--	--	--	--	**(+) 84.00** **(-) 110.95**	--	--	**(+) 2728.54** **(-) 16021.87**	**361871.00**	**4469.00**	--	--	--
	Total – B (Statutory Corporations)	--	--	--	--	**(+)45101.90** **(-)7086.24**	**(-)221953.74**	**43434.44**	**(+)35930.44** **(-)142013.88**	**(+)1213515.00** **(-)6997.00**	**(+)214394.00** **(-)2982.00**	--	--	--
	Grand Total (A+B)	--	--	--	--	**(+)49617.09** **(-)29410.25**	**(+)285.61** **(-)222298.09**	**191642.95**	**(+)41280.52** **(-)354460.57**	**(+)1449753.17** **(-)37165.63**	**(+)230285.00** **(-)9229.80**	--	--	--

** Audit was entrusted during 1997-98. The accounts have not been submitted so far.

Annexure-3

(Referred to in paragraph No. 1.4)

Statement showing subsidy received, guarantees received, waiver of dues, loans on which moratorium allowed and loans converted into equity during the year and subsidy receivable and guarantees outstanding at the end of March 1999.

(Figures in columns 3(a) to 7 are in Rupees in lakh)

Sl No	Name of the Public Sector Undertaking	Subsidy received during the year *				Guarantees received during the year and outstanding at the end of the year **					Waiver of dues during the year				Loans on which moratorium allowed	Loans converted into equity during the year
		Central Government	State Government	Others	Total	Cash credit from banks	Loans from other sources	Letters of credit opened by banks in respect of imports	Payment obligation under agreement with foreign consultants or contractors	Total	Loans repayment written off	Interest waived	Penal interest waived	Total		
(1)	(2)	3(a)	3(b)	3(c)	3(d)	4(a)	4(b)	4(c)	4(d)	4(e)	5(a)	5(b)	5(c)	5(d)	(6)	(7)
A. Government Companies																
1.	Uttar Pradesh (Rohelkhand-Tarai) Ganna Beej Evam Vikas Nigam Limited	--	--	--	--	2000.00 (2000.00)	--	--	--	2000.00 (2000.00)	--	--	--	--	--	--

* Subsidy receivable at the end of year is shown in brackets.

** Figures in bracket indicate guarantees outstanding at the end of the year.

(1)	(2)	3(a)	3(b)	3(c)	3(d)	4(a)	4(b)	4(c)	4(d)	4(e)	5(a)	5(b)	5(c)	5(d)	(6)	(7)
A. Government Companies																
1.	Uttar Pradesh (Rohelkhand-Tarai) Ganna Beej Evam Vikas Nigam Limited	--	--	--	--	2000.00 (2000.00)	--	--	--	2000.00 (2000.00)	--	--	--	--	--	--
2.	Uttar Pradesh (Pashchim) Ganna Beej Evem Vikas Nigam Limited	--	--	--	--	1800.00 (1800.00)	--	--	--	1800.00 (1800.00)	--	--	--	--	--	--
3.	Uttar Pradesh (Poorva) Ganna Beej Evam Vikas Nigam Limited	--	--	--	--	298.00 (298.00)	--	--	--	298.00 (298.00)	--	--	--	--	--	--
4.	Uttar Pradesh (Madhya) Ganna Beej Evam Vikas Nigam Limited	--	--	--	--	600.00 (600.00)	--	--	--	600.00 (600.00)	--	--	--	--	--	--
5.	Uttar Pradesh Horticultural Produce Marketing and Processing Corporation Limited	--	--	--	--	--	-- (55.51)	--	--	-- (55.51)	--	--	--	--	--	--
6.	Uttar Pradesh State Leather Development and Marketing Corporation Limited	--	--	--	--	75.00 (75.00)	--	--	--	75.00 (75.00)	--	--	--	--	--	--
7.	Uttar Pradesh State Textile Corporation Limited	--	--	--	--	2170.00 (2170.00)	--	--	--	2170.00 (2170.00)	--	--	--	--	--	4653.00

(1)	(2)	3(a)	3(b)	3(c)	3(d)	4(a)	4(b)	4(c)	4(d)	4(e)	5(a)	5(b)	5(c)	5(d)	(6)	(7)
8.	Uttar Pradesh State Spinning Company Limited (Subsidiary of Uttar Pradesh State Textile Corporation Ltd.)	--	--	--	--	1030.00 (1030.00)	--	--	--	1030.00 (1030.00)	--	--	--	--	--	--
9.	Uttar Pradesh State Handloom Corporation Limited	--	--	--	--	1140.00 (1140.00)	--	--	--	1140.00 (1140.00)	--	--	--	--	--	--
10.	Kumaon Mandal Vikas Nigam Limited	--	--	--	--	--	(25.50)	--	--	(25.50)	--	--	--	--	--	--
11.	Uttar Pradesh Scheduled Castes Finance and Development Corporation Limited	--	7062.23 (--)	--	7062.23 (--)	--	3012.50 (5446.57)	--	--	3012.50 (5446.57)	--	--	--	--	--	--
12.	Garhwal Anusuchit Janjati Vikas Nigam Limited (Subsidiary of Garhwal Mandal Vikas Nigam Ltd)	-- (31.12)	-- (10.12)		-- (41.24)	--	--	--	--	--	--	--	--	--	--	--
13.	Uttar Pradesh Samaj Kalyan Nigam Limited	--	--	--	--	--	-- (37.83)	--	--	-- (37.83)	--	--	--	--	--	--
14.	Uttar Pradesh Pichhara Varg Vitta Evam Vikas Nigam Limited (Formerly Uttar Pradesh Pichhari Jati Vitta Evam Vikas Nigam Limited)	--	--	--	--	--	-- (2265.04)	--	--	-- (2265.04)	--	--	--	--	--	--

(1)	(2)	3(a)	3(b)	3(c)	3(d)	4(a)	4(b)	4(c)	4(d)	4(e)	5(a)	5(b)	5(c)	5(d)	(6)	(7)
15.	Uttar Pradesh Food and Essential Commodities Corporation Limited	--	--	--	--	1000.00 (-)	750.00 (-)	--	--	1750.00 (-)	--	--	--	--	--	--
16.	Uttar Pradesh State Sugar Corporation Limited	--	--	--	--	63528.00 (63528.00)	-- (11767.31)	--	--	63528.00 (75295.31)	--	--	--	--	--	--
17.	Kichha Sugar Company Limited (Subsidiary of Uttar Pradesh State Sugar Corporation Limited)	--	--	--	--	4760.00 (3050.78)	--	--	--	4760.00 (3050.78)	--	--	--	--	--	--
18.	The Indian Turpentine and Rosin Company Limited	--	--	--	--	--	--	--	-- (188.00)	-- (188.00)	--	--	--	--	--	--
19.	Uttar Pradesh Jal Vidyut Nigam Limited	--	1000.00 (--)	--	1000.00 (--)	--	--	--	--	--	--	--	--	--	--	--
20.	Uttar Pradesh State Industrial Development Corporation Limited	--	-- (175.00)	--	-- (175.00)	--	-- (1265.00)	--	--	-- (1265.00)	--	--	--	--	--	--
21.	Uttar Pradesh Alpsankhyak Vittya Evam Vikas Ngam Limited	--	--	--	--	--	-- (174.40)	--	--	-- (174.40)	--	--	--	--	--	--
	Total – A	**--** **(31.12)**	**8062.23** **(185.12)**	**--**	**8062.23** **(216.24)**	**78401.00** **(75691.78)**	**3762.50** **(21037.16)**	**--**	**--** **(188.00)**	**82163.50** **(96916.94)**	**--**	**--**	**--**	**--**	**--**	**4653.00**

(1)	(2)	3(a)	3(b)	3(c)	3(d)	4(a)	4(b)	4(c)	4(d)	4(e)	5(a)	5(b)	5(c)	5(d)	(6)	(7)
B Statutory Corporations																
1.	U.P. State Electricity Board	--	13392.00 (1128798.00)	--	13392.00 (1128798.00)	1300.00 (1300.00)	(50135.00)*	13600.00 (13600.00)	--	14900.00 (65035.00)	--	--	--	--	--	--
2.	U.P. State Road Transport Corporation	--	--	--	--	--	4500.10 (5369.54)	-- (--)	-- (--)	4500.10 (5369.54)	--	--	--	--	--	500.00
3.	U.P. Financial Corporation	112.95	77.85	--	190.80	--	99943.50 (79523.50)	--	--	99943.50 (79523.50)	--	--	--	--	--	--
4.	U.P. State Warehousing Corporation	--	30.00	--	30.00	--	--	--	--	--	--	--	--	--	--	--
5.	U.P. Avas Evam Vikas Perished	--	--	--	--	--	--	-- (3814.60)	--	-- (3814.60)	--	--	--	--	--	--
6.	U.P. State Employees Welfare Corporation	--	193.20	--	193.20	200.00 (214.25)	--	--	--	200.00 (214.25)	--	--	--	--	--	--
	Total (B)	**112.95**	**13693.05 (1128798.00)**	**--**	**13806.00 (1128798.00)**	**1500.00 (1514.25)**	**104443.60 (135028.04)**	**13600.00 (17414.60)**	**--**	**119543.60 (153956.89)**	**--**	**--**	**--**	**--**	**--**	**500.00**
	Grand Total (A)+(B)	**112.95 (31.12)**	**21755.28 (1128983.12)**	**-- (--)**	**21868.23 (1129014.24)**	**79901.00 (77206.03)**	**108206.10 (156065.20)**	**13600.00 (17414.60)**	**-- (188.00)**	**201707.10 (250873.83)**	**-- (--)**	**-- (--)**	**-- (--)**	**-- (--)**	**-- (--)**	**5153.00**

* 13.631 billion Japanese Yen.

Annexure–4

(Referred to in paragraph No. 1.2.2)

Statement showing financial position of Statutory Corporations

1. Uttar Pradesh State Electricity Board

(Rupees in crore)

Particulars	1996-97	1997-98	1998-99
A. Liabilities			
Equity capital	--	--	--
Loans from government	10447.56	11268.49	12277.37
Other long term loans (including bonds)	2579.56	2329.82	2901.38
Subvention and grants from Government and others	201.12	281.17	322.48
Reserves and surplus	1526.26	1992.77	2685.95
Current liabilities and provisions	10541.92	13287.18	14655.75
Total A	**25296.42**	**29159.43**	**32842.93**
B. Assets			
Gross fixed assets	14032.16	14784.42	15680.69
Less: Depreciation	3533.56	4231.56	4976.60
Less: Consumer contribution	781.24	867.67	988.95
Net fixed assets	9717.36	9685.19	9715.14
Capital works in progress	1939.14	2543.42	2775.79
Deferred cost	--	--	--
Current assets	5965.81	7474.16	8780.03
Subsidies receivable from Government	7404.40	9243.30	11266.38
Investments	269.23	212.00	304.05
Miscellaneous Expenditure	0.48	1.36	1.54
Accumulated deficit	--	--	--
Total B	**25296.42**	**29159.43**	**32842.93**
C. Capital employed *	**7080.39**	**6415.59**	**6615.21**

* Capital employed represents net fixed assets (including works-in-progress) plus working capital. While working out working capital the element of deferred cost and investments are excluded from current assets.

2. Uttar Pradesh State Road Transport Corporation

(Rupees in crore)

Particulars	1995-96	1996-97	1997-98 (Provisional)
A. Liabilities			
Capital (including capital loan and equity capital)	314.01	314.69	315.83
Borrowings : (Government)	--	--	--
(Others)	147.62	123.37	97.16
Funds*	0.29	0.30	0.31
Trade dues and other current liabilities (including provisions)	163.42	241.68	338.96
Total A	**625.34**	**680.04**	**752.26**
B. Assets			
Gross Block	498.95	510.75	557.34
Less: Depreciation	329.64	347.91	369.74
Net fixed assets	169.31	162.84	187.60
Capital work in progress (including cost of chassis)	3.29	2.57	2.83
Investment	1.30	0.75	0.87
Current Assets, Loans and Advances	63.14	76.55	78.56
Deferred cost	--	--	--
Accumulated Loss	388.30	437.33	482.40
Total B	**625.34**	**680.04**	**752.26**
C. Capital employed**	**72.32**	**0.28**	**(-) 69.97**

* Excluding depreciation funds.

