REPORT OF THE
COMPTROLLER AND AUDITOR GENERAL
OF INDIA

FOR THE YEAR ENDED 31 MARCH 2001

COMMERCIAL

GOVERNMENT OF UTTAR PRADESH

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प्र०म०ले०(आ०एवं रा०क्षे०ले०प०)/कोपू/व्याख्यात्मक टिप्पणी/2019-20/

दिनांक :   नवम्बर, 2019

सेवा मे,

प्रबंध निदेशक,
कार्यालय सामान्य प्रबन्धक, पशु आहार मण्डल,
यू.पी. स्टेट एग्रो इंडस्ट्रियल कार्पोरेशन लिमिटेड,
डालीगंज, लखनऊ, उत्तर प्रदेश

विषय: वित्तीय वर्ष 2005-06 एवं 2006-07 मे महालेखाकार ऑडिट टीम द्वारा यू. पी. एग्रो मे जीआई पाइप के टेंडर के संबंध मे प्रस्तर 4.5 एवं 4.6 मे इंगित आपत्तियो पर विभागीय जांच के संबंध मे |

महोदय,

कृपया अपने कार्यालय के पत्रांक संख्या 162 /27/ जी.आ.पा./2019-20 दिनांक 17/10/2019 का संदर्भ ग्रहण करें | संदर्भित पत्र के माध्यम से भारत के नियंत्रक महालेखापरीक्षक के प्रतिवेदन वर्ष 2005-06 मे सम्मिलित प्रस्तर 4.5 एव प्रतिवेदन वर्ष 2006-07 मे सम्मिलित प्रस्तर 4.6 से संबन्धित आपत्तिया एवं उनसे संबन्धित साक्ष्य /प्रपत्र अथवा जो भी अभिलेख समीग्री उपलबद्ध हो, को उपलब्ध कराने हेतु अनुरोध किया गया था | इस संदर्भ मे ~~अवगत करना~~ है आपके कार्यलय द्वारा वांछित सूचना आपके सुलभ संदर्भ हेतु प्रेषित की जा रही है |

संलग्नक : यथोचित

भवदीय,

(इंद्र कुमार)
वरिष्ठ उप-महालेखाकार/प्रशासन

प्र०म०ले०(आ०एवं रा०क्षे०ले०प०)/कोपू/व्याख्यात्मक टिप्पणी/2019-20/

दिनांक :   नवम्बर, 2019

सेवा मे,

अपर पुलिस अधीक्षक,
उत्तर प्रदेश सतर्कता अधिष्ठान,
झाँसी सेक्टर,
झाँसी, उत्तर प्रदेश

विषय: उत्तर प्रदेश महिला कल्याण निगम द्वारा संचालित महिला सशक्तिकरण एवं स्वयं सिद्धा परियोजना के क्रियान्वयन मे 31 मार्च 2005 को समाप्त हुये वर्ष की विशिष्ट ऑडिट प्रस्तर 2.2.42, 2.2.43 एवं 2.2.44 मे उठाई गई आपत्ति/वित्तीय अनियमितताओ के विषयक |

महोदय,

कृपया अपने कार्यालय के पत्रांक संख्या स॰अ॰/अनु-2-खुली-67/2013/925 दिनांक 21 अक्तूबर 2019 का संदर्भ ग्रहण करें | संदर्भित पत्र के माध्यम से भारत के नियंत्रक महालेखापरीक्षक के 31 मार्च 2005 को समाप्त हुए वर्ष के उपर्युक्त प्रस्तरों से संबन्धित रिपोर्ट की सत्यापित प्रति एवं ऑडिट पार्टी मे प्रतिभाग करने वाले अधिकारियों व कर्मचारियो के नाम/पद/मो॰न॰ सहित सूची को उपलब्ध करने का अनुरोध किया गया था | इस संदर्भ मे ~~अवगत करना है~~ आपके कार्यलय द्वारा वांछित सूचना आपके सुलभ संदर्भ हेतु प्रेषित की जा रही है |

संलग्नक : यथोचित

भवदीय,

(इंद्र कुमार)
वरिष्ठ उप-महालेखाकार/प्रशासन

PUC may kindly be seen

(A) PUC is letter no. 162/27/जी॰आ॰पा॰ /2019-20 dated 17 October 2019 received from Managing Director, UP State Agro Industrial Corporation Limited, Uttar Pradesh vide which it ~~has been~~ was informed that ~~COPU~~ ~~has~~ MD has been directed ~~for~~ to investigat~~ion~~e ~~of~~ matters related to para 4.5 and 4.6 of C&AG Audit Report of the year 2005-06 and 2006-07 respectively by setting up a committee. Due to non-availability of original documents related to above mentioned para, the investigation process could not be started. In this regard, MD, has requested to provide the documents related to audit observations and supported key documents of above mentioned audit para.

(B) PUC is letter no. **स.आ/अनु -2-खुली-67/2013/925** dated 21 October 2019 received from Additional Superintendent of Police, Uttar Pradesh Vigilance Adhishthan, Jhansi Sector, Jhansi vide which it has been informed that on direction of GoUP, an open investigation is being conducted by Inspector, Shri Ajeet Kumar on the matter related to irregularities in *Mahila Sashaktikaran* and *Saymsiddha* Scheme operated by Uttar Pradesh Mahila Kalyan Nigam Limited observed in para 2.2.42 to 2.2.44 of C&AG Audit Report (2004-05).

In this regard, they have requested to provide an attested copy of Audit Report and name & contact numbers of audit team members of that time.

If approved, a copy of audit paras may be provided to above institutions.

Submitted for approval please.

AAO/COPU

SAO/COPU

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 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. Audit of Uttar Pradesh State Employees Welfare Corporation, which is a registered society is conducted under Section 19(3) of the Comptroller and Auditor General's (Duties, Power and Conditions of Service) Act, 1971.

4. In respect of Uttar Pradesh State Road Transport Corporation, Uttar Pradesh Avas Evam Vikas Parishad, Uttar Pradesh Jal Nigam and Uttar Pradesh Forest Corporation, which are Statutory corporations, the Comptroller and Auditor General of India is the sole auditor. In respect of Uttar Pradesh State Financial 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 Corporation out of panel of auditors approved by the Reserve Bank of India. In respect of Uttar Pradesh State Warehousing 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 2000-2001 as well as those which came to notice earlier but were not dealt with in the previous Reports. Matters relating to the period subsequent to 2000-2001 have also been included, wherever necessary.

OVERVIEW

1. Overview of Government companies and Statutory corporations

As on 31 March 2001, the State had 105 Public Sector Undertakings (PSUs) comprising 98 Government companies and seven Statutory corporations which was the same last year also. Out of 98 Government companies, 54 were working Government companies while 44 were non-working Government companies. All the seven Statutory corporations were working corporations. The number of non-working Government companies increased from 41 to 44 during the year. In addition, there were five companies under the purview of 619-B of the Companies Act, 1956, three of which were non-working as on 31 March 2001.

The total investment in working PSUs decreased from Rs.17049.05 crore as on 31 March 2000 to Rs. 14736.88 crore as on 31 March 2001. The total investment in non-working PSUs increased from Rs. 264.00 crore to Rs. 854.41 crore during the same period.

The budgetary support in the form of capital, loans and grants disbursed to the working PSUs increased from Rs. 743.23 crore in 1999-2000 to Rs. 5630.74 crore in 2000-2001. The State Government also released loan of Rs. 106.53 crore to five non-working companies during 2000-2001. The State Government guaranteed loans aggregating to Rs. 604.65 crore (Rs. 582.65 crore to working PSUs and Rs. 22.00 crore to non-working PSUs) during 2000-2001. The total amount of outstanding loans guaranteed by the State Government to all PSUs increased from Rs. 1564.72 crore as on 31 March 2000 to Rs. 2624.47 crore as on 31 March 2001.

One working Government company has finalised its accounts for the year 2000-2001. The accounts of remaining 53 working Government companies and seven working Statutory corporations were in arrears for periods ranging from one year to 15 years as on 30 September 2001. The accounts of all the 44 non-working Government companies were in arrears for periods ranging from one year to 27 years as on 30 September 2001.

According to latest finalised accounts, 22 working PSUs (19 Government companies and three Statutory corporations) earned aggregate profit of Rs. 60.64 crore. None of the PSUs declared dividend during the year. Against this, 36 working PSUs (33 Government companies and three Statutory corporations) incurred aggregate loss of Rs. 459.19 crore as per the latest finalised accounts.

Of the loss incurring working Government companies, 21 companies had accumulated losses aggregating Rs. 1471.55 crore which exceeded their aggregate paid-up capital of Rs. 783.13 crore. Of the three loss incuring working Statutory corporation, two corporations had accumulated losses aggregating Rs. 1033.19 crore which exceeded their aggregate paid-up-capital of Rs. 421.37 crore.

Even after completion of five years of their existence, the individual turnover of 21 working Government companies has been less than Rs.5 crore in each of the preceding five years of latest finalised accounts. Further, seven working Government companies, had been incurring losses for five consecutive years as per their latest finalised accounts, leading to negative net worth. As such, the Government may either improve the performance of these 28 Government companies or consider their closure.

(Paragraphs 1.1, 1.2, 1.3 and 1.7)

2. Reviews relating to Government companies

UTTAR PRADESH POWER CORPORATION LIMITED

2A. PROCUREMENT, PERFORMANCE AND REPAIR OF ENERGY METERS

- *The Company is required to install and maintain correct energy meters on each point of supply of energy under Section 26(2) of Indian Electricity Act, 1910. Finalisation of tenders and placement of order for procurement of energy meters were delayed which not only resulted in non-availability of meters during period of their requirement but also deprived the benefit of downward trend in prices. Shortfall in procurement of meters also led to direct (unmetered) supply and non-replacement of damaged/.defective meters.*

{Paragraphs 2A.1, 2A.3.1.1, 2A.3.2, 2A.4b and 2A 4b(i)

- *Non-replacement of defective/damaged meters was instrumental in extending undue favour to consumers as the date of stoppage of meter reading in such cases was treated as the date of temporary connection for finalisation of permanent disconnection cases. Accordingly Rs. 7.04 crore towards revenue arrears for more than a year up to 18 years was waived off in 1402 permanent disconnection cases noticed during test check.*

{Paragraph 2A.5 (d) (iii)}

- *Frequent failure of meters at consumers' premises due to suspected malpractices resulted in undercharge/loss of revenue of Rs. 2.38 crore.*

{Paragraph 2A.5 (f) (i to iii)}

UTTAR PRADESH RAJYA VIDYUT UTPADAN NIGAM LIMITED

2B. MATERIAL MANAGEMENT IN THERMAL POWER STATIONS

- *Upon corporatisation of erstwhile Uttar Pradesh State Electricity Board the thermal power stations at Obra (A & B), Panki, Anpara, Parichcha and Harduaganj with a total installed capacity of 4124 MW at the end of March 2001 were transferred to the Nigam with effect from 14 January 2000. The Company failed to introduce an efficient material management and inventory control system due to faulty purchase procedure, delayed arrangement of material and excess consumption of material.*

{Paragraph 2B.1, 2B.4.1.2, 2B.4.1.4 & 2B.5.2.2 to 2B.5.5}

- *Materials worth Rs. 13.27 crore remained unutilised for a period from 5 to 10 years. Similarly, unserviceable and scrap materials valued at Rs. 3.87 crore remained undisposed of.*

(Paragraph 2B.6.2 & 2B.9)

UTTAR PRADESH POLICE AVAS NIGAM LIMITED

2C. WORKING OF UTTAR PRADESH POLICE AVAS NIGAM LIMITED

- *The Company was established on 27 March 1987 with the main objective of executing housing and other schemes for the benefit of the Police Department. It failed to achieve its optimum level capacity mainly due to under utilisation of capacity despite availability of funds, deficient system of execution of work without first releasing technical sanction and lack of monitoring the time schedule and expenditure on construction works.*

{Paragraph 2C.1, 2C.5.2, 2C.6.1 & 2C.7.2 (i)}

- *The Company registered a downward trend during all the four years up to 1999-2000 which turned into substantial loss of Rs. 1.09 crore during 2000-2001 due to lower magnitude of work done. The advances from Government also registered a substantial growth up to 78.7 per cent over*

1996-97 due to non-finalisation of accounts in respect of completed works valuing Rs. 97.47 crore.

(Paragraph 2C.5.1)

3. Reviews relating to Statutory Corporation

UTTAR PRADESH FOREST CORPORATION

3A. WORKING OF UTTAR PRADESH FOREST CORPORATION

- *The Corporation established in November 1974 was mainly engaged in felling/disposal of trees, collection/sale of tendu patta and jari-buti and agricultural operations in tarai areas of the State. The operation of the Corporation were marked by cases of shortfall in production in timber, under recovery of sawn timber, poor yield agricultural operations, rain affected production of tendu patta and cases of inadequate control of funds besides loss of revenue due to non/delayed revision of floor prices for sale of timber.*

{Paragraph 3A.6.1.1 (A) (i) & (C), 3A.6.1.2, 3A.6.1.3 (A), 3A.7.1(i) & 3A.10}

- *The Corporation sustained loss of revenue of Rs. 2.52 crore during 1998-99 and 1999-2000 as the proposal for increasing the floor prices was not put up to Managing Director for approval. Likewise loss of Rs. 7.57 crore was sustained due to inordinate delay in making the proposal for increase in floor prices for 1995-96.*

{Paragraph 3A.7.1 (i)}

UTTAR PRADESH AVAS EVAM VIKAS PRAISHAD

3B. WORKING OF UTTAR PRADESH AVAS EVAM VIKAS PARISHAD

- *The Uttar Pradesh Avas Evam Vikas Parishad was established in April 1966 with the objective of implementing policies of State and Central Governments towards solving the housing problems by providing readymade houses and developed plots at reasonable prices. The working of the Parishad was characterised by its failure to properly manage* *financial resources leading to losses due to delayed transfer of funds and non-realisation of claim. .*

(Paragraph 3B.1, 3B.2, 3B.8.1.3 and 3B.8.1.4)

- *The financial activities of the Parishad were marked by mismanagement of available funds. Parishad failed to encash fixed deposit receipts (FDR) of Rs. 6.50 crore on maturity from its bank. Instead of pressing for encashment of the earlier FDR, it availed loans against it and incurred loss of Rs. 2.36 crore.*

(Paragraph 3B.8.1.1)

- *The activities of acquisition of land suffered from deficiencies that included non-achievement of targets besides excess/avoidable payments and unfruitful expenditure leading to a loss of Rs. 23.30 crore.*

(Paragraphs 3B.9)

- *Developed land valuing Rs. 42.80 crore was lying unutilized at the close of March 2001. Services of developed colonies could not be handed over to local authorities leading to avoidable expenditure of Rs. 14.32 crore on their maintenance.*

{Paragraphs 3B.10.1(a) & (b)}

4. Miscellaneous Topics of Interest relating to Government companies and Statutory corporations

UTTAR PRADESH STATE SUGAR CORPORATION LIMITED

- *The failure of the Company in imposing timely damages against the agents whose agreements were terminated resulted in loss of Rs. 2.08 crore.*