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

3. Uttar Pradesh Financial Corporation

(Rupees in crore)

Particulars	1996-97	1997-98	1998-99
A. Liabilities			
Paid up capital	100.00	100.00	100.00
Share application money	--	--	--
Reserve fund and other reserves and surplus	20.85	20.72	20.60
Borrowings			
(i) Bonds and debentures	694.71	777.53	817.83
(ii) Fixed deposits	--	--	--
(iii) Industrial Development Bank of India and Small Industries Development Bank of India	500.65	536.99	511.85
(iv) Reserve Bank of India	17.25	17.35	--
(v) Loans in lieu of share capital			
(a) State Government	9.80	9.80	9.80
(b) Industrial Development Bank of India	8.80	8.80	8.80
(vi) Others (including State Government)	54.76	40.76	74.76
Other Liabilities and Provisions	157.50	249.08	300.22
Total A	**1564.32**	**1761.03**	**1843.86**
B. Assets			
Cash and Bank balances	73.67	66.20	83.28
Investments	2.73	24.24	35.85
Loans and Advances	1254.38	1310.81	1251.48
Net Fixed Assets	41.05	61.83	41.68
Other Assets	39.18	29.44	37.03
Misc. Expenditure	--	--	--
Profit and Loss Account	153.31	268.51	394.54
Total B	**1564.32**	**1761.03**	**1843.86**
C. Capital employed**	**1297.24**	**1459.38**	**1527.79**

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

4. Uttar Pradesh State Warehousing Corporation

(Rupees in crore)

Particulars	1996-97	1997-98	1998-99
A. Liabilities			
Paid up capital	11.17	11.37	12.77
Reserves and surplus	12.44	21.67	28.34
Subsidy	--	--	0.30
Borrowings: Government	--	--	--
Others	2.57	1.82	1.73
Trade Dues and Current Liabilities (including provisions)	12.04	14.16	16.62
Total A	**38.22**	**49.02**	**59.76**
B. Assets			
Gross Block	39.39	39.56	41.82
Less Deprecation	14.72	9.76	10.22
Net Fixed Assets	24.67	29.80	31.60
Capital Work in progress	0.77	1.38	0.77
Current Assets, Loans and Advances	12.78	17.84	27.39
Accumulated loss	--	--	--
Total B	**38.22**	**49.02**	**59.76**
C. Capital employed @	**26.18**	**34.86**	**43.14**

@ Capital employed represents the net fixed assets (including capital works-in-progress) plus working capital.

5. Uttar Pradesh Forest Corporation

(Rupees in crore)

Particulars	1995-96	1996-97	1997-98
A. Liabilities			
Reserve and Surplus	242.71	287.35	323.14
Borrowings	7.00	7.00	7.00
Current Liabilities (including provisions)	97.40	73.51	103.85
Other Liabilities	0.16	0.16	0.16
Total A	**347.27**	**368.02**	**434.15**
B. Assets			
Net Fixed Assets	11.37	10.92	10.31
Current Assets, Loans and Advances	333.15	357.10	423.84
Accumulated loss	2.75	-	-
Total B	**347.27**	**368.02**	**434.15**
C. Capital employed @	**247.12**	**294.51**	**330.30**

@ Capital employed represents the net fixed assets (including capital works-in-progress) plus working capital.

6. Uttar Pradesh Avas Evam Vikas Parishad

(Rupees in crore)

Particulars	1992-93	1993-94	1994-95
A. Liabilities			
Surplus	25.85	26.45	27.29
Borrowings	289.54	248.32	249.78
Deposits	29.36	32.35	38.90
Current Liabilities (including Registration Fee)	186.41	221.19	218.13
Total A	**531.16**	**528.31**	**534.10**
B. Assets			
(i) Net Fixed Assets	1.08	1.04	1.06
(ii) Investments	12.17	7.66	29.78
(iii) Current Assets Loans and Advances	517.91	519.61	503.26
Total B	**531.16**	**528.31**	**534.10**
C. Capital employed @	**332.58**	**229.46**	**286.19**

@ Capital employed represents the net fixed assets (including capital works-in-progress) plus working capital.

7. Uttar Pradesh Jal Nigam

(Rupees in crore)

Particulars	1995-96	1996-97	1997-98 (Provisional)
A. Liabilities			
Borrowings	255.52	273.24	286.96
Grants from Government	1807.42	2127.72	2495.85
Deposits	755.48	808.55	878.29
Current Liabilities	125.80	148.53	158.22
Centage on material consumed	21.42	23.88	29.08
Pension and Gratuity	6.00	6.00	6.00
Unclassified Reserve	20.51	20.51	20.48
Total A	**2992.15**	**3408.43**	**3874.88**
B. Assets			
Gross Block	370.16	450.17	591.28
Less Depreciation	4.32	4.67	5.04
Net Fixed Assets	365.84	445.50	586.24
Investments	172.30	166.06	223.93
Current Assets	2146.36	2436.87	2904.50
Divisional Surplus	267.51	307.64	159.10
Deficit	40.14	52.36	1.11
Total B	**2992.15**	**3408.43**	**3874.88**
C. Capital employed @	**2386.40**	**2733.84**	**3332.52**

@ Capital employed represents the net fixed assets (including capital works-in-progress) plus working capital.

Annexure–5

(Referred to in paragraph No. 1.2.2 & 1.6)

Statement showing working results of Statutory Corporations

1. Uttar Pradesh State Electricity Board

(Rupees in crore)

Particulars	1996-97	1997-98	1998-99
1.(a) Revenue Receipts	4250.96	5087.98	5634.78
(b) Subsidy/Subvention from Government	1556.77	1839.61	2157.55
Total	**5807.73**	**6927.59**	**7792.33**
2. Revenue expenditure (net of expenses capitalised) including write off of intangible assets but excluding depreciation and interest	3785.17	4467.70	4791.57
3. Gross surplus (+)/deficit (-) for the year (1-2)	2022.56	2459.89	3000.76
4. Adjustments relating to previous years	346.56	191.63	(-) 258.29
5. Final gross surplus (+)/deficit (-) for the year (3+4)	2369.12	2651.52	2742.47
6. Appropriations:			
(a) Depreciation (less capitalised)	736.67	758.33	802.85
(b) Interest on Government loans	1036.16	1166.01	1244.27
(c) Interest on others, bonds, advances etc. and finance charges	624.84	722.50	566.02
(d) Total interest on loans and finance charges (b+c)	1661.00	1888.51	1810.29
(e) Less: Interest capitalised	199.34	286.96	281.31
(f) Net interest charged to revenue (d-e)	1461.66	1601.55	1528.98
(g) Total appropriations (a+f)	2198.33	2359.88	2331.83
7. Surplus (+)/deficit (-) before accounting for subsidy from State Government {5-6(g)-1(b)}	(-) 1385.98	(-) 1547.97	(-) 1746.91
8. Net surplus (+)/deficit (-) {5-6(g)}	170.79	291.64	410.64
9. Total return on capital employed*	1632.45	1893.19	1939.62
10. Percentage of return on capital employed	23.06	29.51	29.32

* Total return on capital employed represents net surplus/deficit plus total interest charged to profit and loss account (less interest capitalised).

2. Uttar Pradesh State Road Transport Corporation

(Rupees in crore)

Particulars	1995-96	1996-97	1997-98 (Provisional)
Operating			
(a) Revenue	490.79	526.67	584.17
(b) Expenditure	525.14	564.85	629.56
(c) Surplus (+)/Deficit (-)	(-) 34.35	(-) 38.18	(-) 45.39
Non operating			
(a) Revenue	15.12	13.95	15.57
(b) Expenditure	22.64	23.90	15.16
(c) Surplus (+)/Deficit (-)	(-) 7.52	(-) 9.95	(+) 0.41
Total			
(a) Revenue	505.91	540.62	599.74
(b) Expenditure	547.78	588.75	644.72
(c) Net Profit (+)/Loss (-)	(-) 41.87	(-) 48.13	(-) 44.98
Interest on capital and loans	22.64	23.90	15.16
Total return on capital employed	(-) 19.23	(-) 24.23	(-) 29.82
Percentage of total return on capital employed	--	--	--

3. Uttar Pradesh Financial Corporation

(Rupees in crore)

Particulars	1996-97	1997-98	1998-99
1 Income			
(a) Interest on loans	163.30	151.42	142.35
(b) Other Income	16.55	23.65	12.68
Total 1	**179.85**	**175.07**	**155.03**
2 Expenses			
(a) Interest on long term and short term loans	151.21	178.72	190.76
(b) Provision for non performing assets	--	142.02	90.51
(c) Other Expenses	42.90	21.04	40.30
Total 2	**194.11**	**341.78**	**321.57**

(Rupees in crore)

Particulars	1996-97	1997-98	1998-99
3. Profit (+)/Loss (-) before tax (1-2)	(-) 14.26	(-) 166.71	(-) 166.54
4. Prior period adjustment	--	--	--
5. Provision for tax	--	--	--
6. Profit (+)/Loss (-) after tax	(-) 14.26	(-) 166.71	(-) 166.54
7. Other appropriations	--	--	--
8. Amount available for dividend	--	--	--
9. Dividend paid/payable	--	--	--
10. Total return on capital employed	136.95	12.01	24.22
11. Percentage of return on capital employed	10.56	0.82	1.59

4. Uttar Pradesh State Warehousing Corporation

(Rupees in crore)

Particulars	1996-97	1997-98	1998-99
1 Income			
(a) Warehousing charges	15.51	17.65	61.34
(b) Other income	5.04	6.51	0.28
Total 1	**20.55**	**24.16**	**61.62**
2 Expenses			
(a) Establishment charges	10.83	12.17	12.76
(b) Interest	0.27	0.28	0.26
(c) Other expenses	7.39	9.46	39.76
Total 2	**18.49**	**21.91**	**52.78**
3. Profit (+)/Loss (-) before tax	(+) 2.06	(+) 2.25	(+) 8.84
4. Provision for tax	--	--	--
5. Prior period adjustment	(-) 1.35	(+) 1.49	(-) 1.64
6. Other appropriations	--	--	--
7. Amount available for dividend	0.71	3.74	7.20
8. Dividend paid/payable	0.21	0.21	0.31
9. Total return on capital employed	2.33	2.53	9.10
10. Percentage of return on capital employed	8.90	7.26	21.09

5. Uttar Pradesh Forest Corporation

(Rupees in crore)

Particulars	1995-96	1996-97	1997-98
1 Income			
Sales	179.31	178.37	128.12
Other Income	21.44	30.89	29.09
Closing Stock	117.19	67.91	106.77
Total 1	**317.94**	**277.17**	**263.98**
2 Expenditure			
Purchases	72.35	37.92	73.84
Other Expenses	86.22	77.43	86.42
Opening Stock	122.30	117.19	67.92
Total 2	**280.87**	**232.54**	**228.18**
Net Profit	37.07	44.63	35.80
Total return on capital employed	37.07	44.63	35.80
Percentage of return on capital employed	15.00	15.15	10.84

6. Uttar Pradesh Avas Evam Vikas Parishad

(Rupees in crore)

Particulars	1992-93	1993-94	1994-95
1 Income			
(a) Income from property	48.09	59.03	47.71
(b) Other Income	11.16	12.38	10.57
Total 1	**59.25**	**71.41**	**58.28**
2 Expenditure			
(a) Establishment	15.42	16.95	19.14
(b) Interest	31.49	28.28	24.28
(c) Other expenses	11.47	25.58	14.02
Total 2	**58.38**	**70.81**	**57.44**
3. Excess of income over expenditure	0.87	0.60	0.84
4. Total return on capital employed	32.36	28.88	25.12
5. Percentage of return on capital employed	9.73	12.59	8.78

7. Uttar Pradesh Jal Nigam

(Rupees in crore)

Particulars	1995-96	1996-97	1997-98 (Provisional)
1 Income			
Centage	37.75	38.31	56.50
Survey and project fee	7.60	11.38	15.36
Interest	20.80	16.43	21.33
Grant	20.02	42.10	36.42
Others	9.76	10.89	51.01
Total 1	**95.93**	**119.11**	**180.62**
2 Expenditure			
Establishment charges	62.00	68.50	81.43
Expenditure on maintenance	39.48	62.16	66.46
Interest	20.91	26.15	20.68
Other expenses	13.28	14.30	12.80
Depreciation	0.39	0.36	0.36
Total 2	**136.06**	**171.47**	**181.73**
Deficit	(-) 40.13	(-) 52.36	(-) 1.11
Total return on capital employed	(-) 19.22	(-) 26.21	19.57
Percentage of return on capital employed	--	--	0.59

Annexure–6

(Referred to in paragraph No. 1.6.2.3)

Statement showing operational performance of Statutory corporations

1. Uttar Pradesh State Electricity Board

Particulars	1996-97	1997-98	1998-99
Installed capacity		(MW)	
(a) Thermal	4544.00	4544.00	4564.00
(b) Hydro	1504.75	1504.75	1501.44
(c) Gas	--	--	--
(d) Other	--	--	--
Total	**6048.75**	**6048.75**	**6065.44**
Normal maximum demand		(MKWH)	
Power generated:			
(a) Thermal	18423.00	18379.82	18742.00
(b) Hydro	5232.00	5427.78	6196.00
(c) Gas	--	--	--
(d) Other	--	--	--
Total	**23655.00**	**23807.60**	**24938.00**
Less: Auxiliary consumption (in MU)	1812.00	1897.00	1867.00
(a) Thermal	1796	1879	1848
(Percentage)	(9.75)	(10.22)	(9.86)
(b) Hydro	16	18	19
(Percentage)	(0.31)	(0.33)	(0.31)
(c) Gas	--	--	--
(Percentage)	(--)	(--)	(--)
(d) Other	--	--	--
(Percentage)	(--)	(--)	(--)
Total	**1812**	**1897**	**1867**
(Percentage)	(7.66)	(7.97)	(7.49)
Net power generated	21843.00	21910.60	23071.00
Power purchased	**14009.00**	**14540.00**	**15927.00**
(a) With in the State			
- Government:	--	33.00	25.00
- Private:	--	71.00	123.00
(b) Other States	--	--	--
(c) Central Grid	14009.00	14436.00	15779.00
Total power available for sale	35852.00	36450.60	38998.00
Power sold	**27041.00**	**27130.00**	**28524.00**

Particulars	1996-97	1997-98	1998-99
(a) With in the State	26592.00	26655.00	27990.00
(b) Outside the State	449.00	475.00	534.00
Transmission and distribution losses	8811.00	9320.60	10474.00
Load factor (percentage)	49.24	49.13	49.14
Percentage of transmission and distribution losses to total power available for sale	24.58	25.57	26.86
Number of villages/towns electrified	87079	87930	88641
Number of pump sets/wells energised	778689	790153	774024
Number of sub-stations*	NA	232	240
Transmission/distribution lines (CKT)			
(a) High/Medium voltage	233631	237302	242660
(b) Low voltage	224781	228119	232043
Connected Load (in MW)	13954.00	14499.00	15946.00
Number of consumers (in lakh)**	64.53	67.09	76.97
Number of employees***	96053	92732	87380
Consumer/Employees ratio	64:1	72:1	88:1
Total expenditure of staff during the year (Rupees in crore)	938.49	1082.96	1161.01
Percentage of expenditure on staff to total revenue expenditure	24.79	24.24	24.23
Units sold		**(MKWH)**	
(a) Agriculture	9800	9420	9982
(Percentage share to total units sold)	(36.3)	(34.7)	(35.0)
(b) Industrial	6290	6056	5901
(Percentage share to total units sold)	(23.3)	(22.3)	(20.7)
(c) Commercial	1902	1926	2024
(Percentage share to total units sold)	(7.0)	(7.1)	(7.1)
(d) Domestic	6555	7238	8079
(Percentage share to total units sold)	(24.2)	(26.7)	(28.3)
(e) Others	2494	2490	2538
(Percentage share to total units sold)	(9.2)	(9.2)	(8.9)
Total	**27041**	**27130**	**28524**
		(Paise per KWH)	
(a) Revenue (excluding subsidy from Government)	148	177	186
(b) Expenditure@	221	245	259
(c) Profit (+)/Loss (-)	(-) 73	(-) 68	(-) 73
(d) Average subsidy claimed from Government (in Rupees)	0.58	0.68	0.76
(e) Average interest charges (in Rupees)	0.54	0.59	0.54

* Indicates sub-stations of 132 KV, 220 KV and 400 KV.