(Paragraph 4A.6)

UTTAR PRADESH POWER CORPORATION LIMITED

- *The consumers were short billed due to incorrect application of tariff and short billing of minimum charges Rs. 1.44 crore.*

(Paragraph 4A.9)

KANPUR ELECTRIC SUPPLY COMPANY LIMITED

(Subsidiary of Uttar Pradesh Power Corporation Limited)

- *The consumer was allowed to make payment of monthly bills in instalment without late payment surcharge leading to undue favour to consumer amounting Rs. 2.80 crore.*

(Paragraph 4A.22)

UTTAR PRADESH FINANCIAL CORPORATION

- *Disbursement of loan on fake letter of bank and fake security documents resulted in loss of Rs. 4.44 crore.*

(Paragraph 4B.3)

- *Disbursal of loan without verifying the identity of the mortgager and the title deeds resulted in loss of Rs. 0.97 crore.*

(Paragraph 4B.5)

UTTAR PRADESH JAL NIGAM

- *The project which was to be completed at a cost of Rs. 1.13 crore remained incomplete even after incurring expenditure of Rs. 2.34 crore.*

(Paragraph 4B.8)

CHAPTER-I

1. Overview of Government Companies and Statutory Corporations

1.1 Introduction

As on 31 March 2001 there were 98 Government companies (54 working companies and 44 non-working companies[1]) and seven Statutory corporations (working corporations) as against 98 Government companies (57 working companies and 41 non-working companies) and seven Statutory corporations (working corporations) as on 31 March 2000 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 who are appointed by the 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 arrangements of Statutory corporations are as shown below:

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

1. Non working companies/corporations are those which are under the process of liquidation/closure/ merger etc.

(1)	(2)	(3)	(4)
5.	Uttar Pradesh Jal Nigam	Section 20(1) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971	Sole audit by CAG
6.	Uttar Pradesh Forest Corporation	Section 19(3) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971	Amendment in Forest Corporation Act is awaited. Audit by Examiner, Local Fund Account is also being done.
7.	Uttar Pradesh State Employees Welfare Corporation	Section 19(3) of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971	Sole audit by CAG

1.2 Working Public Sector Undertakings (PSUs)

1.2.1 Investment in working PSUs

As on 31 March 2001, the total investment in 61 working PSUs (54 Government companies and seven Statutory corporations) was Rs. 14736.88 crore (equity: Rs.7205.56 crore; long-term loans[2]: Rs.7037.74 crore; and share application money: Rs.493.58 crore as against 64 working PSUs (57 Government companies and seven Statutory corporations) with a total investment of Rs.17049.05 crore (equity: Rs.4715.36 crore; long term loans: Rs.11953.81 crore; and share application money: Rs.379.88 crore) as on 31 March 2000. The analysis of investment in working PSUs is given in the following paragraphs.

1.2.1.1 Working Government companies

Total investment in 54 working Government companies as on 31 March 2001 was Rs.12896.87 crore (equity: Rs.6773.03 crore; long term loans: Rs.5712.33 crore; share application money: Rs.411.51 crore) as against total investment of Rs.14979.82 crore (equity: Rs.4282.62 crore; long term loans: Rs.10394.39 crore; share application money: Rs.302.81 crore) as on 31 March 2000 in 57 working Government companies.

The summarised statement of Government investment in working Government companies in the form of equity and loans is detailed in Annexure-1.

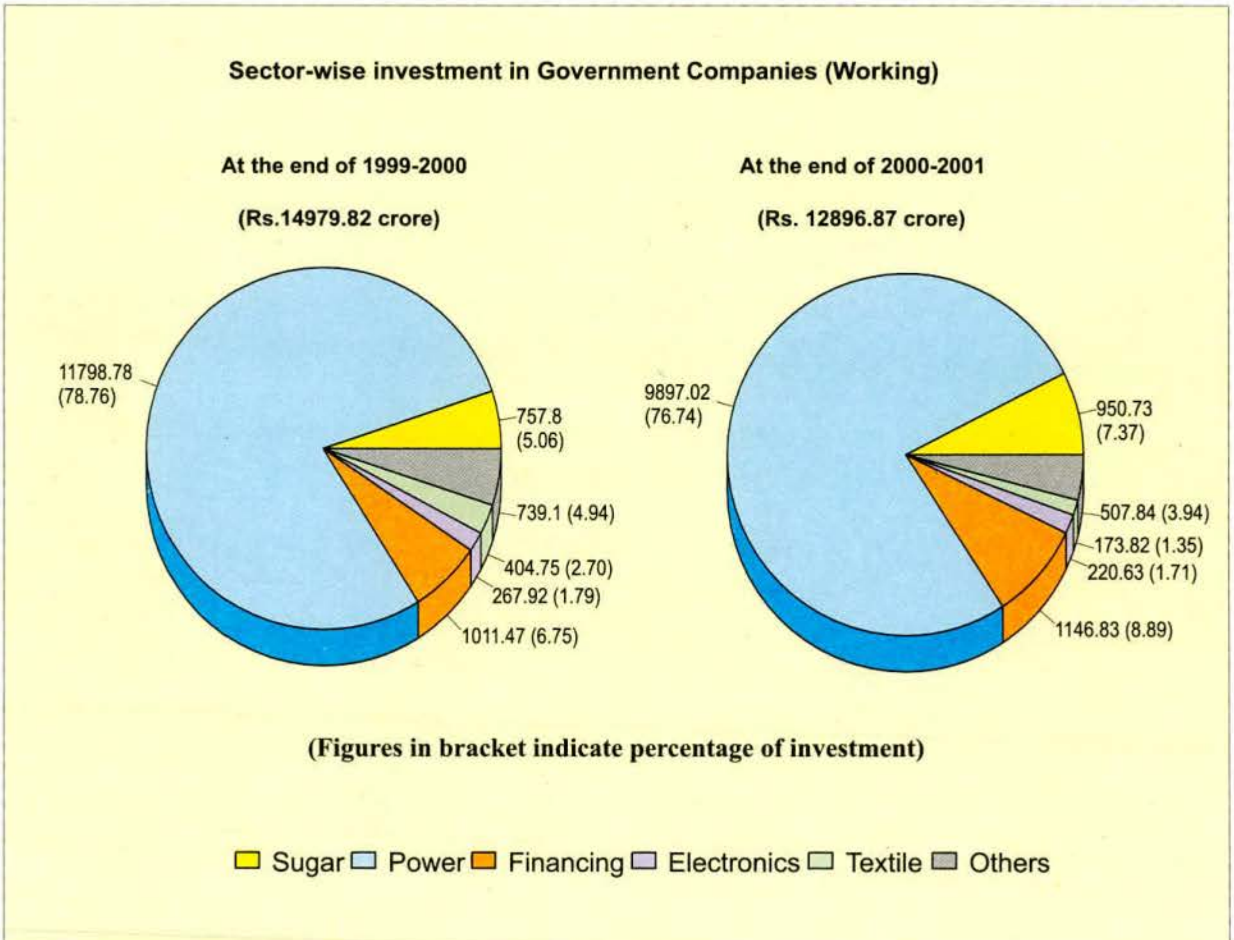
2. Long term loans mentioned in para 1.2.1, 1.2.1.1 and 1.2.1.2 are excluding interest accrued and due on such loans.

Investment in the current year has decreased over the previous year mainly due to repayment of loan in the power and electronics sector.

Sector wise investment in working Government companies

As on 31 March 2001, the total investment in working Government companies, comprised 55.71 *per cent* of equity capital and 44.29 *per cent* of loans as compared to 30.61 *per cent* and 69.39 *per cent*, respectively, as on 31 March 2000.

The investment (equity and long term loans) in various sectors and percentage thereof at the end of 31 March 2000 and 31 March 2001 are given below in the pie charts:



Due to significant decrease in long term loan of Power and Electronics sectors the debt equity ratio decreased from 2.27:1 in 1999-2000 to 0.80:1 in 2000-2001.

1.2.1.2 Working Statutory corporations

The total investment in seven working Statutory corporations at the end of March 2001 and March 2000 was as follows:

(Rupees in crore)

Name of corporation	1999-2000		2000-2001	
	Capital	Loan	Capital	Loan
Uttar Pradesh State Road Transport Corporation	321.57	88.41	321.37	104.13
Uttar Pradesh Financial Corporation	100.00 (74.86)	1283.49	100.00 (79.86)	1019.82
Uttar Pradesh State Warehousing Corporation	11.16 (2.21)	1.08	11.16 (2.21)	10.00
Uttar Pradesh Avas Evam Vikas Parishad	-	19.64	-	54.00
Uttar Pradesh Jal Nigam	-	131.02	-	123.31
Uttar Pradesh Forest Corporation	-	32.58	-	12.50
Uttar Pradesh State Employees Welfare Corporation	-	3.20	-	1.65
Total	**432.73 (77.07)**	**1559.42**	**432.53 (82.07)**	**1325.41**

(Figures in bracket indicate share application money)

The summarised statement of Government investment in working statutory corporations in the form of equity and loans is detailed in Annexure-1.

1.2.2 Budgetary outgo, grants/subsidies, guarantees, waiver of dues and conversion of loans into equity

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

The budgetary outgo (in the form of equity capital and loans) and grants/subsidies from the State Government to working Government companies and working Statutory corporations for the three years up to 2000-2001 are given below:

(Amount: Rupees in crore)

	1998-99				1999-2000				2000-2001			
	Companies		Corporations		Companies		Corporations		Companies		Corporations	
	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Equity Capital outgo from budget	7	26.48	2	7.14	4	3.06	2	36.46	12	2936.40	1	5.00
Loans given from budget	12	112.23	4	1149.49	12	215.68	2	1.17	13	2162.64	3	22.50

(Amount: Rupees in crore)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
Grants/Subsidy toward												
(i) Projects/ Programmes/ Schemes	-	-	3	3.01	5	75.80	1	404.55	6	63.65	2	435.08[3]
(ii) Other subsidy	2	80.62	1	133.92	4	4.78	1	1.73	2	5.47	-	-
(iii) Total subsidy	2	80.62	4	136.93	9	80.58	2	406.28	8	69.12	2	435.08
Total outgo	**17[4]**	**219.33**	**8[4]**	**1293.56**	**20[4]**	**299.32**	**5[4]**	**443.91**	**22[4]**	**5168.16**	**4[4]**	**462.58**

During the year 2000-2001 the Government had guaranteed the loans aggregating Rs. 582.65 crore obtained by nine working companies (Rs. 544.34 crore) and three working Statutory corporations (Rs.38.31 crore). At the end of the year guarantees amounting to Rs.2424.31 crore against 11 working Government companies (Rs.1591.16.crore) and five Working Statutory corporations (Rs.833.15 crore) were outstanding. The Government had forgone Rs.18.01 crore by way of giving moratorium on loan repayment in two companies during 2000-2001. The Government also converted its loans amounting to Rs.75.26 crore into equity capital in two companies (Rs.34.01 crore) and one corporation (Rs.41.25 crore) during the year. Unlike other States, no guarantee commission is being charged from Government companies and Statutory corporations by the Government.

1.2.3 Finalisation of accounts by working PSUs

The accounts of the companies for every financial year are required to be fianalised 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 provisions of their respective Acts.

However, as could be noticed from Annexure-2, out of 54 working Government companies, only one working company and out of seven working Statutory corporations, no corporation have finalised their accounts for the year 2000-2001 within stipulated period. During the period from October 2000 to September 2001, 27 working Government companies finalised 27 accounts for previous years. Similarly, during this period three working Statutory corporations finalised three accounts for previous years.

3 Includes grant Rs.0.30 crore.

4 Indicates actual number of companies/corporations which received budgetary support in the form of equity, loans, grants and subsidies from the Government in respective years.

The accounts of 53 working Government companies and seven Statutory corporations were in arrears for periods ranging from one year to 15 years as on 30 September 2001 as detailed below:

Sl No.	Year from which accounts are in arrears	Number of years for which accounts are in arrears	No. of working Companies/Corporations		Reference to serial No. of Annexure-2	
			Government Companies	Statutory Corporations	Government Companies	Statutory Corporations
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	1986-87	15	1		30	
2.	1987-88	14	1		33	
3.	1989-90	12	1		29	
4.	1990-91	11	2		22,47	
5.	1991-92	10	2		13,48	
6	1993-94	8	2		9,52	
7	1994-95	7	2		10,19	
8.	1995-96	6	2	1	27,28	5
9.	1996-97	5	4	1	2,18,32,34	7
10.	1997-98	4	6		11,14,26,37,53,54	
11.	1998-99	3	3		36,49,50	
12.	1999-2000	2	9	2	6,12,23,38,41,42,43, 44,51,	4,6
13.	2000-2001	1	18	3	3,4,5,7,8,15,16,17,20,21, 24,25,31,35,39,40,45,46	1,2,3

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

1.2.4 Financial position and working results of working PSUs

The summarised financial results of working PSUs (Government companies and Statutory corporations) as per latest finalised accounts are given in Annexure-2. Besides, statement showing financial results of individual working Statutory corporations for the latest three years for which accounts are fianalised are given in Annexure-4 & 5 respectively.

According to latest finalised accounts of 52 working Government companies and seven working Statutory corporations, 33 companies and three corporations had incurred an aggregate loss of Rs.272.80 crore and Rs.186.39 crore, respectively, 19 companies, three corporations earned an aggregate profit of Rs.17.47 crore and Rs.43.17 crore, respectively. Two[5] companies had not finalised accounts since inception, and one corporation[6] has not submitted the accounts.

1.2.4.1 Working Government companies

1.2.4.1.1 Profit earning working companies and dividend

One working Government company (Sl No. A-4 of Annexure-2) finalised its accounts for 2000-2001 by September 2001 and earned a profit of Rs.0.02 crore but did not declare dividend. The Government has not formulated any dividend policy for PSUs.

Similarly, out of 27 working Government companies which finalised their accounts for previous years by September 2001, 12 companies earned an aggregate profit of Rs.12.35 crore and only nine[7] companies earned profit for two or more successive years.

1.2.4.1.2 Loss incurring working Government companies

Of the 33 loss incurring working Government companies, 21 companies had accumulated losses aggregating Rs.1471.55 crore which exceeded their aggregate paid up capital of Rs.783.13 crore.

Despite poor performance and 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 equity, further grants of loans, subsidy and conversion of loans into equity during 2000-2001 to 12 companies, amounted to Rs.356.67 crore.

1.2.4.2 Working Statutory corporations

1.2.4.2.1 Profit earning Statutory corporations and dividend

No working Statutory Corporation finalised accounts for 2000-2001 by September 2001.

Out of six working Statutory corporations which finalised their accounts for previous years by September 2001, three corporations earned an aggregate profit of Rs.43.17 crore and only two corporations earned profit for two or more successive years.

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5 Serial No. A-43 and 44 of Annexure-2.

6 Serial No. B-7 of Annexure-2.

7 Serial No. A-1,6,8,23,25,28,35,45 and 54 of Annexure-2.

1.2.4.2.2 Loss incurring Statutory corporations.

Of the three loss incurring working Statutory corporations, two corporations had accumulated losses aggregating Rs.1033.19 crore which exceeded their aggregate paid-up capital of Rs.421.37 crore.

Despite poor performance and complete erosion of paid up capital, the State Government continued to provide financial support to these corporations 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 equity, loan, subsidy and conversion of loans into equity during 2000-2001 to two corporations amounted to Rs.46.25 crore.

1.2.4.2.3 Operational performance of working Statutory corporations

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

(i) While the average number of own vehicles held by Uttar Pradesh State Road Transport Corporation dropped by 11.2 *per cent* in 1999-2000 as compared to 1997-98, the average number of hired buses held increased by 61.6 *per cent* during the same period. This showed increased dependence on hired buses. The occupancy ratio also declined from 64 in 1997-98 to 61 in 1999-2000.

(ii) The amount overdue for recovery has continuously increased from Rs. 541.64 crore (principal : Rs. 164.60 crore and interest : Rs. 377.04 crore) in 1997-98 to Rs. 935.04 crore (principal : Rs. 242.68 crore and interest : Rs. 692.36 crore) in 1999-2000 (72.63 *per cent*) which indicates poor follow up by the corporation (Uttar Pradesh Financial Corporation).

(iii) In addition, the disbursement of loan by the Uttar Pradesh Financial Corporation decreased from Rs. 268.89 crore (1300 cases) in 1997-98 to Rs. 69.65 crore (237 cases) in 1999-2000 which was detrimental to the industrial development of the State.

1.2.5 Return on Capital employed

As per the latest finalised accounts (up to September 2001), the capital employed[8] worked out to Rs.2575.30 crore in 52 working companies and total return[9] thereon amounted Rs.2.12 crore which is 0.082 *per cent* as compared to total return of

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8 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, bonds, deposits and borrowings (including refinance).

9 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.

Rs 4.10 crore (0.19 *per cent*) in the previous year (accounts finalised up to September 2000). Similarly, the capital employed and total return thereon in case of working Statutory corporations as per the latest finalised accounts (up to September 2001) worked out to Rs. 5820.88 crore and Rs.113.11 crore (1.94 *per cent*), respectively, against the total return of Rs.142.54 crore (2.61 *per cent*) in previous year (accounts finalised up to September 2000). The details of capital employed and total return on capital employed in case of working Government companies and Statutory corporations are given in Annexure-2.

1.3 Non-working PSUs

1.3.1 Investment in non-working PSUs

As on 31 March 2001, the total investment in 44 non-working PSUs (44 non-working Government companies) was Rs. 854.41 crore (equity: Rs.389.74 crore, long term loans: Rs.416.79 crore, and Share application money: Rs.47.88 crore) as against total investment of Rs. 264.00 crore (equity: Rs. 102.36 crore, long term loans: Rs. 160.38 crore and Share application money: Rs. 1.26 crore) in 41 non-working PSUs (41 non-working Government companies) as on 31 March 2000.

The classification of non-working PSUs was as under:

(Amount : Rupees in crore)

Sl. No.	Status of non-working companies	Number of companies	Number of corpo-rations	Investment			
				Companies		Corporations	
				Equity[10]	Long term loans	Equity[10]	Long term loans
(i)	Under liquidation	12	-	15.86	11.04	-	-
(ii)	Under closure	-	-	-	-	-	-
(iii)	Under merger	2	-	0.44	2.09	-	-
(iv)	Others[11]	30	-	421.32	403.66	-	-
	Total	**44**	**-**	**437.62**	**416.79**	**-**	**-**

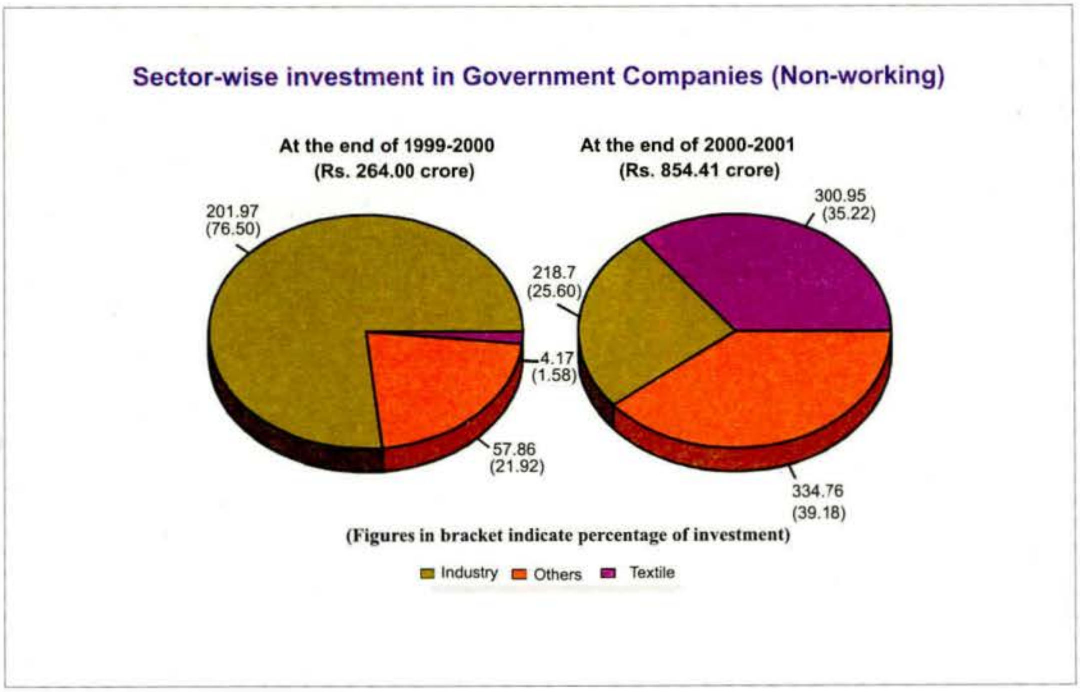
Of the above non-working PSUs, 12 Government companies were under liquidation or closure under Section 560 of the Companies Act, 1956 for 1 to 26 years and substantial investment of Rs. 26.90 crore was involved in these companies. Effective steps need to be taken for their expeditious liquidation or revival.

The investment (equity and long term loans) in various sectors and percentage

10 Equity includes share application money of Rs.47.88 crore for companies under 'others'.

11 Defunct and non-operating companies.

thereof at the end of 31 March 2001 and 2000 are indicated below in the pie charts:



1.3.2 Budgetary outgo, grant/subsidy, guarantees, waiver of dues and conversion of loans into equity

The details regarding budgetary outgo, grants/subsidies, guarantees issued, waiver of dues and conversion of loans into equity by the State Government to non-working PSUs are given in Annexures-1 and 3.

The State Government had paid budgetary support of Rs.106.53 crore (loans), to five[12] non-working companies during 2000-2001.

1.3.3 Total establishment expenditure on non-working PSUs

The year wise details of total establishment expenditure of non-working PSUs and the sources of financing them during last three years up to 2000-2001 are given in the table below:

(Amount: Rupees in crore)

	Number of PSUs[13]	Total Establishment Expenditure	Financed by				
			Disposal of investment/ assets	Loans from private parties	Government by way of		Others
					Loans	Grants	
A. Government Companies							
1998-99	4	13.57	0.07		-	-	13.50
1999-2000	4	24.18	11.73		-	-	12.45
2000-2001	4	0.99	0.92		-	-	0.07

12 Serial No. B-6,15,22,29 and 43 of Annexure-1.

13 Out of 44 non-working companies, only four companies have given the details of establishment expenditure.

1.3.4 Finalisation of accounts by non-working PSUs

The accounts of 44 non-working companies were in arrears for periods ranging from 1 year to 27 years as on 30 September 2001 as could be noticed from Annexure-2.

1.3.5 Financial position and working results of non-working PSUs

The summarised financial results of non-working Government companies and Statutory corporations as per latest finalised accounts are given in Annexure-2.

The year wise details of paid-up capital, net worth, cash loss/profits and accumulated loss/accumulated profit of non-working PSUs as per latest finalised accounts are given below:

(Amount : Rupees in crore)

	A. Non working companies	Year	Paid-up capital	Net worth	Cash loss (-) cash profit (+)	Accumulated loss (-)/ accumulated profit (+)
	(1)	(2)	(3)	(4)	(5)	(6)
1.	Uttar Pradesh Pashudhan Udyog Nigam Limited	1993-94	2.73	(-)0.03	(+)0.05	(-)2.76
2.	Uttar Pradesh State Horticultural Produce & Marketing Corporation Limited	1984-85	1.91	(-)0.65	(-)0.40	(-)2.55
3.	Mohammadabad Peoples Tannery Limited	1976-77	0.06	(+)0.01	(-)0.0001	(-)0.04
4.	Uttar Pradesh Plant Protection Appliances Limited	1974-75	0.009	(+)0.0009	(-)0.002	(-)0.008
5.	Auto Tractors Limited	1991-92	7.50	(-)57.33	(+)0.93	(-)64.83
6.	Uttar Pradesh Instruments Limited (Subsidiary of Uttar Pradesh State Industrial Development Corporation Limited)	1998-99	1.93	(+)1.93	(-)5.17	(-)39.54
7.	Northern Electrical Equipment Industries Limited (Subsidiary of Kumaon Mandal Vikas Nigam Limited)	1990-91	0.0007	(-)0.005	Under construction	-
8.	Uttar Pradesh State Brassware Corporation Limited	1992-93	5.38	(-)1.93	(-)0.71	(-)7.31
9.	The Turpentine Subsidiary Company Limited (Subsidiary of The Indian Turpentine and Rosin Company Limited)	1977-78	0.16	0.16	(-)0.02	-
10.	The Indian Bobbin Company Limited	1973-74	0.03	(+)0.03	(+)0.03	-
11.	Continental Float Glass Limited	1995-96	46.00	(+)41.86	Under construction	-
12.	Uttar Pradesh Abscott Limited	1975-76	0.05	(+)0.05	(-)0.02	-
13.	Uttar Pradesh Tyres & Tubes Limited	1992-93	1.83	(-)8.13	(-)1.95	(-)9.96
14.	UPAI Limited	1988-89	0.17	(+)0.10	(-)0.005	(-)0.05

(1)	(2)	(3)	(4)	(5)	(6)
15. Kumtron Limited (Subsidiary of Uttar Pradesh Hill Electronics Corporation Limited)	1989-90	0.18	(+)0.17	(-)0.02	(-)0.02
16. Uttar Pradesh Hill Phones Limited (Subsidiary of Uttar Pradesh Hill Electronics Corporation Limited)	Accounts not finalised since inception.				
17. Uttar Pradesh Hill Quartz Limited (Subsidiary of Uttar Pradesh Hill Electronics Corporation Limited)	Accounts not finalised since inception.				
18. Teletronix Limited (Subsidiary of Kumaon Mandal Vikas Nigam Limited)	1993-94	3.35	(+)0.05	(-)0.94	(-)3.29
19. Uttar Pradesh State Textile Corporation Limited	1997-98	160.79	(-)19.22	(+)4.70	(-)180.56
20. Uptron Sempack Limited (Subsidiary of Uttar Pradesh Electronics Corporation Ltd.)	1979-80	0.03	(-)0.009	(-)0.007	(-)0.03
21. Kumaon Television Limited (Subsidiary of Kumaon Mandal Vikas Nigam Limited)	1996-97	1.00	(-)2.11	(-)0.32	(-)3.11
22. Kanpur Components Limited(Subsidiary of Uttar Pradesh Electronics Corporation Limited)	Accounts not finalised since inception				
	-	0.05	NA	NA	NA
23. Uttar Pradesh Textile Printing Corporation Limited (Subsidiary of Uttar Pradesh State Handloom Corporation Limited)	1989-90	0.26	(+)0.09	(+)0.06	(-)0.17
24. Bhadohi Woolens Limited (Subsidiary of Uttar Pradesh State Textile Corporation Limited)	1994-95	3.76	(-)6.20	(-)1.66	(-)11.96
25. Handloom Intensive Development Project (Bijnore) Limited (Subsidiary of Uttar Pradesh State Handloom Development Corporation Ltd.)	1988-89	0.02	(+)0.93	(-)0.08	(+)0.91
26. Uttar Pradesh State Mineral Development Corporation Ltd.	1996-97	56.40	(+)48.19	(-)5.53	(-)8.22
27. Vindhayachal Abraisives Limited (Subsidiary of Uttar Pradesh Mineral Development Corporation Limited)	1987-88	0.00002	(-)0.11	(-)0.12	(-)0.11
28. Uttar Pradesh Bundelkahnd Vikas Nigam Limited	1991-92	1.23	(-)0.06	(-)0.07	(-)1.29
29. Uttar Pradesh Poorvanchal Vikas Nigam Limited	1987-88	1.15	(+)0.07	(-)0.11	(-)1.08
30. Bundelkhand Concrete Structurals Limited (Subsidiary of Uttar Pradesh Bundelkhand Vikas Nigam Limited)	1986-87	0.02	(+)0.01	(-)0.0001	(-)0.007
31. Allahabad Mandal Vikas Nigam Limited	1983-84	0.67	(+)0.56	(+)0.24	(-)0.11
32. Bareilly Mandal Vikas Nigam Limited	1984-85	1.25	(+)0.35	(-)0.66	(-)0.90
33. Lucknow Mandalaiya Vikas Nigam Limited	1981-82	0.50	(+)0.51	(+)0.06	(+)0.01
34. Agra Mandal Vikas Nigam Limited	1986-87	1.00	(+)0.67	(+)0.14	(-)0.33
35. Gorakhpur Mandal Vikas Nigam Limited	1985-86	1.22	(+)0.04	(+)0.06	(-)1.18
36. Meerut Mandal Vikas Nigam Limited	1994-95	1.00	(+)0.22	(-)0.01	(-)0.78
37. Varanasi Mandal Vikas Nigam Limited	1987-88	0.70	(+)0.44	(+)0.16	(-)0.26
38. Moradabad Mandal Vikas Nigam Limited	1988-89	0.25	(+)0.03	(-)0.10	(-)0.22
39. Gandak Samadesh Kshetriya Vikas Nigam Limited	1976-77	0.46	NA	NA	NA

(1)	(2)	(3)	(4)	(5)	(6)
40. Tarai Anusuchit Janjati Vikas Nigam Limited	1982-83	0.45	(+)0.45	(-)0.04	(+)0.005
41. Uttar Pradesh State Cement Corporation Limited	1995-96	68.28	(-)357.71	(-)47.75	(-)425.99
42. Uttar Pradesh Carbon and Chemicals Limited (Subsidiary of Uttar Pradesh State Industrial Development Corporation Limited)	1996-97	0.01	(+)0.0008	(+)0.0004	(-)0.001
43. Uttar Pradesh Carbide & Chemicals Limited (Subsidiary of Uttar Pradesh Mineral Development Corporation Limited)	1992-93	6.59	(-)28.74	(-)5.82	(-)35.32
44. Uttar Pradesh Chalchitra Nigam Limited	1997-98	8.18	(-)0.63	(-)0.06	(-)8.81
Total		**386.55972**	**96.7617**	**6.4304**	**0.925**
			(-) 482.864	**(-) 71.5742**	**(-) 810.796**

(Note : Net worth, cash loss/profit and accumulated losses/profit calculated are as per last certified accounts. 44 non-working PSUs have not finalised their accounts for 1 to 27 years as indicated in Annexure-2)

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

The following table indicates the status of placement of various Separate Audit Reports (SARs) on the accounts of Statutory corporations issued by CAG 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)	(2)	(3)	(4)	(5)	(6)
1.	Uttar Pradesh State Road Transport Corporation	1993-94	1994-95 1995-96 1996-97 1997-98 1998-99	08.11.1996 20.01.1998 10.09.1999 12.01.2000 11.10.2001	Information is awaited
2.	Uttar Pradesh Financial Corporation	1992-93	1993-94 1994-95 1995-96 1996-97 1997-98 1998-99	07.07.1995 18.04.1996 28.08.1998 17.12.1999 27.07.2000 20.10.2001	Information is awaited
3.	Uttar Pradesh State Warehousing Corporation	1997-98	1998-99 1999-2000	27.07.2000 29.05.2001	Information is awaited

(1)	(2)	(3)	(4)	(5)	(6)
4.	Uttar Pradesh Forest Corporation [14]	--	1997-98	17.08.2000	Information is awaited
5.	Uttar Pradesh Avas Evam Vikas Parishad	-------[15]	1990-91 1991-92 1992-93 1993-94	23.02.1998 23.02.1998 27.02.1998 19.08.1999	Information is awaited
6.	Uttar Pradesh Jal Nigam	-------[15]	1995-96 1996-97 1997-98 1998-99	21.10.1997 18.02.1999 03.07.2000 19.09.2001	Information is awaited
7.	Uttar Pradesh State Employees Welfare Corporation [16]	--	--	--	--

1.5 Disinvestment, Privatisation and Restructuring[17] of Public Sector Undertakings

The policy of privatisation/disinvestment of PSUs formulated (June 1994) by the Government provided for the review of all enterprises, excluding those engaged in social welfare activities and public utilities, whose annual loss was more than Rs.10 crore and which 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 have not been made available to Audit. The Government intimated (May 2000) that on the recommendation of EC, the State Disinvestment Commission has since been constituted.