** Indicates number of consumers at the close of the year.

*** Indicates number of employees at the beginning of the year.

@ Revenue expenditure includes depreciation but excludes interest on long term loan.

2. Uttar Pradesh State Road Transport Corporation

Particulars	1996-97	1997-98	1998-99
Average number of Vehicle held			
(a) Own buses	7570	7352	6859
(b) Hired buses	497	846	982
Average number of vehicles on the road	6432	6432	6177
Percentage of utilisation of vehicles	85	87	90
Number of employees	53539	52537	50552
Employee vehicle ratio	7.52	7.26	7.10
Number of routes operated at the end of year	2382	2305	2234
Route Kilometers	561772	503160	492505
Kilometers operated (in lakh)			
(a) Gross	6224	6726	7160
(b) Effective	6072	6560	6988
(c) Dead & Dept.	152	166	172
Percentage of dead Kms. to gross kilometers	2.44	2.47	2.40
Average kilometers covered per bus per day	206	218	243
Average operating revenue per kilometer (Paise)	890	914	949
Average expenditure per Km. (Paise)	970	983	974
Profit (+)/Loss (-) per Km. (Paise)	(-) 80	(-) 69	(-) 25
Number of operating depots	110	114	114
Average number of breakdowns per lakh kilometers	5.70	5.50	4.55
Average number of accidents per lakh kilometers	0.20	0.20	0.22
Passenger Kms operated (in crore)	62.24	67.26	71.60
Occupancy ratio	67	64	65
Kilometers obtained per litre of:			
(a) Diesel oil	4.53	4.56	4.60
(b) Engine oil	859	823	870

3. Uttar Pradesh Financial Corporation

(Rupees in crore)

Particulars	1996-97		1997-98		1998-99 (Provisional)	
	Number	Amount	Number	Amount	Number	Amount
Applications pending at the beginning of the year	261	110.46	175	68.43	111	28.79
Applications received	2982	994.11	2077	581.87	1078	302.80
Total	**3243**	**1104.57**	**2252**	**650.30**	**1189**	**331.59**
Applications sanctioned	2687	707.45	1741	360.26	560	106.18
Applications cancelled/withdrawn/rejected/ reduced	381	328.70	400	261.25	290	145.44
Applications pending at the close of the year	175	6843	111	28.78	339	79.97
Loans disbursed	1491	423.14	1300	268.89	637	129.39
Loan outstanding at the close of the year	20669	1254.38	21452	1310.81	--	--
Amount overdue for recovery at the close of the year						
(a) Principal	--	137.65	--	164.60	--	238.22
(b) Interest	--	370.52	--	377.04	--	498.89
Total	**--**	**508.17**	**--**	**541.64**	**--**	**737.11**
Amount involved in recovery certificate cases	--	146.18	--	280.03	--	--
Total	**--**	**146.18**	**--**	**280.03**	--	--
Percentage of overdue to the total loans outstanding	**--**	**40.51**	**--**	**41.32**	**--**	**--**

4. Uttar Pradesh State Warehousing Corporation

Particulars	1996-97	1997-98	1998-99
Number of stations covered	100	101	118
Storage capacity created up to the end of the year (tonne in lakh)			
(a) Owned	11.78	11.80	11.81
(b) Hired	1.17	1.09	1.72
Total	**12.95**	**12.89**	**13.53**
Average capacity utilised during the year (tonne in lakh)	10.40	10.58	11.91
Percentage of utilisation	80.31	82.08	88.03
Average revenue per tonne per year (Rupees)	195.50	227.06	517.38
Average expenses per tonne per year (Rupees)	177.78	207.09	443.16
Profit (+)/Loss(-) per tonne (Rupees)	(+) 17.72	(+) 19.97	(+) 74.22

5. Uttar Pradesh Forest Corporation

Particulars	1995-96	1996-97	1997-98
1. Timber including Sawn Timber (in lakh cubic meters)			
(a) Opening balance*	6.69	4.45	3.92
(b) Sales	4.35	3.40	1.87
(c) Losses/Shortages	0.01	--	--
(d) Departmental use and other disposal	0.01	0.03	0.02
(e) Closing balance	2.32	1.02	2.03
2. *Tendu* leaves (Standard bags in lakh)			
(a) Opening balance*	6.54	5.20	4.41
(b) Sales	5.17	4.09	4.19
(c) Losses/Shortages	0.03	--	--
(d) Closing balance	1.34	1.11	0.22

* Opening balance includes production during the year.

Particulars	1995-96	1996-97	1997-98
3. Bamboo (Scores in lakh)			
(a) Opening balance*	3.12	2.00	2.51
(b) Sales	2.20	1.47	0.90
(c) Losses/Shortages	--	--	--
(d) Closing balance	0.92	0.53	1.61
4. Agriculture Produce (Qtls. in lakh)			
(a) Opening balance*	0.48	0.40	0.38
(b) Sales	0.40	0.34	0.33
(c) Closing balance	0.08	0.06	0.05
5. Baile Grass (Qtls. in lakh)			
(a) Opening balance*	0.36	0.34	0.30
(b) Sales	0.34	0.32	0.15
(c) Closing balance	0.02	0.02	0.15
6. Jari-Buti (In lakh kg.)			
(a) Opening balance*	--	--	3.41
(b) Sales	--	--	0.28
(c) Closing balance	--	--	3.13

* Opening balance includes production during the year.

Annexure-7

(Referred to in paragraph 2.4)

Statement showing financial position of the company

(Rupees in crore)

		1993-94	1994-95	1995-96	1996-97	1997-98
I.	**Liabilities**					
(a)	Share capital	22.55	22.55	24.07	24.07	24.07
(b)	Reserves and surplus	12.61	12.60	12.27	22.23	26.62
(c)	Borrowings:					
(i)	Loans from Uttar Pradesh Government	37.10	42.07	44.51	47.82	52.32
(ii)	Others including debentures	4.75	2.02	1.21	15.48	25.54
(d)	Trade dues and others:					
(i)	Current Liabilities including provisions	163.95	179.03	198.93	253.21	295.43
(ii)	Funds made available by Uttar Pradesh Government for specific Government sponsored schemes	2.08	2.08	4.95	0.94	3.53
(iii)	Director of Industries (in PLA)	1.04	1.04	1.04	1.04	1.04
	Total	**244.08**	**261.39**	**286.98**	**364.79**	**428.55**
II.	**Assets**					
(a)	Gross block	14.77	23.94	25.64	26.33	26.24
	Less depreciation	3.97	4.77	6.20	7.63	8.80
(b)	Net block	10.80	19.17	19.44	18.70	17.44
(c)	Capital work in progress	5.23	1.33	0.94	1.40	3.32
(d)	Investments	9.30	8.75	8.72	24.39	12.23
(e)	Current assets, loans and advances	218.75	232.14	257.88	320.30	395.56
(f)	Miscellaneous expenses	---	---	---	---	---
	Total	**244.08**	**261.39**	**286.98**	**364.79**	**428.55**
III.	**Capital employed***	73.78	78.13	80.65	95.83	119.08
IV.	**Net worth****	35.16	35.15	36.34	46.30	50.69

* Capital employed represents mean of aggregate of opening and closing balances of (1) paid-up share capital, (ii) reserves and surplus other than those which have to be funded specifically and locked by investments from outside and (iii) debentures and borrowings.

** Net worth represents paid up capital plus reserves and surplus less intangible assets.

Annexure-8

(Referred to in paragraph 2.4)

Statement showing working results of the company

(Rupees in crore)

		1993-94	1994-95	1995-96	1996-97	1997-98
(i)	**Income**					
	Interest	9.52	10.90	14.98	22.13	32.80
	Dividend	0.44	0.63	0.36	0.12	0.05
	Other income	1.47	1.17	1.72	1.97	2.19
	Total	**11.43**	**12.70**	**17.06**	**24.22**	**35.04**
(ii)	**Expenditure**					
	Administrative, operating and other expenses	6.40	8.17	12.18	21.07	22.78
	Depreciation	0.91	0.80	1.48	1.51	1.40
	Interest	3.13	3.39	2.67	3.80	6.34
	Total	**10.44**	**12.36**	**16.33**	**26.38**	**30.52**
(iii)	Profit (+)/Loss (-) of the year	(+) 0.99	(+) 0.34	(+) 0.73	(-) 2.16	(+) 4.52
(iv)	Adjustment relating to previous years	(-) 0.04	(+) 0.08	(-) 0.04	(+) 13.91	(+) 1.62
(v)	Profit before tax	0.95	0.42	0.69	11.75	6.14
(vi)	Provisions for taxation	0.44	0.20	0.55	1.26	1.23
(vii)	Profit after tax	0.51	0.22	0.14	10.49	4.91
(viii)	Amount of profit/reserve of previous year brought forward	0.94	1.12	1.75	0.01	--
(ix)	Surplus available for appropriation (vii + viii)	1.45	1.34	1.89	10.50	4.91
(x)	**Appropriations**					
	Special reserve under Income Tax Act	0.99	1.11	1.40	2.66	2.78
	Dividend including Income Tax	0.45	0.22	0.48	0.53	0.53
	General reserve	0.01	0.01	0.01	7.31	1.60

Annexure -9

(Referred to in paragraph 3A.4.1)

Statement showing revision of tariff

Sl. No.	Category of consumers	Tariff effective from January 1992	Tariff revised from 16 July 1994		Tariff revised from 3 January 1997		Tariff revised from 25 January 1999	
		Rate (Rs.)	Rate (Rs.)	Percentage increase	Rate (Rs.)	Percentage increase	Rate (Rs.)	Percentage increase
1	2	3	4(a)	4(b)	5(a)	5(b)	6	7
(1)	**Domestic light and fans**							
(a)	Rural (up to 2 KW) per month	37	37	Nil	37	Nil	52	40.54
(b)	Others (per unit)	1.23 to 1.60	1.25 to 1.70	1.63 to 6.25	1.50 to 2.05	20 to 20.59	1.80 to 2.60	20 to 26.83
(2)	**Commercial light and fan**							
(a)	Rural (up to 2 KW) per month	42	42	Nil	50	19.05	80	60
(b)	Others (per unit)	2.13	2.40	12.68	2.90	20.83	4.25*	----
(3)	**Public lamps**							
(a)	Metered supply (per unit)	1.40	1.40	Nil	2.00	42.86	2.50	25
(b)	Fixed rates per point per month (Points of 100 watts to 500 watts)	26 to 154	26 to 154	Nil	38 to 225	46.15 to 46.10	55 to 280	44.74 to 24.44
(4)	**Janta Service connection (per month for one, two and three light points)**	7.50 to 12.50	7.50 to 12.50	Nil	10 to 15	33.33 to 20	Transferred to the category of domestic light and fan	
(5)	**Private tubewells/ pumping sets for irrigation purposes**							
(a)	Fixed rates (per BHP per month)	30	50 reduced to 40 from 1 August 1996	66.67 to(-) 20	40	Nil	40	Nil
(b)	Metered supply (per unit)	---	0.50	---	0.50	Nil	0.50	Nil
(6)	**Small and medium power (upto 100 BHP, rates dependent on loads)**							
(a)	Fixed charge (per BHP per month)	22 to 40	25 to 45	13.64 to 12.50	28 to 50	12 to 11.11	28 to 50	Nil
(b)	Energy charge (per unit)	1.35 to 1.50	2.05 to 2.25	51.85 to 50.00	2.25 to 2.50	9.76 to 11.11	3.60 to 3.95**	-----
(6)	**Small and medium power (up to 100 BHP) (rates dependent on loads)**							
(7)	**State tubewells/ pumping sets (per BHP per month)**	120	192	60.00	230	19.79	230	Nil

** Includes existing fuel and establishment surcharges (Rs. 1.59 per unit) merged in the tariff. Thus, there was virtually decrease by Re. 0.29 per unit (minus 12.08 *per cent*).