1.6 Results of audit by Comptroller and Auditor General of India

During the period from October 2000 to September 2001, the audit of accounts of 36 Government companies (24 working and 12 non-working) and three Statutory corporations (working) were selected for review. The net impact of the important audit observations as a result of review of the PSUs were as given in the table on the next page:

14 Audit was entrusted from 1997-98.

15 Information as regards to Uttar Pradesh Avas Evam Vikas Parishad prior to 1990-91 and Uttar Pradesh Jal Nigam prior to 1995-96 awaited from Government.

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

17. Resctructuring includes merger and closere of PSUs

Details	No. of accounts				Rupees in lakh			
	Government companies		Statutory corporations		Government companies		Statutory corporations	
	Working	Non - working	Working	Non - working	Working	Non - working	Working	Non - working
(i) Decrease in profit	5	-			1641.55	-		
(ii) Increase in profit	2	-			79.99			
(iii) Increase in loss	12	3	3		2323.33	63.85	18050.25	
(iv) Decrease in loss	-	1	1		-	1.93	173.68	
(v) Non disclosure of material facts	16	1	2		4235.98	10.73	24525.24	
(vi) Errors of classification	9	1	3		2340.65	5.64	11729.35	

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

1.6.1 Errors and omissions noticed in case of Government companies

Garhwal Mandal Vikas Nigam Limited (1994-95)

The commercial working of the Ropeway Project commenced from 31 March 1994 but it was not capitalised although the Board of Directors decided (5 March 1999) to capitalise the asset prior to the approval of Accounts. This resulted in understatement of Gross Block by Rs.1447.67 lakh, overstatement of capital work in progress by Rs.617.75 lakh, Loans & Advances by Rs.829.92 lakh and understatement of Depreciation by Rs.434.30 lakh.

Uttar Pradesh State Spinning Company Limited (1999-2000)

Provision for gratuity (Rs.864.83 lakh) and accumulated loss both were understated by Rs. 74.50 lakh due to non-provision of interest for the year at the rate of 9 *per cent* per annum stipulated in actuarial valuation of provision for gratuity.

Uttar Pradesh State Leather Development and Marketing Corporation Limited (1998-99)

- Fixed assets (Rs.232.26 lakh) was overstated by Rs.23.72 lakh due to non-provision of depreciation (including Rs.7.09 lakh for the current year) on buildings of Common Facility Centres, Fatehpur. Jais and Basti, resulting in understatement of loss for the year by Rs.7.09 lakh and accumulated loss by Rs.23.72 lakh.

- Fixed assets of High Frequency Centre, Agra (Rs.55.53 lakh) was overstated by Rs.43.64 lakh due to non-provision of depreciation (including Rs.1.92 lakh for the current year) resulting in understatement of loss for the year byRs.1.92 lakh and accumulated loss by Rs.43.64 lakh.

Uttar Pradesh Matsya Vikas Nigam Limited (1992-93)

Sundry Debtors (Rs.83.35 lakh) was overstated and loss for the year was understated by Rs.17.63 lakh due to inclusion of amount written off by the Board.

Uttar Pradesh State Mineral Development Corporation Limited (1995-96)

Current Assets, Loans and Advances included interest of Rs.57.78 lakh charged by the Company during 1994-95 on loan to Continental Float Glass Limited which was waived off by the Board (March 1996) and, therefore, not recoverable. This resulted in overstatement of Current Assets, Loans and Advances and understatement of accumulated loss by Rs.57.78 lakh.

Uttar Pradesh State Sugar Corporation Limited (1995-96)

Loans and advances were overstated by Rs.89.99 lakh, and accumulated loss was understated by Rs.89.99 lakh, including loss for the year byRs.9.02 lakh, on account of non-provision for bad and doubtful advances against interest accrued and due on loans given to factories under receivership amounting to Rs 89.99 lakh.

1.6.2 Errors and omissions noticed in case of Statutory corporations

Uttar Pradesh State Road Transport Corporation (1998-99)

- Consequent upon implementation of recommendation of pay commission, the pay to the employees/officers, who retired during 01.01.1996 to 31.12.1998 were revised. However, no provision for Rs.563.16 lakh being the arrears for that period was made in the accounts. This resulted in understatement of accumulated loss by Rs.563.16 lakh.

- The liability for penal interest amounting Rs.26.38 lakh for non deposit of sales tax in time during 1990-91 to 1992-93 was not provided for resulting in understatement of accumulated loss and liabilities by Rs.26.38 lakh.

1.6.3 Persistent irregularities and system deficiencies in financial matters of PSUs

Government Companies

Uttar Pradesh Export Corporation Limited

The interest amounting to Rs.9.22 lakh earned during the years 1996-97 (Rs.6.94 lakh) and 1997-98 (Rs.2.28 lakh) on the fixed deposits made out of the Government grants had been continued to be shown as company's income instead of showing as a liability to Government as required in terms of Government

Order dated 4 December 1993, despite the comment of the Comptroller and Auditor General of India on the accounts of the company for the year 1996-97. This resulted in understatement of liabilities and accumulated loss by Rs.9.22 lakh including loss for the year by Rs.2.28 lakh.

Uttar Pradesh Rajkiya Nirman Nigam Limited

Sundry Debtors (Rs.3919.29 lakh) and accumulated profit (Rs.970.16 lakh) both were overstated by Rs.987.29 lakh on account of non-provision for bad and doubtful debts recoverable against 96 very old works completed during 1979-80 to 1991-92 (Rs.342.05 lakh), excess expenditure incurred on 128 cost plus deposit works (Rs.568.74 lakh) and four tender works completed 10 to 17 years back (Rs.76.50 lakh) respectively despite being commented upon by the Comptroller and Auditor General of India on the accounts of the company for the years 1997-98 and 1998-99.

1.7 Recommendation for closure of PSUs

Even after completion of five years of their existence, the turnover (sales and other income) of 21 working Government companies (Annexure-10) have been less than Rs.5 crore in each of the preceding five years of latest finalised accounts. Similarly, seven working Government companies (Annexure-10A) had been incurring losses for five consecutive years (as per latest finalised accounts) leading to negative net worth. In view of poor turnover and continuous losses, the Government may either improve performance of above 28 Government companies or consider their closure.

1.8 Response to Inspection Reports, Draft paras and reviews

Audit observations noticed during audit and not settled on the spot are communicated to the head of PSUs and concerned departments of State Government through Inspection Reports. The heads of PSUs are required to furnish replies to the Inspection Reports through respective heads of departments within a period of six weeks. Inspection Reports issued up to March 2001 pertaining to 107 PSUs disclosed that 11428 paragraphs relating to 3076 Inspection Reports remained outstanding at the end of September 2001.

Of these, 1076 Inspection Reports containing 3510 paragraphs had not been replied for more than five years. Department-wise break-up of Inspection Reports and Audit Observations outstanding as on 30 September 2001 is given in Annexure-7.

Similarly, draft paragraphs and reviews on the working of PSUs are forwarded to the Principal Secretary/Secretary of the administrative department concerned demi-officially seeking confirmation of facts and figures and their comments thereon within a period of six weeks. It was however observed that 58 draft paragraphs and five draft reviews forwarded to the various departments during July 2000 to June 2001, as detailed in Annexure-8, had not been replied so far.

It is recommended that (a) the Government should ensure that procedure exists for action against the officials who failed to send replies to Inspection Reports/ draft paragraphs/reviews as per the prescribed time schedule, (b) action to recover loss/outstanding advances/overpayment in a time bound schedule and (c) revamping the system of responding to the audit observations.

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

Period of Audit Report	Total No. of reviews and paragraphs appeared in the Audit Report		No. of reviews and paragraphs pending for discussion	
	Reviews	Paragraphs	Reviews	Paragraphs
1976-77	2	53	--	4
1977-78	5	28	--	3
1979-80	6	59	--	7
1980-81	6	30	--	1
1981-82	4	73	2	39
1982-83	5	50	3	16
1983-84	4	60	3	4
1984-85	2	14	1	7
1985-86	6	22	6	9
1986-87	3	28	2	13
1987-88	8	23	6	8
1988-89	5	22	3	10
1989-90	6	14	1	7
1990-91	6	21	4	19
1991-92	4	38	4	35
1992-93	5	33	3	26
1993-94	5	31	5	23
1994-95	5	41	5	23
1995-96	7	39	6	26
1996-97	8	40	8	20
1997-98	5	67	5	63
1998-99	5	26	5	26
1999-2000	4	41	4	41

1.10 619-B Companies

There were five companies coming under Section 619-B of the Companies Act, 1956 of which three were non-working. Annexure-9 indicates the details of paid-up capital, investment by way of equity, loans and grants and summarised working results of these companies based on their latest available accounts.

CHAPTER-II

2. Reviews relating to Government companies

Uttar Pradesh Power Corporation Limited

2A. Procurement, Performance and Repair of Energy Meters

Highlights

The Company is required to install and maintain correct energy meters on each point of supply of energy under Section 26 (2) of the Indian Electricity Act, 1910.

(Paragraph 2A.1)

Delayed finalisation of tenders and failure to avail benefit of reduction in prices of meters resulted in extra expenditure of Rs.4.32 crore in procurement of meters.

(Paragraphs 2A.3.1.1 & 2A.3.2)

Defective/damaged meters ranging from 8.69 lakh and 9.29 lakh were not replaced at consumers' premises in spite of availability of 1.07 lakh and 1.08 lakh meters in stock at the end of March 1999 and March 2000 respectively. Consumers in such cases were billed on ad-hoc basis either for minimum charge or assessed units of energy. Consumers were also given direct (unmetered) supply which resulted in loss of revenue of Rs. 3.55 crore.

{Paragraph 2A.4 (b) & 2A 4(b)(i)}

Non-replacement of defective/damaged meters was instrumental in extending undue favour to consumers as the date of stoppage of meter reading in such cases was treated as the date of temporary disconnection for finalisation of permanent disconnection cases. Accordingly Rs. 7.04 crore towards revenue arrears for more than a year up to 18 years was waived off in 1402 permanent disconnection cases noticed during test check.

{Paragraph 2A.5 (d) (iii)}

Cost of 23007 damaged meters amounting to Rs. 1.22 crore was not realised from the consumers concerned before their replacement as required in terms of Paragraph 5.22 of the Revenue Manual.

{Paragraph 2A.5 (e) (iv)}

Defective/damaged meters were not checked regularly and correctly which resulted in undercharge/loss of revenue of Rs. 3.30 crore.

{Paragraph 2A.5 (e) (v to x)}

Frequent failure of meters at consumers' premises due to suspected malpractices resulted in undercharge/loss of revenue of Rs. 2.38 crore.

{Paragraph 2A.5 (f) (i to iii)}

Current Transformers (CTs) and Potential Transformers (PTs) of suitable capacity were required to be installed at supply lines in cases of heavy power consumers to regulate quantum and voltage of energy to be recorded in meters. A test check revealed defects in CTs and PTs and errors in multiplying factors based thereon which resulted in undercharge of revenue of Rs. 1.33 crore.

{Paragraph 2A.5 (g) (i to vi)}

Lack of control over progress of repair of energy meters and expenses incurred therein resulted in excessive maintenance and repair expenses by Rs. 0.41 crore in 6 Electricity Test Divisions during April 1996 to September 2000 and accumulation of 37101 defective meters awaiting repairs at the end of September 2000.

{Paragraph 2A.6 (a) & (b)}

2A.1 Introduction

In order to assess the quantum of energy sold, the Company (erstwhile Uttar Pradesh State Electricity Board) is required to install and maintain correct energy meters on each point of supply of energy to consumers for measuring the energy sold as per Section 26 (2) of the Indian Electricity Act, 1910. At the end of September 2000, there were 46.87 lakh metered consumers while unmetered consumers for agricultural and rural supply of energy were 37.91 lakh.

2A.2 Scope of Audit

A review on deficiencies in the system of procurement, performance and repairs of energy meters had featured in the Audit Report (Commercial) for the year ended 31 March 1994, in respect of which recommendations of the Committee on State Corporations and Public Enterprises are awaited (May 2001).

This report contains deficiencies in the system of procurement, performance and repairs of energy meters as noticed during audit of records of 24 units out of 200 units for the period from 1996-97 to 2000-2001 carried out during November 2000 to April 2001.

2A.3 Procurement

Energy meters are procured centrally by Electricity Stores Procurement Circle (ESPC) II (Financed from World Bank Loans) and Electricity Stores Procurement Circle III (financed from other sources) under the overall charge of the Chief General Manager (Material Management) with the approval of the Corporate Stores Purchase Committee (CSPC). Procured meters are stored at 13 Electricity Stores Divisions for issue to Electricity Test Divisions (ETDs) who install these at consumers' premises after testing them in their laboratories. Energy bills based on readings recorded are issued by respective Electricity Distribution Divisions (EDD).

Requirement of meters for each year is assessed by the Company on the basis of estimated number of new connections, number of defective/damaged meters to be replaced and average consumption of meters in the past. Orders for supply of meters were placed by ESPC II and III after approval of tenders by CSPC.

A test check in audit revealed that the system of procurement of meters was marred by delay in finalisation of tenders, extra expenditure, purchases against non-competitive tenders etc. as discussed below:

2A.3.1 Delay in finalisation of tenders

Tenders for purchase of meters are required to be finalised and purchase orders placed before expiry of validity periods mentioned in the tender documents. The table at Annexure-11 shows delays in finalisation of tenders and placement of purchase orders.

Purchase orders were placed after delay of 4 to 45 months from the date of expiry of validity period

It would be evident from the table that placements of purchase orders were delayed by four to 45 months from the date of expiry of validity periods. This resulted not only in shortfall in procurement but higher cost on procurement of meters also as brought out below :

2A.3.1.1 Procurement at higher cost due to delayed finalisation of tenders

(a) Tenders for supply of HT (High Tension) and LT (Low Tension) electronic meters received in August 1994, were valid for acceptance up to February 1995. Orders were, however, placed by ESPC III during June 1995 to February 1996 as mentioned in the Annexure-12.

Placement of orders at higher rates despite availability of lower rates resulted in higher procurement cost by Rs. 0.46 crore

In May 1995 i.e. before placement of these orders, fresh tenders were invited against which lower rates were received. Instead of cancelling earlier tenders, orders were placed during June 1995 to February 1996 at ex-works rate of Rs. 20580 to Rs. 22000 per meter against the tenders received in August 1994. This resulted in higher cost of procurement of meter by Rs. 45.55 lakh as compared to the rates of Rs. 16322 obtained in tender of ESDC-I. In this connection it is also mentioned that Gujart State Electricity Board had purchased in 1995-96 HT electronic meters from Duke Arnics Limited, Hyderabad and Data Pro Electronics Limited, Pune at Rs. 13635 and Rs. 13050 per meter respectively. The Company did not safeguard its interest by not including a protective clause in the purchase orders for availing lower rates (ex-works price) quoted by the firm to other Public Sector Undertakings/Electricity Boards.

Delayed placement of purchase orders resulted in extra expenditure of Rs. 0.36 crore

(b) Tenders received in September 1993 for supply of 54500 three phase four wire electro-mechanical meters of 10-20 Amperes (50000), 50-100 Amperes (3000) and CT (Current Transformer) operated LT (1500) meters required for the year 1994-95 were valid up to February 1994. On the basis of the CSPC's decision of October 1995 and October 1996, orders were placed at ex-works rates as mentioned in the Annexure-13. In view of the failure to accept the tenders within validity period, the Company should have cancelled these tenders and invited fresh tenders to avail the benefit of lower market rates. This was, however, not done and the purchase orders were placed 22 to 45 months after expiry of the date of validity of tenders and meters were actually supplied during April 1996 to March 1998 when the increased rates of Rs. 858 to Rs. 887, Rs. 1049 to Rs. 1054 and Rs. 911 to Rs. 916 per meter of the above categories were applicable due to price variation in terms of the purchase orders. The price variation formula stipulated was linked with prices of raw materials and wages. Thus, delayed placement of purchase orders resulted not only in non-availability of meters in 1994-95 and extra expenditure of Rs. 36.11 lakh by way of price variation but also deprived the Company of the benefit of downward trend in prices of meters (rate of Rs. 680 per meter of similar capacity was obtained in November 1999). In this connection it is also mentioned that Gujrat State Electricity Board had purchased in 1997-98 three phase electro mechanical meters of 10 ampere, 30 ampere, 50 ampere and 100 ampere at Rs. 710, Rs. 787, Rs. 870 and Rs. 925 per meter respectively which were lower than the rates of Rs. 858 to Rs. 1054 mentioned above.

2A.3.1.2 Shortfall in procurement

The table on the next page shows the position of requirement of meters and their actual procurement during 1996-97 to 1999-2000:

Year	Requirement	Actual Procurement including opening balance	Shortfall
		(Number of meters in lakh)	
1996-97	7.70	3.03	
1997-98		2.58	2.09
1998-99	9.36	3.95	5.41
1999-2000	7.36	4.00	3.36

The shortfalls in procurement resulted in release of unmetered supply and non-replacement of defective/damaged meters as discussed in succeeding paragraphs:

2A.3.2 Failure to avail benefit of reduction in prices

Price variation claims amounting to Rs. 0.39 crore were allowed despite availability of lower rates

(a) On the basis of tenders received in May 1996 which were initially valid up to November 1996, orders valued at Rs. 4.38 crore were placed in July–August 1997 on four firms for supply of 1.50 lakh single phase two wire (5-20 ampere) electro-mechanical meters at Rs.323 to Rs. 329 each which were variable according to IEEMA[18] formula with base price on 1 March 1996. Despite downward trend in prices of meters and actual supply of only 93800 meters up to February 1998, ordered quantity was increased from 1.50 lakh meters to 3.40 lakh meters in March 1998 instead of conducting negotiations with the firms for availing discount on account of bulk purchases. Out of 3.40 lakh meters, 90800 meters were supplied during July to September 1998 by the four firms even though ESPC-III had received (July 1998) lower rates of Rs. 294 to Rs. 299 for similar type of meters in response to tender notice floated in June 1998. The four firms were, further, allowed during November 1998 to April 1999 the revised rates of Rs. 332 to Rs. 338 according to the price variation formula for supply of 90800 meters. In respect of another 30000 meters an order at Rs. 323 per meter was placed in August 1997. However, the order had to be cancelled due to non-supply and thereafter fresh orders for this quantity were placed in November 1998 at rates ranging from Rs. 294 to Rs. 297 per meter. Thus, the purchase of 90800 meters at the revised rates resulted in extra expenditure of Rs. 38.75 lakh.

Non-reduction of the ordered quantity deprived the Company of saving of Rs. 0.20 crore

(b) On the basis of tenders received in January 1997, an order was placed on Secure Meters Ltd., Udaipur in July 1997 for supply of 2500 electronic (11 KV) and 300 electronic (33 KV) meters valued at Rs. 2.91crore at computed rate of Rs. 12191.41 per meter with delivery schedules for 1200 meters up to 13 September 1997 and 1600 meters up to 13 November 1997. The entire quantity was supplied in October and November 1997. The terms of the order provided for increase/decrease in the stipulated quantity to any extent. These terms were, however, not enforced by the Company for reduction in the quantity inspite of the fact that lower rates (computed rate Rs. 10942.35) per meter was received in tender opened on 17 July 1997 in response to another tender enquiry. Had the ordered quantity of 2800 meters been reduced to 1200 meters to be supplied up

[18] Indian Electrical and Electronics Manufacturer Association.

to 13 September 1997, procurement of the remaining 1600 meters at the lower rate of Rs. 10942.35 per meter would have resulted in saving of Rs. 19.98 lakh.

(c) Short-term tenders were invited in June 1998 for supply of 5 lakh electro-mechanical meters of single phase two wire (5-20 ampere) to meet requirement of 1998-99. The purchase orders on eight firms in December 1998 for supply of 5 lakh meters valued at Rs. 14.80 crore at Rs. 294 to Rs. 310 each, however, provided delivery schedule in respect of 3.95 lakh meters during April to December 1999 (i.e. 1999-2000).

Failure to avail the benefit of reduction in prices resulted in extra expenditure of Rs. 0.18 crore

Meanwhile, in response to another tender enquiry of April 1998 in respect of which date of opening tenders was extended ten times from May 1998 to September 1999 for supply of 3.17 lakh meters of the above category to meet requirements for the year 1999-2000, lower rates of Rs. 269 to Rs. 281 per meter were received in September 1999. The meters against the orders placed in December 1998 at higher rates, however, continued to be purchased, although 1.78 lakh such meters were in the stock of the Stores Organisation at the end of September 1999. ESPC-III had asked two firms in October 1999 to complete pending supply of 86000 meters at lower of the two rates stipulated in the order of December 1998 and those tendered in September 1999. The firms did not agree and 86000 meters were purchased from the two firms after September 1999 at the rates stipulated in the orders of December 1998. This resulted in extra expenditure of Rs. 18.05 lakh as compared with the lower rates offered in September 1999.

(d) On the basis of tenders received in July 1998 in response to tender enquiry of April 1998 for supply of single phase two wire (5-20 ampere) electronic meters, orders were placed in June 1999 on seven firms for supply of 31000 meters valued at Rs. 2.42 crore at FOR destination rate of Rs. 899.95 each. The quantity was increased during December 1999 to November 2000 by 123000 meters valued at Rs. 11.07 crore with scheduled delivery periods extended up to March 2001. The increase in the ordered quantities about two years after the date of tender not only tantamount to placement of orders on single offer basis, but also deprived the Company of the benefit of downward trend in electronic items. In this connection it was further noticed that Kerala State Electricity Board had purchased single phase electronic meters at Rs. 834 (all inclusive) each.

(e) In response to tender enquiry for supply of 37000 three phase four wire electronic meters of 10-20 ampere (12000) and 30-60 ampere (25000) to meet requirements during 1998-99, orders were placed for 42000 meters of 10-20 ampere (30000) and 30-60 ampere (12000) at the lowest computed rate of Rs. 6654 (including freight, excise duty and sales tax) per meter of each category on two firms as mentioned on the next page:

Sl. No.	Name of firm	Month of order	Category (ampere)	Ordered quantity	Delivery schedule		Actual supply	
					Period	Number	Period	Number
1.	Secure Meters Ltd, Udaipur	Dec. 1998	10-20	18000	Feb. & March 1999	12600	March 1999	2700
			30-60	7200	Sep. to Nov. 1999	12600	April 1999 to Dec. 1999	8500
							Mar. 2000	7000
							June 2000	7000
		Jan. 2000	10-20	6000	Sept. 2000	4200	Sep.2000 to Dec. 2000	8400
			30-60	2400	Oct. 2000	4200		
	Total			**33600**		**33600**		**33600**
2.	Duke Arnics Ltd, Hyderabad.	Dec. 1998	10-20	6000	Feb 1999 to Dec. 1999	8400	Dec 1999	1600
			30-60	2400				

The above table indicates that delivery of 14000 meters against the order of December 1998 was awaited in January 2000 when another order was placed for additional 8400 meters with delivery schedule of September and October 2000 without ascertaining prevailing prices of such meters in view of downward trend in their prices.

Acceptance of delayed and additional supplies despite reduction in prices resulted in extra expenditure of Rs. 2.74 crore

The sliding trend in the rates was confirmed in April 2000 when the lowest rate (exclusive of excise duty and sales tax) of Rs. 3637 per meter by a Chinese firm and the other rates of Rs. 3955 to Rs. 5203 (including Rs. 4832 offered by Secure Meters Ltd., Udaipur) by four indigenous firms were offered in response to global tender enquiry floated in December 1999 by ESPC II, Lucknow. No efforts were made to invite fresh tender and supply of 15400 meters during June to December 2000 was accepted from the Udaipur firm even without any negotiation with the above referred four indigenous firms. Thus, the purchase of 15400 meters at Rs. 6654 each resulted in extra expenditure of Rs. 2.74 crore (approx.) as compared with the lowest computed rate of Rs. 4878 per meter (including excise duty at 16 *per cent*, trade tax and freight payable in case of indigenous purchases). In this regard, it was further noticed that Karnataka State Electricity Board had purchased three phase electronic meters (10-40 ampere) at ex-work rate of Rs. 2100 each in 1999-2000 from Larsen and Toubro Limited, Bangalore.

2A.3.3 Procurement of meters against global tenders

On the basis of global tenders received during March–April 2000 orders valued at Rs. 173.43 crore were placed for purchase of 5.41 lakh single phase and 3.15 lakh three phase electronic meters on a Chinese firm (Rs. 163.33 crore) and an indigenous firm (Rs. 10.10 crore) under the Company's project of installation of 7.85 lakh electronic meters to be financed from the US$ 150 million loan from International Bank for Reconstruction and Development towards cost of U.P. Power Sector Restructuring Project.

In this connection, the following points were noticed in audit:

(a) The Board of Directors of the Company had not approved (September 2000) the offer of the Chinese firm for supply of three phase four wire meters on the ground of certain technical and qualitative shortcomings in their sample meters. This was, however, overruled by the World Bank on the ground that the firm had agreed to supply meters according to the prescribed technical specification after removing the shortcomings observed in sample meters.

(b) The ESPC-III which had held discussions with the Director, Uttar Haryana Bijli Vitran Nigam Ltd., in May 1999 on the performance of single phase electronic meters supplied by the Chinese firm to them, had found that all the energy meters, supplied by the firm including trivector meters could be stopped or their functioning could be adversely affected by powerful external magnets; their single phase electronic meters did not have LCD/LEC display and therefore, it would not be possible to read the meter in the event of no power supply; and the electro-mechanical counter of the single phase electronic meters could be moved into any direction with help of a ring magnet energised by A.C. The matter was not referred to the World Bank.

Actual supplies of the above meters were still awaited (April 2001) and, therefore, the position of their installation and performance in field was not available.

2A.4 Testing and installation of meters

Electro-mechanical and electronic meters were required to be manufactured as per Indian Standard Specification (ISS) : 722 of 1977/13010 of 1990 and ISS : 13779 of 1993 respectively. Before installation at consumers premises, meters are required to be tested at manufacturers' works and in departmental laboratories to ensure their conformity to these specifications. A test check in audit revealed that meters were neither tested properly nor installed, but remained in stock as mentioned below:

(a) Non-calibration of testing equipments required for pre-installation test in departmental laboratories

Non-calibration of testing equipment resulted in undue benefit to consumers

According to Para 372 (2) of Hydel Manual of Orders, all new meters should be tested and calibrated in laboratories of ETDs. Electro-mechanical meters were tested through testing equipment which had not been calibrated as no records were maintained at ETDs to show the last date of calibration of testing equipment (only one out of eight ETDs test checked in audit could state the date of last calibration of testing equipment). There were no arrangements for carrying out the pre-installation test in case of electronic meters. Thus, accuracy of the meters was not ensured before their installation. In this connection following points were noticed :

(i) According to a study by Electricity Urban Distribution Division, Noida in December 1999, out of 21 electro-mechanical meters, (installed at the premises of consumers) 18 meters were found slow by 1 to 67 *per cent* and three meters fast by 44 to 125 *per cent*. As regards electronic meters, a mention had been made in Paragraph 4A.25 of the Audit Report (Commercial) for the year ended 31 March 2000 regarding electronic meters to be slow by 2.88 to 13 *per cent*.

(ii) The meter installed at the premises of Bhola Nath International Ltd., Bhadohi (140 BHP) was found slow by 29 *per cent* on check through *'acqua check'* meter in August 1999, but a sum of Rs. 1.12 lakh was not assessed on the ground that the meter was subsequently (June 2000) found correct as per check meter. Thus, accuracy of testing equipment was doubtful.

(iii) Similarly, the meter installed at the premises of Ram Sunder Cold Storage, Bhadohi was found slow by 32 *per cent* on check through 'acqua check' meter in October 1998. The supplementary bill for Rs. 1.10 lakh raised in December 1998 on this account was, however, revised to Rs. 0.56 lakh in March 1999 on the ground that the meter was found slow by only 6.34 *per cent* as per result of a check meter. This also raised doubts on accuracy of the testing equipment.