*** Includes existing fuel and establishment surcharges (Rs. 1.59 per unit) merged in the tariff. Thus, there was virtually decrease by Re. 0.29 per unit (minus 11.15 *per cent*).

1	2	3	4(a)	4(b)	5(a)	5(b)	6	7
(8)	**Arc/induction furnaces/rolling, re-rolling mills/mini steel plants**							
(a)	Energy charge (per unit)	2.00	2.80	40.00	3.08	10	1.00	
(b)	Demand charge (per KVA per month)	---	---	---	---		(i) 700 (Induction furnace)	
							(ii) 615 (Arc furnace)	
							(iii) 440 (rolling/re-rolling mills) (The above rates were revised from June 1998)	
(9)	**Large and heavy power (above 100 BHP)**							
(a)	**Non-continuous process**							
(i)	Demand charge (per KVA per month)	100	112	12.00	125	11.61	125	Nil
(ii)	Energy charge (per unit)	1.45	2.18	50.34	2.40	10.09	3.70**	------
(b)	**Continuous process**							
(i)	Demand charge (per KVA per month)	120	134	11.67	150	11.94	150	Nil
(ii)	Energy charge (per unit)	1.60	2.35	46.88	2.60	10.64	3.90***	------
(10)	**Railway traction**							
(a)	Demand charge (per KVA per month)	140	157	12.14	165	5.01	125	(-) 24.24
(b)	Energy charge (per unit)	1.74	2.50	43.68	2.65	6.00	3.75****	------
(11) (a)	**World Bank** **Tubewells**							
(i)	Demand charge (per KVA per month)	80	80	Nil	440 per BHP per month	--	440 per BHP per month	Nil
(ii)	Energy charge (per unit)	1.27	1.77	39.37	---	---	---	
(b)	**Lift Irrigation Works**							
(i)	Demand charge (per KVA per month)	87	87	Nil	105	20.69	105	Nil
(ii)	Energy charge (per unit)	1.40	1.90	35.71	2.30	21.05	230	Nil
(12)	**Floriculture and mushroom process (new tariff)**							
	Energy charge (per unit)	---	---	---	---	---	2.75	---

** Includes existing fuel and establishment surcharges (Rs. 1.59 per unit) merged in the tariff. Thus, there was virtually decrease by Re. 0.29 per unit (minus 12.08 *per cent*).

*** Includes existing fuel and establishment surcharges (Rs. 1.59 per unit) merged in the tariff. Thus, there was virtually decrease by Re. 0.29 per unit (minus 11.15 *per cent*).

**** Includes existing fuel and establishment surcharges (Rs. 1.59 per unit) merged in the tariff. Thus, there was virtually decrease by Re. 0.49 per unit (minus 18.49 *per cent*).

Annexure - 10

(Referred to in paragraph 3A.4.2)

Statement showing contribution by consumers to revenue and surplus/deficit

Year	Domestic	Commercial	Industrial	Irrigation & Agriculture	Public Water Works	Public Lighting	Railway-traction	Inter-state consumers	Bulk supply to other consumers	Total
	Consumption of energy (in million unit)									
1993-94	5124	1706	6030	8924	474	250	722	452	128	23810
	(21.52)	(7.16)	(25.33)	(37.48)	(1.99)	(1.05)	(3.03)	(1.90)	(0.54)	(100)
1994-95	6025	1901	6281	9485	498	296	766	417	141	25810
	(23.34)	(7.37)	(24.34)	(36.75)	(1.93)	(1.15)	(2.97)	(1.60)	(0.55)	(100)
1995-96	6148	2142	6674	9507	529	266	773	470	262	26771
	(22.97)	(8.00)	(24.93)	(35.50)	(1.98)	(0.99)	(2.89)	(1.76)	(0.98)	(100)
1996-97	6555	1902	6290	9800	561	341	846	449	297	27041
	(24.24)	(7.03)	(23.26)	(36.24)	(2.08)	(1.26)	(3.13)	(1.66)	(1.10)	(100)
1997-98	7238	1926	6056	9420	564	385	858	475	208	27130
	(26.68)	(7.10)	(22.32)	(34.72)	(2.08)	(1.42)	(3.16)	(1.75)	(0.77)	(100)
	Revenue earned (Rupees in crore)									
1993-94	468.33	259.50	1379.66	271.11	114.20	37.28	182.59	18.15	17.12	2747.94
	(17.04)	(9.44)	(50.20)	(9.87)	(4.16)	(1.37)	(6.64)	(0.66)	(0.62)	(100)
1994-95	514.41	523.00	1452.42	332.26	106.60	60.10	244.50	10.80	31.90	3275.99
	(15.70)	(15.96)	(44.34)	(10.14)	(3.25)	(1.85)	(7.46)	(0.33)	(0.97)	(100)
1995-96	545.82	596.48	1712.41	462.99	95.97	96.33	237.40	11.22	56.37	3814.99
	(14.31)	(15.64)	(44.89)	(12.14)	(2.50)	(2.53)	(6.22)	(0.29)	(1.48)	(100)
1996-97	698.57	519.30	1792.84	417.87	92.01	103.89	299.99	6.51	65.12	3996.10
	(17.48)	(13.00)	(44.86)	(10.46)	(2.30)	(2.60)	(7.51)	(0.16)	(1.63)	(100)
1997-98	864.58	594.04	2268.21	484.94	133.54	71.77	355.67	17.65	40.39	4830.79
	(17.90)	(12.29)	(46.95)	(10.04)	(2.76)	(1.49)	(7.36)	(0.37)	(0.84)	(100)

Year	Domestic	Commercial	Industrial	Irrigation & Agriculture	Public Water Works	Public Lighting	Railway-traction	Inter-state consumers	Bulk supply to other consumers	Total
	Surplus/deficit (Rupees in crore)									
1993-94	(387.37)	(25.40)	372.65	(1219.20)	35.04	(4.47)	62.01	(57.33)	(4.25)	(1228.32)
1994-95	(521.89)	196.03	372.09	(1299.16)	20.95	9.19	112.75	(60.92)	7.65	(1163.31)
1995-96	(745.26)	146.66	310.87	(1533.48)	(15.12)	40.47	75.07	(87.48)	1.35	(1806.92)
1996-97	(730.42)	104.67	421.62	(1718.53)	(30.29)	29.55	115.56	(91.37)	0.37	(1898.84)
1997-98	(908.73)	122.17	784.49	(1822.96)	(4.64)	(22.56)	145.46	(98.72)	(10.57)	(1816.06)
Total	**(3293.67)**	**544.13**	**2261.72**	**(7593.33)**	**5.94**	**52.18**	**510.85**	**(395.82)**	**(5.45)**	**(7913.45)**

Annexure –11

(Referred to paragraph No. 3A.5.5 (iii))

Statement showing undercharge of revenue due to incorrect application of tariff

Name of Division	No. / Name of consumers	Nature of supply of energy	Applicable tariff	Tariff applied	Undercharge of revenue Period	Amount (Rs. in lakh)
6 EDDs at Dhampur, Mahrajganj, Jhansi (I and II) Gola and Etawah	23	For cold storages, ice factories, paper boards and tubewell operation	LMV-6 (continuous) as revised from January 1992	LMV-6 (non-continuous)	January 1992 to June 1999	48.24 (based on differential rates of minimum charges)
EDD Dehradun	Himalyan Institute Hospital Trust	For non-Government hospital	LMV-2 applicable to non-Government hospital	LMV-1 applicable to Government hospital	May 1996 to March 1999	87.07
EDD-I Mau	Fatima hospital	do	do	do	May 1995 to March 1999	11.89
EDD Balrampur	1	For World Bank Tubewells	LMV-8 from January 3, 1997	HV-4 applicable up to January 2, 1997	January 1997 to July 1998	16.60
EDD Dhampur	2121	Released as Janta Service Connections (JSC) during 1995 to March 1996 when JSC scheme did not exist	LMV-1 (supply as per rural schedule)	LMV-4 applicable to JSCs released up to 1987	December 1995 to May 1999	23.25
4 EDDs at Dhampur, Varanasi (I), Bulandshahar (I) and Kasia	4	For industries found with connected loads of 106 to 150 BHP	HV-2 applicable in case of load of more than 100 BHP	LMV-6 applicable in case of load up to 100 BHP	June 1996 to April 1999	11.88
Kanpur Electricity Supply Administration	Oberoi Glass Ltd. with load of 145 KVA	For glass processing (toughing)	HV-2 (continuous)	HV-2 (non-continuous)	April 1994 to Decem-ber 1998	6.36
EDD Rampur	Chaddha Paper Ltd. (1500 KVA)	For paper mill	HV-2 (continuous)	HV-2 (non-continuous)	April 1992 to July 1993	13.32
EDD Hapur	Century Laminat-ing Co. Ltd. (375 KVA)	For manufacture of laminated sheets involving hot treatment	HV-2 (continuous)	HV-2 (non-continuous)	October 1995 to August 1998	15.01
Total	**2154**					**233.62**

Annexure -12

(Referred to paragraph 3A.5.6)

Statement showing loss of revenue due to irregular reduction of load

Name of Division	Name of consumer with pre-revised load	Date of order for reduction of load with reduced load	Period of reduced load	Irregularities in reduction of load	Loss of revenue (Rs. in lakh)
EDD Banda	Parerhat Steel Ltd. (4000 KVA)	January 1997 (3500 KVA), August 1997 (2000 KVA) and October 1998 (300 KVA)	January 1997 to October 1998	Outstanding arrears of Rs. 100.59 lakh in August 1997, Rs. 110.49 lakh in October 1998 and reduction of load in October 1998 before expiry of 2 years from August 1997	120.56
EDD Hamirpur	Vandana Steel Ltd. (2940 KVA)	July 1996 (2690 KVA)	October 1993 to July 1996	Reduction with retrospective effect and actual loads of 2720 to 2855 KVA recorded during December 1993 to February 1996	28.67
EDD Hamipur	Hans Castings Ltd. (4500 KVA)	June 1997 (3800 KVA)	February 1997 to May 1997	Reduction with retrospective effect even when load of 4040 KVA was recorded in February 1997	9.24
EDD Hamirpur	Hindustan Ferro Alloys Ltd. (4000 KVA)	August 1994 (3000 KVA)	September 1993 to August 1994	Reduction with retrospective effect	4.82
EDD-II Jhansi	Inder Steel Ltd. (2000 KVA)	March 1999 (1800 KVA)	March 1998 to March 1999	Reduction with retrospective effect when the consumer deposited processing fee in December 1998, outstanding arrears of Rs. 11.20 lakh in February 1998 and actual load of 2520 KVA in March 1999	10.07
Total					**173.36**

Annexure -13

(Referred to in paragraph 3A.5.9)

Statement showing non assessment/under assessment of revenue due to defective meters

Name of division	Name of consumer with contracted load	Nature and period of defect in meter	Basis of assessment	Undercharge of revenue		
				Period	Units (in lakh)	Amount (Rs. in lakh)
1	2	3	4	5(a)	5(b)	5(c)
EDD Etawah	Etawah Milk Production Union (105 KVA)	Old meter found slow by 68.14 *per cent* as per check meter installed on 7 January 1997	Consumption recorded on the check meter	7 January to 17 May 1997	0.92	
			68.14 *per cent* slow	July to December 1996 (Past 6 months)	1.19	6.71
EDD Orai	Real Cement Co. Ltd. (1800 KVA)	The meter installed on giving connection (19 March 1997) found slow by 9.2 *per cent* as per check meter installed on 28 March 1997 and 3 other meters declared defective/burnt during June to October 1997	14160 units per day recorded on the check meter during 28 March to 29 April 1997	March to September 1997	11.76	21.38
EDD Orai	Shatabdi Steels Ltd. (3200 KVA)	'B' phase of the PT installed on giving connection on 30 June 1997 found damaged on the first meter reading date of 2 August 1997	25475 units per day recorded on the meter after installation of new PT in September 1997	July and August 1997	4.76	14.23
EDD Rudrapur	U.B. Agro Mills (220 KVA)	Old meter found slow as per check meter installed in June 1998, 'B' phase of CT damaged and old meter stopped in August 1998	28597 units recorded on new meter during September to November 1998	January 1998 (6 months prior to June 1998) and August 1998	2.96	11.53

1	2	3	4	5a	5b	5c
EDD Fatehpur	Maya Agro Products Ltd. (1500 KVA)	Meter stopped on 31 May 1997 due to damaged PT which was replaced on 11 September 1997	Average consumption during March to May 1997	June to September 1997	7.15	25.77
EDD (Rural) Dehradun	Tayal Chemical Ltd. (348 KVA)	Reversal of high tension polarity reported by the Test Division in September 1997	Average consumption of 4488 units per day during March to May 1997	June to September 1997	1.73	6.53
EDD Chandauli	Ganga Bag Udyog Ltd. (175 KVA)	Meter stopped on 29 July 1997 was replaced on 27 January 1998	34169 units per day recorded on new meter during 27 January to 29 April 1998	January 1997 (6 months prior to July 1997) to January 1998	2.35	8.42
EDD Chandauli	Bharat Petroleum (130 KVA)	Meter defective/sticky during August 1995 to December 1996 with recorded consumption of 11382 units per day	20520 units per day recorded on the new meter during January to April 1997	August 1995 to December 1996	1.55	4.35
EDD-I Buland - shahar	Orient Ceramics Ltd. (1500 KVA)	Provisionally billed as Sangamo meter was not operative by knob during March to July 1998. Secure meter installed in July 1998 stopped in September 1998 which was replaced by another Secure meter in September 1998	Average 10394 units per day during August 1998 and October 1998	March to July 1998 and September 1998	6.97	27.88
Total						**126.80**

Annexure-14

(Referred to in paragraph 3A.5.10)

Statement showing loss of revenue due to lower contracted load

Name of division	Name of consumer	Capacity of furnace (in tonne)	Basis of capacity	Billable contracted load (in KVA)	Billed contracted load (in KVA)	Undercharge of revenue Period	Amount (Rs. in lakh)
EDD Banda	Parerhat Steel Ltd.	10	Load release order of March 1997	6000	5000	June 1998 to December 1998	28.67
EDD Kashipur	Arpit steel Ltd.	3.62	Verification by the Moradabad Zonal Committee in July 1998 (load of one furnace excluded)	2175	1500	June 1998 to April 1999	49.30
EDD Kashipur	Kashi Vishwanath Steel Ltd.	9	Do	5400 plus 1200 for rolling mill	4800	do	131.46
EDD Orai	Ganpati Industries	3	Verification by the Board's team in September 1998`	1800	1110	July 1998 to April 1999	48.30
Do	VVS Castings Ltd.	6.10	Do	3660	3400	do	18.20
Do	Ram Charan Steels	4.50	Do	2700	2500	do	14.60
Do	Shivangi Ferrus	3.60	Do	2160	1600 (2100 from Dec. 1998)	do	21.10
Do	Mahavir Iron	4.70	Do	2820	1800 (2500 from Oct. 1998)	do	37.10
Do	Ramshree Steel	3.30	Do	1980	1800 (2100 from May 1999)	do	10.08
EDD-II, Jhansi	Minakshi casting	15	Verification by competent committee in May 1999	9000	5050	do	276.50
Total		**72.22 plus a rolling mill**		**44535**	**32860**		**635.31**

Annexure -15

(Referred to in paragraph 3A.5.12(iii))

Statement showing loss of revenue due to incorrect/non assessment for theft of energy

Name of division	Name of consumer with contracted load	Nature and period of theft of energy	Basis of assessment	Undercharge of revenue		
				Period	Units (in lakh)	Amount (Rs. in lakh)
1	2	3	4	5(a)	5(b)	5(c)
EDD-II Jhansi	Meenakshi Casting (5050 KVA)	Theft of electricity to CT short circuit in metering equipment found by the Board's team in June 1998	LxFxHxD formula from the date of installation of meter to the date of detection of theft in place of the date of installation of meter to the date of damage of meter at thrice the tariff rate	27 March to 3 June 1998 (68 days)	25.79	238.31
EDD-II Jhansi	Jai Jagdamba Malleables (2000 KVA)	--Do--	--Do--	19 February to 3 June 1998 (104 days)	14.58	134.70
EDD-II Jhansi	Sheevangi Steel (3000 KVA)	--Do--	--Do--	27 March to 3 June 1998 (68 days)	10.43	96.39
EDD-II Jhansi	Krishna Steel (352 KVA)	--Do--	--Do--	24 February to 3 June 1998 (99 days)	4.92	45.44
EDD Rudrapur	Sheelchand Agro Oils Ltd. (450 KVA increased to 950 KVA in January 1998)	Old & new seals missing from the meter reading slip for January 1998 and two tamperings recorded in the meter reading slip for March 1998	5324 units per day during June to August 1998 at thrice the tariff rate	January to May 1998	8.04	58.61
EDD Etawah	Shree Cold Storage (151 KVA)	Meter tampered as recorded in the meter reading slips for April, May and June 1998	2101 units per days recorded in March 1998 at the thrice the tariff rate	April to June 1998 (93 days)	1.25	16.77

1	2	3	4	5(a)	5(b)	5(c)
EDD Chandauli	PCDF Cattle Foods (200 KVA)	Theft of energy leading to billing for estimated units during September to November 1998 followed by broken PT seal of the meter in December 1998	LxFxHxD formula based on daily supply for 16 hours at thrice the tariff rate	June to November 1998 (Past 6 months)	2.04	18.15
EDD (Urban-II) Ghaziabad	Arihant Exports (300 KVA)	Seal of old meter found fake and theft on energy confirmed by the check meter installed in January 1998	--Do--	July to December 1997 (Past 6 months)	1.02	9.42
EDD Kashipur	Ram Krishna Cold Chem Ltd. (98 BHP)	Diffuser type cold storage billed only for 1.2 lakh units during March to October 1998	5.76 lakh units for the storage capacity of 60000 bags at 9.6 units per bag fixed in the CE (Com.) circular of December 1991	March to October 1998	4.55	19.01
EDD Varanasi	Sharma Cold Storage (100 BHP)	Meters declared defective (April 1997), burnt (June 1997 and April 1998) and tampered (July 1998)	3.57 lakh units billed as against 6.02 lakh units billed in case of Prabhat Cold Storage with contract load of 90 BHP	March to December 1998	2.45	6.03
EDD-II Buland-shahar	Mohan Dairy & Cold Storage (256 KVA)	4 meters installed during May 1996 to November 1997 declared stopped, abnormal, jammed and slow, and paper seals of the meter installed in April 1998 found damaged	1.78 lakh units billed during January to June 1997 as against 3.06 lakh units billed in January to June 1996	January to June 1997	1.28	4.22
			3.98 lakh units billed as against 4.28 lakh units billed in case of Anand Cold Storage having contracted load of 171 KVA	July to September 1997 and April to October 1998	0.84	3.01
Total						**650.06**

Annexure –16

(Referred to in paragraph 3A.5.13(ii))

Statement showing loss of revenue due to short billing of demand charges

Name of division	Name of consumer with applicable rate schedule	Contracted load	Billable demand	Demand billed	Short billing of demand charges	
					Period	Amount (Rs. in lakh)
EDD-I Jhansi	Spining Mill (HV-2)	2 connections of 2000 KVA each	75 *per cent* of the contracted demand (1500 KV)	Nil to 744 KVA	December 1995 and October 1997 to February 1998	18.12
EDD Orai	World Bank Tubwells (HV-4)	2 clusters of 305 BHP (268 KVA) and 642.5 BHP (564 KVA)	Contracted demand at Rs. 70 Per BHP in absence of meter	75 *per cent* of contracted demand at Rs. 80 per KVA	January 1992 to December 1996	10.34
EDD Kashipur	Kashi Vishwanath Ltd. and Arpit Steel Ltd. (HV-I)	4800 KVA and 1500 KVA	Contracted demand from 18 to 30 June 1998	Contracted demand from 18 to 23 June 1998	June 1998	11.28
EDD Chandauli	Bhupauli Pump Canal (HV-4)	4100 KVA	Average of 3384 KVA during Nov. 1996 to Jan. 1997	75 *per cent* of the contracted demand (3075 KVA)	Feb. 1997 to Dec. 1998 when MDI was defective	6.81
EDD Banda	Parerhat Steel Ltd. (HV-I)	750 KVA increased to 1200 KVA from 30 Oct. 1998	Excess demand of 600 KVA based on contracted demand of 750 KVA	Excess demand of 150 KVA based on contracted demand of 1200 KVA	Oct. 1998	3.15
EDD-II Jhansi	Vikas Metroll	2500 KVA	2660 KVA	2500 KVA	August and September 1998	2.24
--do--	Meenakshi Casting	5050 KVA	5130 to 5535 KVA	5050 KVA	August 1998 to April 1999	5.19
--do--	Shivangi Steels	3000 KVA	3015 to 3040 KVA	3000 KVA	November 1998 and January 1999	0.29
Total						**57.42**

Annexure -17

{Referred to in paragraph 3A.5.15 (i)}

Statement showing loss of revenue due to non-testing of accuracy of meters

Sl. No	Name of division	Name of consumer	Contracted load (KVA)	Rate schedule	Date of installation of Secure meter	Per day consumption				Percentage of lower consumption recorded in the old meter	Loss of revenue as compared to the level of consumption recorded in the Secure meter	
						Old meter		New meter				
						Prior to date of installation of Secure meter		After installation of Secure meter				
						Period	Unit	Period	Unit		Period	Amount (Rs. in lakh)
1	2	3	4	5	6	7(a)	7(b)	8(a)	8(b)	9	10(a)	10(b)
1.	EDD Dehradun	Garhwal Rolling Mills Ltd., Dehradun	1000	HV-1	10 June 1998	11 April to 10 June 1998	2871	10 June to 27 August 1998	5032	42.94	12 February 1997 to 10 June 1998	14.07
2.	EDD Rudrapur (Udham Singh Nagar)	MB Rice Mills, Rudrapur	800	HV-2	19 March 1998	8 March to 19 March 1998	2757	19 March to 6 April 1998	5873	53.06	25 October 1997 to 19 March 1998	33.02
3.	do	Khaima Fibres Ltd., Rudrapur	2600	HV-2	2 June 1998	5 May to 2 June 1998	21282	2 June to 2 July 1998	41028	48.13	4 December 1997 to 2 June 1998	144.36
4.	do	Polyflex Corporation Ltd., Rudrapur	2000	HV-2	28 April 1997	9 April to 28 April 1997	19958	28 April to 8 June 1997	21901	8.87	30 December 1996 to 28 April 1997	8.46
5.	do	Nainital Roller Flour Mills, Rudrapur	495	HV-2	30 July 1998	2 July to 30 July 1998	2295	30 July to 29 August 1998	3592	36.11	February 1998 to July 1998	9.40
6.	EUDD-II, Moradabad	Divisional Engineer Telephone Exchange, Moradabad	206	HV-2	22 September 1998	24 August to 22 September 1998	1224	22 September to 5 October 1998	2532	51.66	24 March to 22 September 1998	7.44
7.	EUDD-II, Gorakhpur	Budha Floor Mills, Gorakhpur	700	HV-2	4 July 1998	1 June to 4 July 1998	3141	4 July 1998 to 1 August 1998	6049	48.07	5 January to 4 July 1998	22.91

1	2	3	4	5	6	7(a)	7(b)	8(a)	8(b)	9	10(a)	10(b)
8.	EUDD-II, Gorakhpur	Govind Mills Ltd., Gorakhpur	600	HV-2	4 July 1998	4 July to 31 March 1998	3636	1 August to 1 November 1998	4010	9.33	5 January to 4 July 1998	7.72
9.	EUDD-II, Gorakhpur	Jalan Concost Ltd., Gorakhpur		HV-1	2 June 1998	1 June to 29 June 1998	2073	29 June to 1 August 1998	4055	48.88	1 January to 29 June 1998	26.43
10.	EDD Barabanki	Vishwakarma Steels, Barabanki	400 up to June 1998 and 470 after June 1998	HV-1	18 June 1998	30 May 1998 to 18 June 1998	937	18 June to 27 June 1998	1947	51.87	January to 18 June 1998	5.50
11.	do	Kisan Cold Storage, Barabanki	400 up to March 1998 and 150 after March 1998	HV-2	16 January 1998	1 December 1997 to 16 January 1998	221	16 January to 27 January 1998	508	56.50	April to December 1997	15.94
12.	EDD-I, Bulandshahar	Suraj Vanspati Ltd., Bulandshahar	3200	HV-2	22 June 1998	29 May 1998 to 22 June 1998	12903	22 June 1998 to 2 July 1998	18050	28.52	24 December 1997 to 22 June 1998	49.27
13.	EDD-I, Bulandshahar	Bibcol Chola, Bulandshahar	1800	HV-2	20 June 1998	27 April 1998 to 26 June 1998	2085	20 June 1998 to 4 August 1998	2379	12.36	January 1998 to June 1998	2.31
14.	EDD-I, Bulandshahar	Jindal Polyster Photo films Ltd., Bulandshahar	600	HV-2	22 August 1998	22 July 1998 to 22 August 1998	4487	22 August 1998 to 28 August 1998	6136	26.87	27 February 1998 to 28 August 1998	11.94
15.	EDD Kashipur (Udham Singh Nagar)	Arpit Steels Alloy (P.) Ltd., Kashipur	1500	HV-1	26 June 1998	June 1998	6554	July 1998	16488	60.25	January 1998 to June 1998	70.44
16.	EDD Kashipur	Surya Roshni Ltd., Kashipur	2100	HV-2	26 August 1998	30 July 1998 to 26 Augsut 1998	28875	26 August 1998 to 27 September 1998	32382	10.83	March 1998 to August 1998	23.58
17.	EDD Kashipur	Surya Roshni Ltd., Kashipur	1500	HV-2	26 August 1998	30 July 1998 to 26 August 1998	16607	26 August 1998 to 27 September 1998	20382	18.52	March 1998 to August 1998	26.92
18.	EDD Kashipur	Mittal Flour Mills, Ramnagar (Kashipur)		HV-2	20 August 1998	1 August 1998 to 19 August 1998	799	20 August 1998 to 31 August 1998	1732	53.87	March 1998 to August 1998	7.13