The above instances show that the Company is not placing reliance on its own testing equipment, and instead, it was extending undue benefit to the consumers.

(b) Non-installation of meters available in stock

The table below shows the position of availability and utilisation of meters:

Year	Available	Installed	Closing Balance
	(Meters in lakh)		
1996-97	3.03	1.97	1.06
1997-98	2.58	2.00	0.58
1998-99	3.95	2.88	1.07
1999-2000	4.00	2.92	1.08

Thus, heavy closing balances of meters at the end of each year resulted not only in direct (unmetered) supply to consumers but also non-replacement of defective/ damaged meters by serviceable meters at the end of March 1999 and March 2000 which numbered 8.69 lakh and 9.29 lakh respectively. In this connection a test check revealed that 7471consumers including domestic light and fan (7004), commercial light and fan (326) and small and medium power (141) categories had been given direct (unmetered) connections in EDD (Urban), Mayohall, Allahabad, EDD (II) Mirzapur, EDD I, Aligarh, EDD Kanpur and EDD Kasia. Non-installation of meters resulted in loss of revenue as noticed on test check in following cases:

Non-installation of meters and consequently release of unmetered connections resulted in undercharge of Rs. 3.55 crore

(i) The Company's rate-schedule (LMV-3) applicable to public lamps provided flat rate (per light point of various capacities) as well as unit rate in case of metered supply. The quantum of energy sold to public lamps assessed for the purpose of energy account indicated huge short assessment due to non-installation of meters which amounted to Rs. 3.55 crore in case of following connections:

Name of EDD	Name of Consumer	Year	Energy charge on unit rate basis		Amount billed on flat rate (Rupes in lakh)	Difference (Rupees in lakh)
			Consumption assessed (unit in lakh)	Amount (Rupees in lakh)		
EDD (Urban) I Meerut	Municipal Corporation, Meerut	1998-99	30.11	62.37	49.17	13.20
		1999-00	26.53	67.12	64.06	3.06
		2000-01 (up to 9/2000)	17.96	48.84	34.26	14.58
EDD Pratapgarh	Municipal Board, Kunda and Pratapgarh	1997-98	16.62	33.75	8.58	25.17
		1998-99	32.33	70.32	9.02	61.30
		1999-00	56.23	142.26	10.98	131.28
		2000-01 (up to 9/2000)	12.11	31.19	5.85	25.34
EDD Firozabad	Municipal Board, Tundla and Firozabad	1999-00	23.35	59.28	11.40	47.88
		2000-01 (up to 9/2000)	14.95	40.41	6.95	33.46
	Total		**230.19**	**555.54**	**200.27**	**355.27**

2A.5 Performance of meters

According to the Central Government's notification of January 1992, the life of energy meters is 15 years. The Company's purchase orders for electronic meters, however, stipulated their life as 20 years. According to para 372 (1) of Hydel Mannual of Orders, history card of each meter is required to be maintained. None of the eight ETDs test checked in audit maintained history cards. Thus, performance of meters was not monitored properly.

Annexure-14 shows low level of consumption recorded in terms of use of energy for average number of hours per day (total recorded/billed consumption in a year divided by total load x 365 days) in respect of Domestic light and fan (LF) Commercial light and fan, Small and Medium power (SM) and Large and Heavy (LH) power consumers during 1996-97 to 1999-2000 in case of 14 EDDs test checked in audit against the average period of eight hours of use of energy per day. Reasons for low level of consumption were not analysed by the Company. A test check in audit revealed that actual consumption of energy was not recorded due to unsatisfactory performance of meters and consumers were billed in such cases either for minimum charges or for assessed consumption of energy. The unsatisfactory performance of meters was attributable not only to lack of proper pre-despatch acceptance test, and pre-installation test as mentioned in Para 2A.4 (a to b) above, but also to design/manufacturing drawbacks in meters, failure of meters within guarantee period, excessive damages and defects in meters, ineffective post installation checks, frequent failure of meters at consumers' premises and defects in Current Transformers (CT)[19] and Potential Transformers (PT)[20], as discussed in succeeding paragraphs.

(a) Design/Manufacturing drawbacks in meters

Electro-mechanical meters

86 *per cent* electro - mechanical meters were found slow on a study by an Executive Engineer

According to a report (December 1999) of the Executive Engineer, Electricity Urban Test Division, Noida, Electro-mechanical meters do not run on very low loads because of their high threshold current, accuracy of these meters is disturbed beyond the limits, they become slow after a certain period and their dial is expanded and becomes defective due to dust and injuries in transportation. The Company's project of installation of electronic energy meters also pointed out frequent failures of these meters due to moving parts and mechanical counters, their inaccurate recording of energy consumption and pilferage of energy by consumers by tampering and breaking of neutral wire in single phase (light and fan) meters. This resulted in excessive number of defective meters (as mentioned in Para 2A.5 (c) *infra* and 86 *per cent* of such meters found abnormally slow (as mentioned in Para 2A.4 (a)(i) *supra* leading to loss of revenue (value indeterminate).

Electronic meters

Electronic meters of 'Secure' make were found suffering from a number of design/ manufacturing drawbacks

With a view to overcome the aforesaid problems encountered in case of electro-mechanical meters, the Company purchased 40440 electronic meters of various capacities from Secure Meters Ltd., Udaipur (out of 99210 electronic meters). The electronic meters of 'Secure' make were, however, found suffering from following design/manufacturing draw-backs:

(i) Influences of high magnetic field

The quality of 'Secure' meters supplied in the year 1997-98 was reported (April 1998) by the Chief Engineer (Distribution- Central Area) Lucknow to be doubtful on account of defects and damages showing no display in such meters installed at Orai and Hamirpur. Subsequently, on the basis of a news-paper report (March 1999) about adverse performance of electronic meters supplied by the firm to

19 Current Transformer (CT) is an electrical device to convert low current in to higher current and vice-versa in ampere.

20 Potential Transformer (PT) is an electrical device to convert low voltage in to higher voltage and vice-versa.

Haryana State Electricity Board (HSEB) (confirmed by the latter in May 1999), LT and HT electronic meters supplied by the firm to the Company were tested in May 1999 and were found to stop display and recording in memory as and when a permanent magnet or electromagnet is placed on the right side of its display window. The firm was, accordingly asked (June 1999) by ESPC-III to provide magnetic shield cover duly fixed on top of each meter free of cost latest by October 1999. The position of magnetic shielding on 39440 electronic meters supplied by the firm against the orders placed during August 1995 to December 1998 was not available with ESPC- III.

Despite instruction of CE(MM) of August 1999 comparison of periodical consumption was not done to make necessary assessments of energy consumed in order to avoid loss of revenue on this account. A test check in audit revealed that 'Secure' electronic meters recorded higher consumption after magnetic shielding during November 1999 to May 2000 in case of 10 consumers. This indicated that lower consumption of energy was recorded before magnetic shielding which resulted in loss of Rs. 77.79 lakh as per Annexure-15.

(ii) Misuse of neutral wire in three phase four wire electronic meters

Three phase four wire electronic meters of 'Secure' make were found stopped if spurious signals were injected through some electronic device in the neutral wire on the meters' load side. The Member (Distribution) accordingly issued instructions to field units in August 1999 to use the above meters with three phase three wires by removing the fourth (neutral) wire. The position of removal of the neutral wire from 27000 three phase four wire electronic meters supplied by the firm against the orders placed during October 1998 to December 1998 was not available centrally with ESPC III. Even after removal of neutral wire, the meter could be interfered to run slow through the hole left behind as observed by the Chief Engineer (Distribution West) Meerut in July 2000.

A test check in audit revealed that three phase four wire electronic meters of 'Secure' make installed at the premises of Pooja Glass Works, Firozabad (Load: 78 KVA) and Ajit Cold Storage, Aligarh (Load: 120 KVA) recorded higher consumption after removal of their neutral wires in September 1999 and October 1999 respectively. This indicated loss of revenue of Rs. 6.14 lakh due to the lower recorded consumption before removal of the neutral wire.

(iii) Other drawbacks in "Secure" meters

The installation of such meters at consumers premises did not result in overall improvement in recorded consumption in view of the report (July 1999) of the Chief Engineer (Distribution-West), Meerut to the effect that the installation of 'Secure' meters had resulted in increased recorded consumption initially but subsequently, the consumption-trend started falling. A test check revealed that recorded consumption after installation of 'Secure' meters at the premises of 13 consumers during March 1998 to September 2000 had decreased by 1.29 crore units (value: Rs. 2.51 crore) as compared to the level of consumption recorded before installation of 'Secure' meters as per consumer-wise details given in Annexure-16.

Thus, installation of electronic meters of 'Secure' make failed to achieve the desired object of avoiding the theft of power as evident from increasing trend of line losses from 31 to 36 *per cent* in 1996-97 to 37 to 56 *per cent* in 1999-2000.

Reasons for procuring 'Secure' meters with design/manufacturing drawbacks were not investigated to fix responsibility.

(b) Failure of meters within guarantee period

Non-maintenance of history cards of meters resulted in lack of control over failure of meters within guarantee period

Performance of meters is guaranteed for a period of 18 months from the date of supply or 12 months from the date of installation whichever is earlier under the terms of the respective purchase orders. In absence of history cards, failure of meters within guarantee period could not be determined and therefore repairs and replacements of such meters were done at the cost of the Company. In this connection following points were noticed :

(i) 196 single phase meters and 206 poly phase meters valuing Rs. 3.38 lakh had failed within one year of their installation in seven ETDs/EDDs during June 1996 to November 2000. No action could be taken by the division concerned. It was further noticed that security deposits of suppliers were released by ESPC III from time to time without obtaining performance reports from ETDs.

(ii) Each month, a report indicating the number of defective meters of each make vis-à-vis number of meters installed, is taken. Out of 14 EDDs test checked in audit, the Computer Reports of only four EDDs contained partial position of make-wise defective meters in respect of only 2362 meters out of 5608 meters declared defective at the end of September 2000. Although these reports indicated that percentage of defective meters of various makes ranged from 2.1 to 9.1, no action had been taken in this regard.

The Company continued to purchase meters from two firms despite unsatisfactory performance of their meters supplied in the past

(iii) A mention was made in Para 3.45 (b) of the Audit Report (Commercial) for the year 1993-94 about non-repair/non-replacement of 30896 single phase (Value: Rs. 46.31 lakh) and 1375 three phase (Value: Rs. 4.13 lakh) defective meters supplied by Haryana Meters (India) Ltd., Noida and Meters India Ltd., Ghaziabad. Without ensuring repair/replacement of these meters by the two firms, ESPC- III, purchased 5.25 lakh electro-mechanical meters from Accurate Meters Ltd., Noida (formerly Haryana Meters Ltd.) and 3.61 lakh meters from Modern Instruments Ltd., Ghaziabad (formerly Meters India Ltd., Ghaziabad) during 1995-96 to 1999-2000.

(c) *Excessive damages and defects in meters*

Meter readings were not recorded in case of 14 to 23 *per cent* meters while defective meters ranged between 10 to 30 *per cent*

The Computer Billing Summary Reports compiled at the Company's headquarters indicated a large number of meters informed defective (IDF), appeared defective (ADF) and with readings defective (RDF) besides meters with no readings (NR) and no access (NA) in respect of domestic light and fan (LF), Commercial LF and small and medium power (SM). The number of such defective meters and their percentage to the total meters at the end of March 1999, March 2000 and September 2000 (the details for earlier period not made available) are given below:

	31 March 1999			31 March 2000			30 September 2000		
	Domestic LF	Commercial LF.	SM	Domestic LF	Commercial LF	SM	Domestic LF	Commercial LF	SM
	(Meters in lakh)								
(a) Total meter[21]	34.29	6.85	2.08	35.19	6.98	1.40	34.05	6.48	1.37
(b) NR/NA	7.39	1.40	0.29	7.95	1.41	0.25	7.66	1.35	0.23
(c) Percentage of (b) to (a)	21.55	20.44	13.94	22.59	20.20	17.86	22.50	20.83	16.79
(d) Meters excluding NR/NA	26.90	5.45	1.79	27.24	5.57	1.15	26.39	5.13	1.14
(e)IDF/ADF /RDF	7.38	1.13	0.18	7.97	1.16	0.16	7.87	1.00	0.14
(f) Percentage of (e) to (d)	27.43	20.73	10.06	29.26	20.83	13.91	29.82	19.49	12.28

Thus, while no meter readings were recorded in case of 13.94 to 22.59 *per cent* of meters, total defective meters represented 10.06 to 29.82 *per cent* which was very high as compared to 3.95 to 7.88 *per cent* of defective meters in 1998-99 and 1999-2000 in Haryana State Electricity Board. The consumers were billed in such cases for the units of energy assessed on the basis of their contracted loads which did not generally represent the actual connected loads. Reasons of high percentages of defective meters were not investigated by the Company for taking preventive, penal and remedial measures.

(d) *Non-replacement of defective meters*

Defective meters remained unreplaced up to 20 years

(i) Defective/damaged meters are required to be replaced as soon as possible latest within a period of three months as envisaged in Para 5.9 of the Company's Commercial and Revenue Manual. The Computer Reports (No. 8) in respect of 14 EDDs test checked in audit revealed that defective/damaged meters were not replaced for more than six months and up to 20 years in case of domestic L&F and more than three months and up to 10 years in case of commercial L&F and S & M Power consumers as indicated in Annexure-17.

Thus, 57583 and 7909 defective meters which remained installed at the premises of domestic light and fan consumers for more than six months and commercial

[21] Excluding the connections covered under spot billing.

light & fan and S & M Power consumers for more than three months, represent 70.73 *per cent* and 69.94 *per cent* of total defective meters (81407 and 11309) respectively. Reasons for non-replacement of defective/ damaged meters promptly, were not analysed by the Company. Energy bills in such cases were raised either for minimum charges or on ad-hoc basis.

(ii) A test check revealed that 14 small and medium power consumers having defective meters in EDD, Firozabad (ten) and EDD-I, Aligarh (four) were billed during April 1997 to July 2000 and April 1999 to July 2000 either for minimum charge or on ad-hoc basis respectively instead of 145 units per BHP per month fixed by the Company in October 1996 for billing in such cases. This resulted in undercharge of Rs. 6.46 lakh by EDD, Firozabad (Rs. 5.23 lakh) and EDD-I, Aligarh (Rs. 1.23 lakh).