1	2	3	4	5	6	7(a)	7(b)	8(a)	8(b)	9	10(a)	10(b)
19.	EDD Banda	Parerhat Steel Ltd., Village Murka (Banda)	1200	HV-1	1 June 1998	11 May to 1 June 1998	2040	1 June to 29 June 1998	4268	52.20	December 1997 to May 1998	17.18
20.	EDD Banda	Parerhat Steel Ltd., Village Murka (Banda)	2000	HV-1	1 June 1998	11 May to 1 June 1998	9543	1 June to 29 June 1998	16376	42.34	December 1997 to May 1998	52.80
21.	EDD Chandauli	Industrial Board Mill, Ramnagar (Chandauli)	126	HV-2	3 December 1997	November 1997	433	3 December to 28 December 1997	655	33.90	June 1997 to November 1997	2.60
22.	EDD Chandauli	Hem Ganga Polytex (P) Ltd., Ramnagar (Chandauli)	250	HV-2	13 February 1998	30 January to 13 February 1998	1211	13 February to 26 February 1998	13088	60.78	August 1997 to January 1998	8.17
23.	do	Varanasi Metals Crafts (Chandauli)	600	HV-1	28 September 1998	22 August to 28 September 1998	1327	28 September to 31 October 1998	2904	54.30	April 1998 to September 1998	5.92
24.	do	Kanoria Flour Mills	515	HV-2	23 September 1998	31 August to 23 Sept.1998	1053	23 September to 31 Oct. 1998	2967	64.51	April 1998 to September 1998	40.10
25.	EDD Maharajganj	Prem Cold Storage, Anandnagar (Maharajganj)	177	HV-2	19 August 1998	4 August to 19 August 1998	419	19 August to 31 August 1998	635	34.02	March 1998 to August 1998	2.19
26.	do	Durga Agro Farms Ltd.	712	HV-2	13 August 1997	30 June to 25 July 1997	1904	13 August to 6 December 1997	3309	39.2	February to July 1997	7.69
		do	do	do	17 July 1998	16 January to 16 July 1998	2873	17 July to 3 August 1998	3672	22.6	January to June 1998	6.30
27.	EDD-I, Varanasi	Jaico Ruber Ltd.	99	HV-2	9 October 1998	3 October to 9 October 1998	286	9 October to 3 November 1998	564	49.29	April 1998 to September 1998	4.47
28.	do	S. K. Glass Works	600	HV-2	3 September 1998	1 August to 3 September 1998	4024	3 September to 2 October 1998	6323	36.36	March 1998 to August 1998	19.32
	Total											**653.58**

Annexure -18

{Referred to in paragraph 3A.5.16 (i)}

Statement showing non billing/short billing of energy charges etc.

Name of division	Particulars of consumers	Contracted load	Reasons of non billing/short billing	Period of non billing/short billing	Amount (Rs. in lakh)
1	2	3	4	5	6
EDD Amroha	World Bank tubewells	420 BHP	Billed at Rs. 230 instead of Rs. 440 per BHP	April 1998 to March 1999	10.59
EDD Amroha	World Bank Tubewells	435 BHP	Billed at Rs. 230 instead of Rs. 440 per BHP	January 1997 to March 1998	13.70
EDD Amroha	Kutir Jyoti Connections	805 Nos.	Not billed	April 1993 to April 1999	6.91
EDD Amroha	Janta Service Connection	578 Nos.	Not billed	April 1995 to April 1999	5.35
EDD Kashipur	World Bank Tubewells	3075 BHP	Billed for 237.5 BHP	October 1997 to May 1999	5.85
EDD Kashipur	Kutir Jyoti and Janta Service Connection	1977 Nos.	Not billed	February 1996 to April 1999	14.45
EDD Kashipur	7 domestic light and fan consumers	1229 KW	Billed at Rs. 2.20 per unit in place of Rs. 2.35 to Rs. 2.60 per unit	February to April 1999	3.02
EDD Kashipur	Public lamp connections	5 Nos	Non leavy of late payment surcharge	April 1998 to March 1999	10.19
EDD-I Varanasi	Chandrawati Pump Canal	210.8 KW	Billed for 186 KW	April 1996 to March 1999	13.69
EDD-I Varanasi	State tubewells	9869 BHP	Short billed for 273 to 392 BHP	April 1996 to September 1997	11.73
EDD-I Varanasi	Harihar cold storage		Units billed short	October 1997 to March 1998	0.72

1	2	3	4	5	6
EDD Kasia	Kutir Jyoti and Janta Service Connection	3063 Nos.	Not billed	February 1996 to October 1998	10.87
EDD Kasia	U.P. Sugar Company Seorahi (Kushinagar)	395 KVA	Non-assessment for defective Meter	May to October 1998	3.87
EDD Mahrajganj	Kutir Jyoti and Janta Service Connection	3758 Nos.	Billed at Rs. 7.50 instead of Rs. 10 for Kutir Jyoti and Rs. 10 instead of Rs. 15 for Janta Service	January 1997 to December 1998	3.48
EDD Maharajganj	Kutir Jyoti and Janta Service Connections	3758 Nos.	Not billed	January to May 1999	9.84
EDD Maharajganj	Durga Agro Farms Ltd., Nichlaul (Maharajganj)	265 KVA	Low voltage surcharge not billed Calculation error	June 1997 to October 1998 2 December 1997 to 16 January 1998	2.44 2.71
EDD Maharajganj	Public lamp connections	6 Nos.	Billed at lower rate	February to May 1999	0.77
EDD Dhampur	Kutir Jyoti and Janta Service Connections	4824 Nos.	Billed at lower rates	January 1997 to April 1999	8.52
EDD Dhampur	Public lamp connections	6 Nos.	Billed at lower rate	January 1997 to May 1999	4.17
EDD Dhampur	Dhampur Sugar mills	979 KVA	Energy charge and low power factor surcharge not billed	November and December 1996, March 1997 to May 1997 and January 1999	3.43
EDD Dhampur	Sri Rajesh Kumar (Cane crusher)	130 KVA	Units billed short	November 1998 to January 1999	4.30
EDD Barabanki	Kutir Jyoti and Janta Service Connections	2528 Nos.	Not billed	January 1999 to April 1999	5.56

1	2	3	4	5	6
EDD Lakhimpur	Kutir Jyoti and Janta Service Connections	1017 Nos.	Not billed	January 1997 to December 1998	1.25
EDD Lakhimpur	World Bank tubewells	1207 BHP	Not billed	October to December 1998	15.94
EDD Rudrapur	Kutir Jyoti and Janta Service Connections	228 to 1181 Nos.	Not billed	April 1993 to April 1999	6.35
EDD (Urban)-II, Moradabad	Water works	996 HP	Not billed	October 1998 to March 1999	48.05
EDD-I, Bulandshahar	Bibcol, Chola Bulandshahar	1800 KVA	Low power factor surcharge not billed	October 1997 to June 1998	1.16
EDD-I, Bulandshahar	Jay Cylinders (P) Ltd., Sikandrabad	360 KVA	Low power factor surcharge not billed	November 1996 to April 1998	2.33
EDD-I, Bulandshahar	Asian Packing Ltd., Sikandrabad	200 KVA	Non-assessment for defective CT	August and September 1998	1.48
EDD Khurja	Public lamp connections	3 Nos.	Billed at lower rate	January 1997 to December 1998	2.03
EDD Chandauli	Public lamp connections	4 Nos.	Not billed including late payment surcharge	April 1996 to January 1999	6.89
EDD Chandauli	Laxmi Business Promoters Chandauli	1000 KVA	Fuel surcharge not billed	May to September 1998	1.48
EDD (Urban)-II Gorakhpur	Govind Mills Ltd. (Rolling mills)	1200 KVA	Demand charge and low power factor surcharge no billed	May and June 1998	0.86
EDD (Urban)-II Gorakhpur	Govind Mills Ltd. (Arc furnace)	2610 KVA	Excess demand charge not billed	January and February 1999	0.90

1	2	3	4	5	6
EDD-I Gorakhpur	World Bank Tubewells	3 Clusters	Shunt capacitor surcharge not billed	January 1997 to August 1998	8.1
EDD-I Gorakhpur	Public Lamps	11 consumers	Not billed	April 1997 to August 1998	19.96
EDD-I Ghazipur	State Tubewells		Billed at Rs. 192 instead of Rs. 230 per BHP and Shunt capacitor surcharge not billed	January 1997 to March 1999	69.10
Total					**342.05**

Annexure -19

{Referred to in paragraph 3A.5.16 (ii)}

Statement showing non billing for electrified villages and Harijan Basties

Sl. No	Name of Division	Period	Electrified (In numbers)		Total light points	Amount not assessed (Rs. in lakh)		
			Villages	Harijan Basties	(In nos.)	EC	ED	Total
1.	EDD-II, Lakhimpur	April 1990 to December 1998	270	317	3334	90.42	12.08	102.50
2.	EDD-II, Bulandshahar	April 1990 to January 1999	169	171	2032	55.88	7.52	63.40
3.	EDD Khurja	April 1990 to December 1998	262	255	3130	84.45	11.30	95.75
4.	EDD Chandauli	April 1990 to December 1998	374	420	4580	123.57	16.53	140.10
5.	EDD Dehradun	April 1990 to March 1999	649	437	7364	177.03	22.15	199.18
6.	EDD Banda	April 1990 to December 1998	491	491	5892	158.97	21.27	180.24
7.	EDD Rudrapur	April 1990 to March 1999	371	224	4228	120.92	16.57	137.49
8.	EDD-I, Varanasi	April 1990 to December 1998	404	294	4528	122.17	16.35	138.52
9.	EDD Barabanki	April 1990 to March 1999	455	455	5460	156.16	21.40	177.56
10.	EDD Kasia	April 1990 to October 1998	708	641	8362	219.25	28.92	248.17
11.	EDD Dhampur	April 1990 to May 1999	338	112	3604	91.65	13.38	105.03
12.	EDD Kashipur	April 1990 to April 1999	488	294	5468	158.63	21.96	180.59
13.	EDD Maharajaganj	April 1990 to May 1999	679	691	8172	242.14	33.57	275.71
	Total					**1801.24**	**243.00**	**2044.24**

Annexure -20

{Referred to in paragraph 3A.5.16 (iii)}

Statement showing loss of interest due to belated issue of energy bills

Sl No	Name of division	Amount of under-charge (Rs. in lakh)	Nature and period of undercharge	Month of assessment	Amount recovered and month of recovery (Rs. in lakh)	Loss of interest @ 18% p.a.	Period of interest
1.	EDD (R), Dehradun	6.26	Non levy of low power factor surcharge (April 1996 to July 1998)	September 1998	NIL	1.25	April 1996 to September 1998
2.	-do-	7.87	Short billing of energy charges and electricity duty (Dec. 1992 to May 1998)	April 1999	NIL	1.30	June 1998 to May 1999
3.	-do-	19.64	Non levy of late payment surcharge (Jan. 1993 to June 1998)	April 1999	12.45 (June 1998)	11.41	Jan. 1993 to May 1999
4.	EDD-II, Aligarh	4.31	Non levy of capacitor surcharge (April 1996 to Dec. 1998)	April 1999	NIL	1.10	May 1996 to April 1999
5.	EDD, Kotdwar	12.22	Non levy of late payment surcharge (April 1996 to Feb. 1998)	not available	NIL	1.97	May 1996 to April 1998
6.	EDD-I, Allahabad	64.72	Under charge of demand charge (April 1996 to Sept. 1998)	January 1999	53.94 (Feb. 1999)	15.67	April 1996 to January 1999
7.	EDD-II, Jaunpur	7.47	Undercharge of demand charges (July 1998 to Sep. 1998)	November/ December 1998	5.35 (Nov. 1998 to Jan. 1999)	0.17	Aug. to Dec. 1998
8.	EUDD-III, Agra	47.28	Short assessment due to non verification of street light points (June 1995 to Nov. 1998)	Feb. 1999	NIL	16.42	June 1995 to Nov. 1998
9.	EUDD Hussainganj Lucknow	15.98	Short assessment of a street light consumer (Jan. 1997 to June 1998)	July 1998 (Rs. 12.67 lakh)	NIL	2.72	Jan. 1997 to June 1998
10.	EDD-II, Mathura	7.44	Non-levy of low voltage surcharge (April 1996 to April 1998)	May 1998 (Rs. 7.44 lakh)	Nil	1.34	April 1996 to April 1998
11.	EUDD (Aishbagh) Lucknow	7.70	Non-levy of electricity duty (April 1996 to August 1998)	September 1998 (Rs. 7.70)	Nil	1.32	April 1996 to August 1998
	Total	**200.89**			**71.74**	**54.67**	

Annexure -21

(Referred to in paragraph 3A.5.18)

Statement showing checking of consumers' premises by the Board's Vigilance wing and departmental officers

Particulars	1993-94	1994-95	1995-96	1996-97	1997-98
Total consumers (in lakh)	55.90	58.87	61.40	64.53	67.09
Consumers premises checked (Nos.)					
Vigilance Wing	56432	58447	61497	57354	69096
Departmental Officers	9240	10104	17022	9507	11497
Total	**65672**	**68551**	**78519**	**66861**	**80593**
Percentage of consumers premises checked	1.17	1.16	1.27	1.04	1.20
Assessment proposed	18897	19788	20226	14350	26027
Vigilance Wing (Nos.)					
Amount (Rs. in lakh)	1350.50	2006.16	1821.58	1133.32	2141.66
Departmental Officers (Nos.)	6493	3733	9120	5582	7248
Amount (Rs. in lakh)	324.32	468.20	390.06	364.23	391.29
Assessment done					
Vigilance cases (Nos.)	9142	9186	12551	8771	12615
Amount (Rs. in lakh)	254.94	475.17	653.02	501.17	665.26
Departmental officers (Nos.)	6493	3733	9120	5882	12486
Amount (Rs. in lakh)	324.32	468.20	390.06	364.23	391.29
Assessment not done (Rs. in lakh)	**1095.56**	**1530.99**	**1168.56**	**632.15**	**1476.40**
Realisation (Rs. in lakh)					
Vigilance cases	85.11	90.31	172.09	160.69	166.37
Departmental officers	98.41	136.27	139.38	122.84	190.33
Arrears against assessments (Rs. in lakh)					
Vigilance cases	169.94	384.86	480.93	340.88	498.89
Departmental officers	225.91	331.80	250.68	241.39	200.96

Annexure -22

(Referred to in paragraph 3A.6.1)

Statement showing the age-wise break up of arrears of revenue

(Rupees in crore)

Category/ Period	Less than one year	One to two years	Two to three years	Three to four years	More than four years	Total of the category	
Government consumers						**Amount**	***Per cent* of arrears**
Water works	91.07	118.23	110.21	77.01	404.09	800.61	21.42
State Tubewells/ Pump canals	15.04	115.78	83.30	---	117.81	331.93	8.87
Public lamps	48.72	42.16	36.79	25.59	77.30	230.56	6.17
Total of Government consumers	**154.83**	**276.17**	**230.30**	**102.60**	**599.20**	**1363.10**	**36.46**
Non-Government consumers							
Light and fan (Domestic and Commercial)	337.15	185.56	227.65	171.35	415.68	1337.39	35.78
Industrial	209.93	86.34	38.98	131.32	288.30	754.87	20.20
Private Tubewells	15.64	43.77	78.62	(-) 66.16	105.11	176.98	4.74
Others	10.14	29.33	28.55	8.89	28.67	105.58	2.82
Total of Non Government consumers	**572.86**	**345.00**	**373.80**	**245.40**	**837.76**	**2374.82**	**63.54**
Grand Total	**727.69**	**621.17**	**604.10**	**348.00**	**1436.96**	**3737.92**	**100**
Percentage	19.47	16.61	16.17	9.30	38.45	100	

Annexure -23

(Referred to in paragraph 3A.6.2.1)

Statement showing arrears against the consumers allowed the facility of payments in instalments

Name of Division	Name of consumer with contracted load	Number of times instalments were fixed	Arrears at the time of fixing initial instalments (Rs. in lakh)	Latest position of arrears as available	
				Date	Amount (Rs. in lakh)
EDD-II, Meerut	Sangal Paper Mills (Pvt.) Limited, Mawana Meerut (2126 KVA)	3 times in January 1997, May 1997 and August 1997	44.32	December 1997 (disconnected)	93.78
EDD-II, Ghaziabad	Hindon River Mills, Ghaziabad (3000 KVA) and Dasana Kaston Spinning Limited, Ghaziabad (2000 KVA)	2 times in August and November 1998	75.40	November 1998	277.00
EDD Banda	Parerhat Steel Limited, Murka, District Banda (5000 KVA)	4 times in August 1997, November 1997, May 1998 & January 1999	72.83	January 1999	410.46
EDD Banda	Parerhat Steel Limited, Murka, District Banda (3500/2000 KVA)	3 times in November 1997, May 1998 & January 1999	129.26	January 1999	223.03
EDD Banda	Parerhat Steel Limited, Murka, District Banda (1200 KVA)	2 times in November 1997 and May 1998	28.13	December 1998	47.80
EDD (Rural) Dehradun	Garhwal Steel and Alloys Limited Rishikesh, Dehradun (2500 KVA)	5 times in March 1996, May 1996, October 1996, November 1996 & January 1997	17.87	April 1997 (disconnected)	95.10
EDD-I Bulandshahar	Kailashpati Paper Mills (Pvt.) Limited, Sikandrabad (675 KVA)	3 times during August 1997, February 1998 to September 1998	10.32	March 1999	22.89
Total			**378.13**		**1170.06**

Annexure-24

(Referred to in paragraph 3A.6.2.5)

Statement showing non realisation of initial security from Government consumers

(Rs. in lakh)

Sl. No.	Name of division	Category of consumer	Security to be demanded	Demand raised	Loss of interest
1.	EUDD-III, Bareilly	Street Light	3.02	----	2.27
		Public Water Works	5.75	----	4.31
2.	EDD-III, Bulandshahar	Street Light	1.72	1.72	1.29
		Public Water Works	1.49	1.49	1.12
		State Tubewells	17.12	17.12	12.84
3.	EDD-II, Aligarh	Street Light	6.20	--	4.65
		Public Water Works	5.43	--	4.07
		State Tubewells	10.07	--	7.55
		World Bank Tubewells	1.71	--	1.28
4.	EUDD-I, Varanasi	Street Light	37.98	37.98	28.48
		Public Water Works	32.05	32.05	24.04
5.	K.E.S.A.	Street Light	43.60	43.60	32.70
		Public Water Works	64.62	64.62	48.47
6.	EUDD-I, Ghaziabad	Street Light	14.51	14.51	10.88
		State Tubewells	0.22	0.22	0.16
		Public Water Works	11.54	11.54	8.66
7.	EDD, Ranikhet	Street Light	0.15	--	0.11
		Public Water Works	31.32	--	23.49
8.	EDD, Hardoi	Street Light	2.25	--	1.69
		Public Water Works	3.43	--	2.57
		State Tubewells	26.25	--	19.69
		World Bank Tubewells	12.14	--	9.11
9.	EUDD-II, Aligarh	Street Light	1.44	--	1.08
		Public Water Works	5.32	--	3.99
10.	EDD, Etawah	Street Light	5.07	--	3.80
		Public Water Works	12.57	--	9.43
		World Bank Tubewells	10.30	--	7.73
Total			**367.27**	**224.85**	**275.46**

Annexure -25

(Referred to in paragraph 3A.6.2.6)

Statement showing position of non disconnection of supply to defaulting consumers

(Rs. in lakh)

	Light and fan (Domestic)		Light and fan (Commercial)		Small and medium power		Private Tubewells		Total No. of consumers	Amount
	No. of consum-ers	Dues	No. of consum-ers	Dues	No. of consum-ers	Dues	No. of consum-ers	Dues		
Not disconne-cted										
Less than 4 months	210082	1713.35	33801	612.86	8031	1481.89	25008	1289.17	276922	5097.27
4 to 6 months old	26189	369.94	5543	350.18	1120	407.56	1996	60.90	34848	1188.58
7 to 12 months old	20015	604.21	4653	353.06	951	379.15	2117	105.97	27736	1442.39
More than 12 months old	71806	5468.41	16443	3149.64	3484	4652.86	21118	2935.75	112851	16206.66
Total	328092	8155.91	60440	4465.74	13586	6921.46	50239	4391.79	452357	23934.90
Disconnected										
4 to 6 months old	198	15.02	72	10.71	69	26.73	1126	74.07	1465	126.53
7 to 12 months old	335	22.39	127	20.24	107	66.58	4130	312.34	4699	42155
More than 12 months old	4567	319.38	1446	199.70	975	504.37	4658	2123.28	11646	3146.73
Inoperative Accounts	20306	731.88	2520	236.17	7033	961.52	4173	313.64	34032	2243.21
Total	**25406**	**1088.67**	**4165**	**466.82**	**8184**	**1559.20**	**14087**	**2823.33**	**51842**	**5938.02**
Total numbers of consumers	**353498**	**9244.58**	**64605**	**4932.56**	**21770**	**8480.66**	**64326**	**7215.12**	**504199**	**29872.92**

Annexure -26

(Referred to in paragraph 3A.6.4.1)

Statements showing the details of differences in bank reconciliation statements

Name of division	Month up to which BR statement prepared	Nature of difference	Amount (Rs. in lakh)
EDD Barabanki	Up to June 1997 and April 1998 to November 1998 (BR statement not prepared for July 1997 to March 1998)	Shortage as per difference between the closing balances of the cash book and the pass book for November 1998 (not reconciled)	162.82
EDD (Urban) II Gorakhpur	April 1999	Unacknowledged remittances of April 1989 to November 1997.	10.46
		Excess debit by bank during December 1989 to March 1998	0.99
EDD (Rural) Dehradun	October 1997	Not transferred by other banks	50.87
		Unacknowledged remittances during April 1997	3.20
EDD Rudrapur	February 1998	Excess debits by the bank during December 1995 to December 1997 Excess credit by Bank	233.87 (-) 119.67
EDD (Urban) II Moradabad	June 1998	Unacknowledged remittances of April 1995 to July 1997	0.58
EDD (Urban/South) Dehradun	March 1998	Unacknowledged cheques of September 1990 to July 1996	44.69
EDD Mahrajganj	July 1998	Unacknowledged cheques of February 1992 to June 1998	14.69
		Excess debits by bank	6.86
		Other differences (no details)	72.87

Name of division	Month up to which BR statement prepared	Nature of difference	Amount (Rs. in lakh)
EDD Banda	March 1998	Unacknowledged cheques of January 1995 to December 1997	7.09
		Shortage as per difference between the balances of cash book and closed accounts of the bank (January 1995)	113.68
EDD Amroha	July 1996	Unacknowledged remittances made up to March 1994	120.73
EDD Kashipur	October 1998	Unacknowledged remittances up to October 1992	92.07
EDD Chandauli	October 1998	Shortage as per closing balance of the cash book and BR statement	68.68
EDD-I Varanasi	January 1999	Unacknowledged cheques of February 1996 to December 1998	22.79
		Excess debits by bank during January 1990 to January 1998	1.98
EDD Dhampur	January 1999	Unacknowledged remittances of April 1998 to December 1998	2.99
		Other shortage (not specified)	19.97
Total			**932.21**

Annexure –27

(Referred to in paragraph 3B.4.3)

Statement of PLF achieved, possible generation and shortfall in generation in Thermal Plants for 1985 - 1990.

Thermal power stations/capacity	Year	Actual generation (MU)	PLF achieved (*per cent*)	PLF as envisaged (*per cent*)	Possible generation (MU)	Shortfall in generation (MU)
Existing TPS						
Obra Thermal	1985-86	923	42.2	57.07	1248	325
5 x 50 MW	1986-87	839	38.3	57.07	1250	411
	1987-88	717	32.7	57.07	1251	534
	1988-89	899	41.1	57.07	1248	349
	1989-90	932	44.5	57.07	1195	263
Obra extension I	1985-86	825	31.4	57.07	1499	674
3 x 100 MW	1986-87	632	24.1	57.07	1496	864
	1987-88	959	36.4	57.07	1503	544
	1988-89	1281	48.8	57.07	1498	217
	1989-90	1362	52.5	57.07	1480	118
Obra extn II & III	1985-86	3136	35.7	61.07	5365	2229
5 x 200 MW	1986-87	3657	37.8	61.07	5908	2251
	1987-88	5583	63.6	61.07	--	--
	1988-89	5713	65.2	61.07	--	--
	1989-90	4710	53.8	61.07	5346	636
Panki	1985-86	319	56.9	57.07	--	--
2 x 32 MW	1986-87	86	28.5	57.07	172	92
	1987-88	0	0	57.07	--	--
	1988-89	98	34.9	57.07	160	62
	1989-90	155	55.3	57.07	159	4
Panki extension	1985-86	531	27.6	57.07	1097	566
2 x 110 MW	1986-87	1097	56.9	57.07	1100	3
	1987-88	391	20.3	57.07	1099	708
	1988-89	1144	59.3	57.07	--	--
	1989-90	804	42.1	57.07	1089	285
RPH, Kanpur	1985-86	82	14.5	57.07	322	240
75 MW	1986-87	65	11.4	57.07	322	257
	1987-88	76	13.4	57.07	323	247
	1988-89	53	9.3	57.07	325	272
	1989-90	39	6.9	57.07	322	283
Harduaganj 'A'	1985-86	185	30.2	57.07	349	164
3 x 30 MW	1986-87	117	22.3	57.07	299	182
	1987-88	108	41.1	57.07	149	41
	1988-89	74	28.3	57.07	149	75
	1989-90	53	20.1	57.07	150	97