Treatment of the date of defects as the date of temporary disconnection resulted in waiver of revenue arrears amounting to Rs. 7.04 crore

(iii) A number of defective meters remained categorised as NR, NA, IDF, ADF and RDF for long period and in case of non-payment of dues in such cases the date of temporary disconnection is required to be fed into computer with the result that computer billing in such cases is limited to six months from the date of temporary disconnection and if such cases are converted into permanent disconnection from the date of temporary disconnection, revenue arrears for only six months needed waiver. No date of temporary disconnection was, however, fed into computer in case of defective meters. This was instrumental in extending undue favour to consumers, as date of stoppage of meter reading due to any of these reasons (NA, NR, IDF, ADF and RDF) was treated as date of temporary disconnection and while deciding permanent disconnection cases, the amount billed during the period from the date of temporary disconnection to the date of permanent disconnection was waived. This also contravened the erstwhile Board's circular of May 1997 which provided for realisation of electricity charges up to the date of actual permanent disconnection. A test check in audit of 14 EDDs revealed that no date of temporary disconnection was fed into computer data and 1402 permanent disconnection cases involving waiver of Rs. 7.04 crore towards revenue arrears for a period from one year to 18 years in each EDD were finalised by taking the date of temporary disconnection with retrospective effect from the date when no consumption was recorded on account of NA/NR and IDF/ADF/RDF remarks as indicated in Annexure-18.

(e) Ineffective post installation checks

Scrutiny of records of eight ETDs and 14 EDDs revealed that during the period from 1996-97 to September 2000, 90688 defective and damaged meters were dismounted from consumer's premises while 92716 defective meters remained installed at consumers premises at the end of September 2000. Lapses noticed in this connection were as follows :

(i) According to Para 5.1 of the Company's Commercial and Revenue Manual, ETDs were required to examine, test and regulate all meters at consumer's premises with contracted loads up to 6 KVA, above 6 KVA to 100 KVA and above 100 KVA atleast once in a period of five years, two years and one year respectively. A record of inspection and testing of meters is required to be kept in terms of para 5.2 ibid. It was, however, noticed that none of eight ETDs and 14 EDDs test checked in audit complied with these requirements and a large number of defective meters were not rectified/replaced as mentioned in sub-para 2A.6 (a) *supra*.

(ii) According to Para 7.1 of the Manual, assessment of energy is required to be made by installing check meters in case of defective meters and on the basis of past consumption in case of jammed and burnt meters. Separate registers showing cases referred to ETDs for installation of check meters and test results received from ETDs were required to be maintained under paragraphs 5.15 and 5.16 of the Manual. None of the 14 EDDs test checked maintained the required register with the result that number of check meters installed by ETDs and assessments done by EDDs could not be ascertained.

(iii) As regards post-installation check of electronic meters, orders for supply of electronic meters provided for downloading of meter's electronic data through Meter Reading Instrument (MRI) and furnishing of print-outs (MRI reports) thereof by the respective supplier each month for a period of 12 months from the date of installation of meter. This was subsequently to be done departmentally through Common Meter Reading Instruments (CMRI) purchased for the purpose. It was noticed that results of MRI reports if received from the respective supplier were not regularly sent by ETDs to EDDs, while print-outs in case of the departmental CMRIs were not available on the ground of lack of necessary facilities in this regard.

Cost of damaged meters amounting to Rs. 1.22 crore was not realised from consumers before their replacements

(iv) According to Para 5.22 of the Manual, the consumer concerned is required to deposit the cost of damaged meter before it is replaced, and if potential coil is found damaged on test in laboratory, the amount deposited by the consumer is to be credited in the next energy bill. No amount was, however, realised before replacement of 23007 damaged meters costing Rs. 1.22 crore (approx.).

(v) The extent of inaccuracy in the dismounted defective meters was not determined before their replacement with the result that assessments at least for the past six months could not be done in terms of Para 7.1 of the Manual.

A test check of 14 EDDs revealed that the new meters installed in place of dismounted meters during May 1997 to October 2000 recorded higher consumption of energy in case of 41 consumers but no assessments of actual consumption of energy were made on the basis of recorded higher consumption. This deprived the Company of possible revenue of Rs. 1.58 crore as per details given in Annexure-19.

Non-revision of energy bills as per check meter-results resulted in short assessment of Rs. 0.07 crore

(vi) The existing electronic meter of 'Secure' make (No. UPE 3439) installed at the premises of Moti Lal Steels Ltd., Jhansi (Rolling Mills) having contracted load of 1800 KVA was found slow by 69.2 *per cent* as a result of check meter of 'Secure' make (No. UPE 203) installed on 28 December 1998. The recorded consumption of 0.91 lakh units in December 1998 was accordingly revised to 2.95 lakh units. The recorded consumption of 1.13 lakh and 2.54 lakh units in November 1998 and October 1998 were, however, not revised to 3.68 lakh and 8.25 lakh units and the consumer was billed for 2.39 lakh and 2.54 lakh units respectively on the basis of quantum of energy sent out from the combined feeder emanating from the 132 KV substation resulting in short assessment of Rs. 7.28 lakh. The adoption of two different yardsticks for revision of recorded units is not justified and the basis of check meter adopted in December 1998 should only have been taken as basis for revising the recorded units for the month of October and November 1998.

(vii) The meter reading sheet for the period from 24 February 1999 to 5 April 1999 in respect of Shivangi Steel Ltd., Jhansi (Induction Furnace) having contracted load of 5100 KVA indicated 'B' phase of potential transformer to be defective. The sealing certificate dated 19.04.1999 regarding replacement of the existing meter (No. UPE 3471) by another electronic meter (No. UPE 3439) contained a remark that supply remained direct from 6 April 1999. Thus, old meter had recorded consumption up to 5 April 1999 and the consumer was required to be billed for recorded 31.33 lakh units during 24 February 1999 to 5 April 1999 against which the consumer was billed by EDD II Jhansi for 25.12 lakh units on the basis of energy sent out through combined furnace feeder of 33 KV which did not represent the actual consumption as there was line loss of 38.2 *per cent* in 1998-99. The consumer was, thus, undercharged by Rs. 6.46 lakh for 6.21 lakh units billed short.

Further, the actual maximum demand of 8440 KVA for March 1999 was recorded. The consumer was, however, billed demand charge for 5100 KVA on the ground of defects in meter, which resulted in short realisation of demand charges of Rs. 46.76 lakh. The nature and extent of errors in recorded demand were not examined by the Company with reference to MRI reports.

Non-billing for recorded demands resulted in undercharge of Rs. 0.57 crore

(viii) Electronic meters of 'Secure' make with initial cumulative demand as zero were installed on 29 June 1998 and 10 March 1999 at the premises of Jai Jagdamba Malleables Ltd., Jhansi (Induction Furnace), having contracted load of 2000 KVA and on 6 April 1999 at the premises of Moti Lal Steels Ltd., Jhansi (Rolling Mills), having contracted load of 1800 KVA. On the basis of cumulative demands recorded in the three meters on 25 August 1998, 5 April 1999 and 22 June 1999 the consumers were billable for the actual maximum demand of 6030 KVA for July and August 1998, 4350 KVA for March 1999 and 3630 KVA for April and May 1999 respectively. The consumers were, however, billed by EDD II Jhansi for 4330 KVA, 2010 KVA and 3575 KVA respectively. This resulted in short billing of demand charges by Rs. 57.19 lakh. The divisional officer stated (June 2000) that the above cumulative demands included the actual demand recorded on the same meter earlier in respect of other consumers where these meters had been installed. No details and documentary evidence in support of demand recorded and billed in respect of the previous consumers were furnished to audit.

(ix) Meters installed at the premises of Swadeshi Cotton Mills, Naini (Allahabad) having contracted load of 2100 KVA (reduced to 1400 KVA from March 1999) were declared defective in July 1997 and July 1998. Meter box seal was found broken in April 1998 and PTs and CTs were also declared defective in July 1998, November 1999 and October 2000. The consumer was billed for the energy consumption recorded on the meter during 27 April to 26 July 1998 and on the basis of energy sent out as per reading in the meter installed at sub-station during 27 July 1998 to 16 November 1999.

Non-replacement of a defective meter for 19 months resulted in undercharge of Rs. 0.50 crore

Reasons for not installing another correct meter during a long period from 27.04.98 to 16.11.99 were not available on record. Assessment in case of defective meters is required to be done on the basis of average consumption during the past three consecutive months in terms of para 20 (iii) (a) of the Electricity Supply (Consumers) Regulation, 1984. Accordingly the consumer was billable for 43.57 lakh units during 27.4.1998 to 16.11.1999 (569 days) at the average of 7657 units per day during February 1998 to April 1998, against which the consumer was billed for 26.28 lakh units. This resulted in undercharge of Rs. 49.96 lakh for 17.29 lakh units billed short during 27.4.1998 to 16.11.1999.

(x) According to the rate schedule applicable to heavy power consumers if power factor (ratio of KWH[22] to KVAH[23]) is found below 0.85 low power factor surcharge is leviable at the rates prescribed therein. The meter installed at the premises of Balls and Cylpebs Ltd., (Unit II) Jhansi, having contracted load of 2500 KVA recorded low factor of 0.29 (KWH 406800/Kvah 1412950) but it was ignored and low power factor surcharge of Rs. 4.35 lakh for May 2000 was not realised from the consumer on the ground that KVAH portion of the meter was defective. The nature and extent of errors in KVAH reading were not examined by the Company with reference to MRI reports.

(f) Frequent failure of meters at consumer's premises due to suspected malpractices

A test check revealed that meters were replaced frequently at the premises of 10 consumers as mentioned in Annexure-20.

Neither any investigation was carried out to ascertain reasons of frequent failure

22 KWH stands for Kilo Watt Hour.

23 KVAH stands for Kilo Volt ampere Hour.

of meters and resultant loss of revenue through MRI reports nor was the cost of failed meters recovered either from the respective suppliers or from the consumers. A test check revealed following points :

(i) According to para 7.1 (c) of the Commercial and Revenue Manual accuracy of defective meters is required to be checked by installing a check meter and assessment of energy consumed is to be done accordingly.

A test check of record relating to billing of Shivangi Steel Ltd., Jhansi revealed that PTs were declared defective/damaged and replaced in May 1997, December 1997, November 1998, April 1999 and January 2000, meters were declared defective/damaged and replaced, nine times during September 1997 to April 1999, current transformer of 150/1 ampere was replaced in July 1998 by CT of 50/1 ampere which was also replaced by CT of 150/1 ampere in February 1999. No check meter was, however, installed at the consumer's premises.

Non-installation of check meter resulted in loss of Rs. 1.61 crore

On the basis of consumption recorded on the electro-mechanical meters, the consumer was billed by EDD II Jhansi during March 1997 to April 1998 for 60.22 lakh units (4.30 lakh units per month), whereas the electronic meters recorded during July 1998 to February 1999, 94.32 lakh units (11.79 lakh units per month) of energy on the same contracted load. This indicated loss of revenue of Rs. 1.61 crore (after allowing development rebate of 50 *per cent*) for 1.05 crore units billed short during the period from March 1997 to April 1998 at 7.49 lakh units per month at the rate of Rs. 3.08 per unit.

Reinstallation of a defective meter resulted in loss of Rs. 0.43 crore

Further, L & G make (electro-mechanical) meter was replaced in March 1998 by an electronic meter of 'Secure' make. The electronic meter did not display meter reading and was replaced on 2 May 1998 by the former (electro mechanical) meter. The electro-mechanical meter recorded consumption of 14144 units per day during 2 May 1998 to 29 June 1998 as against 44944 units per day assessed earlier during 27 March 1998 to 2 May 1998 and 38782 units per day recorded during 29 June 1998 to 25 July 1998 after installation of another electronic meter on 29 June 1998. Thus, reinstallation of the L&G make electro-mechanical meter which had been removed earlier in stopped condition resulted in recording of lower consumption of 14144 unit per day and in turn loss of Rs. 43.10 lakh during 2 May to 29 June 1998 (58 days) for 14.29 lakh units billed short as compared to 38782 units per day.

(ii) Following units of energy were recorded from November 1998 to February 1999 on the electronic meter of 'Secure' make installed on 29 June 1998 at the premises of Jai Jagdamba Malleables Limited, Jhansi:

Month	KWH	KVAH	Power factor (Kwh/ Kvah)	Demand (KVA)			
	(units in lakh)			Count Number	Based on cumulative units	Based on monthly units	Billed
November 1998	9.48	8.68	1.09	n 09	1980	1980	1980
December 1998	7.91	16.92	0.47	n 37	126220	5530	2000
January 1999	9.19	13.44	0.68	n 71	84130	10220	2000
February 1999	8.81	9.08	0.97	n 91	36510	4030	2000

The KWH portion of the meter was considered correct, and consumer was billed accordingly by EDD II Jhansi. The KVA and KVAH portions were, however, considered defective with the result that low power factor surcharge of Rs. 11.28 lakh for power factor falling below 0.85 (December 1998 and January 1999) could not be billed. Reasons of erratic behavior of the meter smacked of malpractice by the consumer which were not analysed with reference to MRI reports.

Frequent failures of electronic meters resulted in undercharge of Rs. 0.22 crore

(iii) During a period of only 10 months from January to October 1999, eight electronic meters of 'Secure' make were replaced at the premises of Shivanshi Ferrous Pvt. Limited, Orai on the ground of no display of meter readings. CTs and PTs were also found defective/damaged in March 1999, May 1999, July 1999, September 1999 and October 1999. No investigation was carried out to examine quality of meters, CTs and PTs, and possibility of foul means if any, adopted by the consumer to avoid recording of actual consumption of energy. Even results of MRI reports were not available on record.

The consumer was undercharged by Rs. 22.36 lakh for 16.12 lakh billable units based on the consumption recorded during the same period in previous year, excluding cost of eight meters and CTs/PTs if damaged due to the consumer's fault.

(g) Defects in current transformers and potential transformers

Current transformers (CT) and potential transformers (PT) of suitable capacities based on consumers' contracted loads and voltage of supply are installed along with energy meters in case of supply of energy to consumers at high voltage. As the energy passes through energy meters at lower voltage, the units of energy recorded on the meter are multiplied by multiplying factor (MF) based on capacities of CTs and PTs to arrive at the quantum of energy actually supplied to the consumer concerned. A test check in audit revealed cases of defects in CTs/PTs and inaccuracies in multiplying factors which resulted in undercharge of revenue as mentioned below:

(i) According to Para 20 (III) (a) of the Electricity Supply (consumers) Regulation 1984, assessments in case of defects in meter should be done on the

Non-assessment for defects in CTs and PTs resulted in undercharge of Rs. 0.15 crore

basis of average consumption of preceding three consecutive months. Such assessments were, however, not done by EDD (Ubran) II Varanasi in case of defects in CTs and PTs which resulted in undercharge of Rs. 15.23 lakh as mentioned below:

Name of Consumer	Contracted load Voltage of Supply	Nature of Defects	Period of assessment	Basis of assessment	Units billable (in lakh)	Units billed (in lakh)	Amount under charged (Rs. in lakh)
Taj Hotel, Varanasi (owned by Banares Hotel (P) Limited)	800 KVA 11KV	'B' phase fuse of PT (HT side) blown out as mentioned in sealing certificate no. 87 dt. 5.2.98	01.12.97 to 05.02.98 (66 days)	6120 units per day during 9/97 to 11/97	4.04	1.66	9.53
Hotel Clarks (P) Ltd., Varanasi	800 KVA 11KV	Meter stopped in 9/97 and oxidisation at CT and PT terminals which needed assessment as mentioned in meter reading sheet dt. 01.12.97 and sealing certificate no. 3/64 dt. 11.12.97	30.08.97 to 02.01.98 (125 days)	5727 units per day during 6/97 to 8/97	7.16	5.72	5.70
Total							**15.23**

(ii) The sealing certificate relating to the change of meter on 28 September 1998 at the premises of Darshan Oil Mill, Aligarh having contracted load of 976 KVA indicated the capacity of line CT as 60/4.8 ampere. Thus, multiplying factor worked out to 12.5 whereas the recorded consumption was computed on the basis of CT's capacity as 60/5 ampere (MF 12). This resulted in undercharge of Rs. 5.99 lakh for the 1.48 lakh units of energy and 200.45 KVA demand short billed during October 1998 to December 2000.