Thermal power stations/capacity	Year	Actual generation (MU)	PLF achieved (*per cent*)	PLF as envisaged (*per cent*)	Possible generation (MU)	Shortfall in generation (MU)
Harduaganj 'A'	1985-86	185	30.2	57.07	349	164
3 x 30 MW	1986-87	117	22.3	57.07	299	182
	1987-88	108	41.1	57.07	149	41
	1988-89	74	28.3	57.07	149	75
	1989-90	53	20.1	57.07	150	97
Harduaganj 'B'	1985-86	558	30.3	57.07	1050	492
2 x 50 MW & 2 x 55 MW	1986-87	738	40.1	57.07	1050	312
	1987-88	669	36.3	57.07	1051	381
	1988-89	421	22.9	57.07	1049	628
	1989-90	425	23.6	57.07	1027	602
Harduaganj 'C'	1985-86	645	32.0	57.07	1150	505
2 x 60 MW & 1 x 110 MW	1986-87	866	43.0	57.07	1149	283
	1987-88	1056	52.3	57.07	1152	96
	1988-89	1013	50.3	57.07	1149	136
	1989-90	554	21.6	57.07	1477	923
Parichha	1985-86	358	29.8	57.07	685	327
2 x 110 MW	1986-87	966	50.1	57.07	1100	134
	1987-88	754	39.0	57.07	1103	349
	1988-89	1000	57.1	57.07	--	--
	1989-90	993	51.5	57.07	1100	107
Small Thermal	1985-86	67	20.5	57.07	186	119
25 MW	1986-87	26	8.1	57.07	183	157
	1987-88	21	67.2	57.07	--	--
	1988-89	34	15.7	57.07	123	89
	1989-90	18	8.0	57.07	128	110
Total						**18743**
New TPS						
Anpara 'A'	1985-86	--	--	--	--	--
3 x 210 MW	1986-87	427	71.7	28.53	--	--
	1987-88	1509	49.1	45.66	--	--
	1988-89	2218	60.5	57.07	--	--
	1989-90	3342	60.6	61.07	3367	25
Tanda	1985-86	--	--	--	--	--
3 x 110 MW	1986-87	--	--	--	--	--
	1987-88	--	--	--	--	--
	1988-89	--	--	--	--	--
	1989-90	97	40.9	57.07	135	38
Total						**63**
Grand Total						**18806**

Annexure –28

(Referred to in paragraph 3B.4.4)

Major parameters (Targets and Achievements) of Power during VII Five Year Plan

Particulars	1985-86		1986-87		1987-88		1988-89		1989-90		Total	
	Target	**Achievement**	**Target**	**Achieve -ment**	**Target**	**Achievement**	**Target**	**Achievement**	**Target**	**Achievement**	**Target**	**Achievement**
Gross generation (MU)												
Thermal	8648	7629	12622	9516	13093	11884	16567	13948	16919	13484	67849	56461
Hydel	4906	4597	4716	5224	4916	4707	4916	4745	4939	5083	24393	24356
Total	**13554**	**12226**	**17338**	**14740**	**18009**	**16591**	**21483**	**18693**	**21858**	**18567**	**92242**	**80817**
Auxiliary consumption (MU)												
Thermal	1081	1038 (13.61)	1463	1083 (11.38)	1898	1307 (11.0)	2079	1546 (11.0)	1997	1544 (11.45)	8518	6318
Hydel	25	13 (0.28)	25	15 (0.29)	25	13 (0.28)	26	13 (0.27)	30	13 (0.26)	131	67
Total	**1106**	**1051**	**1488**	**1098**	**1923**	**1320**	**2105**	**1559**	**2027**	**1557**	**8649**	**6585**
Net generation (MU)	12448	11175	15132	13642	18178	15271	21206	17134	23020	17010	89984	74232
Power purchase (MU)	1933	3791	2170	3591	4155	4516	6380	4744	7668	7497	22306	24139
Power available for sale (MU)	14381	14966	17302	17233	22333	19787	27586	21878	30688	24507	112290	98371
T&D losses (MU)	2660 (18.5)	3079 (20.57)	3114 (18)	3578 (20.76)	4020 (18)	5307 (26.82)	4965 (18)	5785 (26.44)	5524 (18)	6396 (26.10)	20283	24145
Energy sold (including export) (MU)	11721	11887	14188	13655	18313	14480	22621	16093	25164	18111	92007	74226
Average rate for sale of energy (in paise)	52.31	54.07	52.31	62.10	52.31	65.53	52.31	67.55	52.31	71.47	--	--
Percentage of power purchase to power available for sale		31.9		26.3		31.2		29.5		41.4	--	--

Note : Figures in bracket indicate percentage of achievement

Annexure -29

(Referred to in paragraph 3B.4.5)

Break up of sales to various categories of consumers

(Per cent)

Category	1985-86		1986-87		1987-88		1988-89		1989-90	
	Plan	**Actual**	**Plan**	**Actual**	**Plan**	**Actual**	**Plan**	**Actual**	**Plan**	**Actual**
Domestic	12.55	15.55	12.55	14.16	12.55	12.52	12.55	13.03	12.55	15.47
Commercial	2.22	5.65	2.22	5.57	2.22	5.61	2.22	7.75	2.22	5.36
Agriculture/ Irrigation	32.00	31.32	32.00	36.16	32.00	40.53	32.00	37.42	32.00	39.92
Industry	42.95	37.64	42.95	34.98	42.95	32.98.	42.95	32.87	42.95	31.95
Traction	4.56	4.84	4.56	4.67	4.56	4.53	4.56	3.53	4.56	3.43
Outside state	3.23	2.39	3.23	1.77	3.23	0.68	3.23	2.08	3.23	0.61
Others	2.49	2.61	2.49	2.69	2.49	3.15	2.49	3.32	2.49	3.26
Total	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**	**100.00**

Annexure –30

(Referred to in paragraph 3B.5.3)

Categorywise tariff and sale of energy

	1985-86			1986-87			1987-88			1988-89			1989-90		
Category of consumers	Tariff (per kwh) (paisa)	Percen – tage of sale (MU) to total sale	Percen-tage of sale to total sale	Tariff (per kwh) (paisa)	Percen – tage of sale (MU) to total sale	Percen-tage of sale to total sale	Tariff (per kwh) (paisa)	Percen – tage of sale (MU) to total sale	Percen-tage of sale to total sale	Tariff (per kwh) (paisa)	Percen – tage of sale (MU) to total sale	Percen-tage of sale to total sale	Tariff (per kwh) (paisa)	Percen – tage of sale (MU) to total sale	Percen-tage of sale to total sale
Domestic	51.82	15.55	14.90	55.20	14.16	12.58	72.35	12.52	13.82	77.53	13.03	14.95	60.21	15.47	13.04
Commercial	73.67	5.65	7.70	72.75	5.57	6.52	98.11	5.61	8.41	69.50	7.75	7.98	113.38	5.36	8.51
Agriculture / Irrigation	28.04	31.32	16.24	26.85	36.16	15.63	23.50	40.53	14.53	24.21	37.42	13.46	22.42	39.92	12.52
Industrial	70.61	37.64	49.16	93.57	34.98	52.67	102.35	32.98	51.51	107.12	32.87	52.13	125.15	31.95	55.96
Traction	70.37	4.84	6.30	99.12	4.67	7.46	104.95	4.53	7.26	113.21	3.53	5.92	95.29	3.43	4.58
Outside state	58.22	2.39	2.57	55.41	1.77	1.58	61.89	0.68	0.65	13.60	2.08	0.42	35.82	0.61	0.30
Overall	54.07	--	--	62.10	--	--	65.33	--	--	67.55	--	--	71.47	--	--

Annexure-31

(Referred to in paragraph 3B.7)

Details of Mini/Micro Hydel Generating Units

Sl.No./Name of the project	Capacity (in KW)	Estimated cost (Rupees in lakh)	Scheduled date of commiss-ioning	Actual date of commiss-ioning	Delay (in months)	Total expenditure up to 1997-98 (Rupees in lakh)
1. Chhirkila	1500	191.60 (3/86)	June 1989	May 1997	94	460.87
2. Kanchauti	2000	284.99 (3/86)	June 1989	Aug. 1993	49	477.24
3. Sobla	6000	756.75 (3/86)	June 1990	March 1998	92	1433.19
4. Kotabagh	200	34.99*	June 1988	April 1990	21	129.06
5. Kulagad	1200	259.22 (4/87)	June 1990	Sept. 1994	50	286.52
Total		**1527.55**				**2786.88**
6. Belka	3000	734.05 (9/86)	June 1990	Under construction	---	921.04
7. Babail	3000	780.30 (9/86)	June 1990	-- do --		1270.95
8. Bahadurabad	250	86.76*	June 1989	-- do --		0.58
Total	**17150**	**3128.66**				**4979.45**

Note: *Figures in bracket represent date of approval of the project*

* *Date of approval not available*

Annexure-32

(Referred to in paragraph 3B.8)

Generation performance of the renovated units

	PLF (Percentage)/oil consumption (OC) per kwh (in mili litre.)											
Power station	**Prior to renovation**		**1990-91**		**1991-92**		**1992-93**		**1993-94**		**1994-95**	
	PLF	**OC**	**PLF**	**OC**	**PLF**	**OC**	**PLF**	**OC**	**PLF**	**OC**	**PLF**	**OC**
Obra	44.5	5.53	51.3	10.86	39.2	11.95	53.1	8.96	36.0	13.93	14.09	23.30
Obra extn.I	52.5	3.58	51.4	3.39	41.6	4.80	35.6	6.88	37.2	9.61	19.94	15.14
Obra extn.II & III	53.8	4.30	69.2	2.69	5.63	5.34	62.1	4.88	57.7	3.92	41.02	47.22
Panki	55.3	8.46	31.9	18.25	18.6	14.27	43.4	18.09	30.9	21.71	32.70	25.61
Panki extn.	42.1	7.98	28.7	13.19	15.4	20.58	24.3	16.58	15.4	12.50	28.90	10.37
Harduaganj "A"	20.1	24.64	13.2	30.84	1.8	24.54	--	--	--	--	--	--
Harduaganj "B"	28.5	11.98	23.1	16.32	18.7	18.46	35.1	18.47	33.4	13.81	24.38	27.07
Harduaganj "C"	27.6	8.09	24.7	17.32	22.7	15.73	23.7	22.76	28.9	19.84	21.83	28.28

Annexure -33

(Referred to in paragraph 3B.12)

Physical and Financial targets and achievement of Rural Electrification Works

Particulars	Physical performance (in number)						Financial performance (Rupees in crore)	
	Energisation of PTW/PS		Electrification of villages		Harijan Basti			
	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
A. Plan Funds	--	--	--	--	--	--	461.53	405.42
Normal	31000	8450 (27.26%)	--	--	24300	18612 (76.59%)	63.52	57.95 (91.20%)
REC Normal	31000	40713 (131.33%)	7400	5783 (78.15%)	--	--	130.90	184.44 (140.90%)
Minimum Need programme	10000	18791 (187.91%)	8400	7730 (92.02%)	--	--	117.11	159.03 (135.80%)
SPA	157450	53891 (34.23%)	4000	3745 (93.62%)	--	--	150.00	4.00 (2.67)
B. Funds from outside Power Plan	18500	8 (0.04%)	5370	25 (0.47%)	--	--	200.00	--
Total	**247950**	**121853**	**25170**	**17283**	**24300**	**18612**	**661.53**	**405.42**

Annexure -34

(Referred to in paragraph 3C.4)

Statement of budget provisions, sources and utilisation of fund

(Rupees in crore)

Particulars	1994-95		1995-96		1996-97		1997-98		1998-99			Grand Total
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
A. Sources												
Sale of power	3093.39	3301.67	3862.09	3828.85	4126.80	3992.17	4943.90	4793.16	5419.86	5304.48	21446.04	21220.33
Subsidy from Government	960.00	71.69	930.00	97.62	1366.00	145.19	1672.00	167.20	1853.11	297.06	6781.11	778.76
Borrowings	1317.09	1152.20	1520.34	660.69	1209.99	1387.11	1654.60	942.83	2012.20	2106.05	7714.22	6248.88
Other income	1160.77	2194.49	1669.54	3192.06	1621.00	2864.53	2001.93	4082.21	2598.00	2726.45	9051.24	15059.74
Total A	6531.25	6720.05	7981.97	7779.22	8323.79	8389.00	10272.43	9985.40	11883.17	10434.04	44992.61	43307.71
B. Utilisation												
Purchase of Power	1296.42	1398.36	1440.88	1828.20	1603.00	1677.33	1902.70	1950.67	2326.09	2028.95	8569.09	8883.51
Interest and Financial Charges	967.69	1412.99	1045.76	1551.85	977.61	1661.00	1130.67	1888.51	1159.86	1810.29	5281.59	8324.64
Repayment of loan	318.23	327.80	405.21	368.68	368.53	333.90	853.89	371.64	623.00	525.61	2568.86	1927.63
Capital Works	897.94	1003.63	1659.44	960.34	1199.21	1486.64	1600.09	1357.42	1796.12	1128.81	7152.80	5936.84
Other expenditure	2476.27	2577.27	2973.73	3070.15	3324.95	3230.13	4232.80	4417.16	4811.16	4940.38	17818.91	18235.09
Surplus	574.70	-	456.95	-	850.49	-	552.28	-	1166.94	-	3601.36	-
Total B	6531.25	6720.05	7981.97	7779.22	8323.79	8389.00	10272.43	9985.40	11883.17	10434.04	44992.61	43307.71

Annexure –35

(Referred to in paragraph 3C.6.1)

Blockade of fund in incomplete works

(Rupees in crore)

Sl. No.	Title	Amount (Rupees in crore)	Para No.	Audit Report
1.	Blockage of fund in Merry Go Round System of circular rail track	11.24	3A.2.3	1995
2.	Deferred transmission system	4.95	3B.3.3	1995
3.	Incomplete construction of residential building	0.94	3A.12.2	1996
4.	Construction of overhead tank	0.07	3A.12.3	--do--
5.	Maneri Bhali, Stage-II and Lakhwar Vyasi HEP	390.19	3B.1.	March 1997
6.	Srinagar HEP	87.16	3B.1	--do--
7.	Construction of 400 KV sub-station Muzaffar Nagar	2.61	4B.4	--do--
		497.16		