(iii) CTs and PTs are integral parts of the metering system and, therefore, departmental CTs and PTs of standard make duly tested by the Company should be installed. A test check revealed that PTs provided by six consumers were installed at their premises.

Installation of consumer's PTs resulted in loss of Rs. 0.53 crore

A test check in audit revealed that all the three departmental PTs installed at the premises of Diamond Cement Factory, Jhansi (contracted load:5530 KVA) were damaged on 21 July 1999 and the consumer was given direct supply during 21 to 28 July 1999. The damaged PTs were replaced by the consumer's PTs on 28 July 1999 and the recorded consumption fell down to 42387 units per day during 28 July 1999 to 27 August 1999 as against 71006 units per day assessed during 21 to 28 July 1999 (direct supply) and 69130 units per day recorded earlier during 1 to 21 July 1999. Thus, the installation of the consumer's PTs resulted in loss of Rs. 53.22 lakh during 28 July to 27 August 1999 as compared to the earlier recorded consumption of 69130 units per day. No investigation was, however, carried out by the Company to ascertain reasons of the lower recorded consumption after installation of the consumer's PTs.

Installation of CTs and PTs of inappropriate capacities resulted in loss of Rs. 0.11 crore

(iv) CTs and PTs remained installed at consumer's premises for long periods and were not replaced even on change of meter. The line CTs installed at premises of 13 consumers in EDD, Kasia (ten) and EDD, Pratapgarah (three) did not hold an uniform ratio to their contracted load (details given in Annexure-21). In reply to audit query (February 2001), EDD, Kasia stated that instructions were being issued for replacement of existing CTs. A test check revealed that the recorded consumption registered increases on replacement of the existing CTs and PTs by those of different capacities during April 1997 to May 2000 in case of Madhu Roller and Flour Mill, Aligarh, Pashupati Castings (Pvt.) Ltd., Aligarh and OBT Ltd., Bhadohi. As compared to the increased consumption, the loss of revenue due to lower recorded consumption during the past six months alone amounted to Rs. 11.36 lakh.

2A.6 Repair of Meters

Meters were repaired departmentally. A test check in audit revealed lack of control over progress of repair work and expenses incurred thereon as mentioned below:

(a) Lack of control over progress of repair work

Neither repair capacities of various ETDs nor yearwise targets for repair of meters were fixed. The table at Annexure-22 gives the yearwise position of single phase (SP) and poly phase (PP) meters repaired during 1996-97 to 2000-01 (up to September 2000) and number of such meters remaining unrepaired at the end of September 2000 in respect of eight ETDs test checked.

Non-repair of defective meters resulted in accumulation of heavy stock of such meters

It would be evident from the table that number of meters repaired for each year by each ETD varied from 5 to 4402 which reflects utter lack of attention by some ETDs to the work of repair of meters. This resulted in accumulation of 37101 defective meters awaiting repairs which was 80.3 *per cent* of total number of meters repaired (46197) during April 1996 to September 2000 in eight ETDs. This included accumulation of 10924 and 19464 defective meters in EUTD, Moradabad and EUTD, Allahabad respectively. The position of meters repaired and stock of defective meters awaiting repairs was not available centrally at the Company's head quarters. Expeditious repair of defective meters needed due attention particularly when the Company was facing shortage of serviceable meters required for giving new connections and replacement of defective/damaged meters.

(b) Excessive cost of departmental repairs

Neither any norm for repair cost was fixed nor was any estimate framed therefor. All expenses incurred on repair of meters were included under maintenance and repairs (M&R) of metering equipment, which, however, did not include the cost/ value of serviceable parts retrieved from the irreparable meters and used for repair of meters.

The position of M&R expenses incurred during 1996-97 to 2000-2001 (up to September 2000) is indicated in the Annexure-23.

It would be seen from the Annexure that the expenses on maintenance and repairs, per repaired meter varied widely not only from ETD to ETD, but also in each ETD from year to year. It ranged from Rs. 99 to Rs. 46777 per repaired meter. This was attributable to lack of control over M&R expenses and lesser number of meters repaired by ETDs.

(c) Non-disposal of damaged/burnt meters

During 1996-97 to 2000-2001 (up to September 2000), 12207 damaged/burnt meters were condemned and transferred as scrap to the Store Organisation, while 21957 such meters were still lying with the eight ETDs at the end of September 2000. Serviceable parts of these meters were not accounted for as a result their surreptitious use in place of the spare parts shown to have been purchased could not be ruled out.

Conclusion

Finalisation of tenders and placement of order for procurement of energy meters were delayed which not only resulted in non-availability of meters during period of their requirement but also deprived the Company of the benefit of downward trend in prices of electronic items. Shortfall in procurement of meters also led to direct (unmetered) supply and non-replacement of defective/damaged meters.

Meters were not tested properly before their delivery and installation, history cards of meters were not maintained, accuracy of defective meters was not checked at prescribed intervals, defective/damaged meters were not replaced promptly and performance of meters was not monitored, resulting in undercharge of revenue from consumers.

Frequent failure of meters at consumers' premises which were attributable to suspected mal-practices were not investigated to determine the extent of theft of energy and fix responsibility therefor.

Neither year-wise targets for repair of meters were fixed nor was any norm/ estimate of repair cost laid down which resulted in not only heavy accumulation of defective meters awaiting repairs but also excessive expenses on maintenance and repair of meters.

The Company should streamline the procedures of purchases, testing, installation, checking, replacement and repair of energy meters.

These matters were reported to the Management and the Government in June 2001; their replies were awaited (August 2001).

Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited

2B. Material Management in Thermal Power Stations

Highlights

Upon corporatisation of erstwhile Uttar Pradesh State Electricity Board, all the thermal power stations viz, Obra, Panki, Anpara, Parichcha and Harduaganj having installed capacity of 4124 MW were transferred on 14 January 2000 to the Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited.

(Paragraph 2B.1)

Lubricant and imported bearings were procured at maximum retail price on single quotation basis instead of open tender without availing any discount for being a bulk purchaser, which resulted in extra avoidable expenditure of Rs. 2.41 crore.

{Paragraph 2B.4.1.1(a) & (b)}

Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited (UPRVUNL) did not evolve a central purchase system to meet the requirements of all thermal power stations (TPS) collectively to effect better economy in prices.

{Paragraph 2B.4.1.2(b)}

Due to failure to get repair/overhauling of spare and stand-by equipment viz. BCP on time, unit No. 5 (500 MW) of Anpara TPS could not run at full load for 14 days, which resulted into loss of generation 74.63 MU, valued at Rs. 10.22 crore.

{Paragraph 2B.4.1.4(a)}

Due to lack of mandatory spares in stock, overhauling of unit No. 2 (210 MW) of Anpara TPS was delayed by 45 days, resulting in loss of generation of 189 MU, valued at Rs. 25.89 crore.

{Paragraph 2B.4.1.4(b)}

Due to failure in maintaining achieved consumption norms/guaranteed running hours, the TPS consumed excess stores materials valuing Rs. 10.22 crore during five years up to 2000-2001.

{Paragraph 2B.5.1(a)(b)(c), 2B.5.2 to 2B.5.5}

Materials worth Rs. 13.27 crore remained unutilised for a period from 5 to 10 years. Similarly, unserviceable and scrap materials valued at Rs. 3.87 crore remained undisposed of.

(Paragraph 2B.6.2 & 2B.9)

2B.1 Introduction

'Material Management' is an integrated approach to the planning, procurement and utilisation of material inputs with a view to control material cost, inventories and to ensure uniform flow of materials of the requisite quantity and quality at appropriate time, with minimum storage cost. Upon corporatisation of the erstwhile Uttar Pradesh State Electricity Board (UPSEB), the thermal power stations (TPS) at Obra ('A' & 'B' TPS), Panki, Anpara, Parichcha and Harduaganj with a total installed capacity 4124 MW at the end of March 2001 were transferred to the Uttar Pradesh Rajya Viduyt Utpadan Nigam Limited (UPRVUNL) with effect from 14 January 2000. Machinery spares, equipment and the operational stores are the main items of materials needed for operation and maintenance of these power stations. The average value of materials (except coal and oil) procured during the period from 1996-97 to 2000-2001 constituted 28.38 *per cent* of the total operation and maintenance expenditure.

2B.2 Organisational Set-up

The Chairman-cum-Managing Director as Chief Executive of the UPRVUNL is vested with overall control and superintendence of power stations, which inter-alia includes material management and inventory control.

The affairs at each TPS are managed by Chief General Managers who are assisted by General Manager (Administration), General Manager (Operation) at Anpara and Obra TPS and by Deputy General Managers at other TPS.

2B.3 Scope of Audit

Matters relating to Inventory control in Obra, Harduaganj and Panki TPS were reviewed in the Report of the Comptroller and Auditor General of India for the year ended 31 March 1993 (Commercial) Government of Uttar Pradesh. The review has not yet been discussed by the Committee on Public Undertakings (May 2001).

The present review, conducted during the period from December 2000 to April 2001, covers procurement, consumption and utilisation of materials excluding fuel (coal and oil), inventory control, advances to suppliers, disposal of scrap and accounting of material etc. in four thermal power stations namely Obra 'A', Obra 'B', Panki and Anpara (O & M) TPS for the period of five years up to 2000-2001. The audit findings are discussed in succeeding paragraphs.

2B.4 Purchase procedure and stacking of materials

The requirement of materials are met by purchases made through tenders/ quotations at TPS level after getting approval of different purchase committees viz. Corporate Tender Committee (above Rs. 1.50 crore), Director Tender Committee (above Rs. 50 lakh to Rs. 1.50 crore) and Project Tender Committee (up to Rs. 50 lakh).

During the period from 1996-97 to 2000-2001, the four thermal power stations procured materials of the value of Rs. 1755.82 crore. Each TPS has a Store Division where all the item of stores and spares are received and measured before taking into accounts and stacked initially till their issue to the user Divisions.

2B.4.1 Procurement of materials

Thermal Power Stations procured materials (other than coal and oil) on an average for an amount valuing Rs. 351.16 crore annually. Requirement of materials are being assessed by the users on the basis of past consumption in each TPS, and after obtaining administrative approval thereon from Chief General Manager, it is sent to Central Purchase Division (CPD) of the TPS. All the requirements of common items are clubbed by CPD together before processing for their procurement. Besides, in emergencies purchases are also made by the user division directly by obtaining financial approval of the concerned purchase committee.

UPRVUNL, however, had not evolved any central purchase system to meet the requirement of all the TPS collectively to reap the benefits of economy, competitive rates etc. in bulk purchasing. The system of procurement was also found deficient in respect of the followings:

(i) Minimum, Maximum and reordering levels for different materials/spares in different TPS were neither determined nor fixed.

(ii) Economic order quantities were not derived.

(iii) The system of selection of vendors was not in vogue and approved suppliers were not got registered.

(iv) Guaranteed running hours of different spares were not fixed/incorporated in the purchase orders and the clause of pro-rata deductions where the performance was less than satisfactory was also not enforced.

Cases of avoidable extra expenditure caused due to placement of orders (i) on single quotation basis without holding negotiations (ii) faulty purchase procedure etc. (iii) irregularities in purchase of proprietary spares (iv) delay in arrangement of materials etc. are discussed below:

2B.4.1.1 Purchase on single quotation basis:

(a) Procurement of lubricants

Prior to September 2000, Obra 'A' TPS met their six monthly requirements of lubricant/grease by procuring from Indian oil Corporation (IOC) Ltd., on single quotation basis at their price list applicable at the time of delivery. During the period from June 1996 to October 1999, 15 purchase orders, valuing Rs. 5.28 crore were placed on IOC for different kind of lubricants, grease etc. In spite of the fact that UPRVUNL, was the bulk purchaser, no attempts were however made to obtain quotations from other public sector Oil Marketing Companies (OMCs).

For the first time Obra 'A' TPS procured (September 2000) lubricants (Value: Rs. 49.69 lakh from IOC) through open tender, in response to which the rates quoted by IOC were found to be much lower than their list price. The weighted average rate of discount on all items worked out to 28.31 *per cent* and in absolute term also prices obtained were lower than previous years.

Failure to obtain quotation deprived the project of rebate aggregating Rs. 2.10 crore

Thus, failure to obtain quotation from other oil companies deprived project Management of competitive rates/discount worked out to Rs. 1.49 crore at average discount rate of 28.31 *per cent* on the purchase of lubricants of Rs. 5.28 crore made during the period from June 1996 to October 1999.

Similarly, Anpara TPS which was procuring lubricants, grease etc. from IOC on single quotation basis invited open tenders (May 1999), in which rates offered by HPCL were lowest and consequently the project Management was able to obtain discount at 16.5 *per cent* from IOC, Limited on their price list. In subsequent purchases also IOC allowed discount ranging between 16.5 *per cent* and 18.5 *per cent*. Thus lack of efforts in earlier years for obtaining competitive rates, the Anpara TPS could not avail the benefit of discount to the extent of Rs. 60.63 lakh (at the rate 16.5 *per cent*) on purchases of lubricants/grease etc. of Rs. 3.67 crore made against 10 nos. purchase orders during July 1996 to September 1999.

The Management while confirming the facts stated (September 2001) that in the year 2000 when other manufacturers submitted their offer to the Headquarters of the UPRVUNL, the CMD directed to procure the lubricants from manufacturers on limited quotation basis.

Reply is indicative of Company's failure in obtaining quotations and competitive rates in earlier years from oil/lubricants manufacturing companies as lubricants was a free product since 1994.

(b) Procurement of Bearings

Rate contract was finalised against single quotation of SKF

On the basis of single offer of SKF Bearing India Limited (SKF India) for the supply of imported critical bearings submitted directly to the Hon'ble Minister of Power, Government of Uttar Pradesh, Thermal Design and Engineering (TDE) wing of UPRVUNL executed a contract with SKF India for one year effective from 3 May 1999. The rates of the bearings were based on the price list of 1998 in rupees. Quality Mills Store, Mumbai (the certified importer) was appointed by SKF India to execute the contract (viz. to supply the bearings and to take the payments thereagainst etc.) on their behalf.

Discount of Rs. 0.32 crore could not be availed of in purchase of imported bearings

Audit scrutiny revealed that as per provision in clause-3 of the contract "if any consumer is offered lower prices (by SKF India) than the accepted price by TDE, then the lower price shall be applicable to UPRVUNL also". However, no discount was availed of by UPRVUNL on the prices of SKF India, whereas Hindalco Industries Renukoot, Sonebhadra were availing 32 *per cent* discount on the imported Bearings on the price list of 1998 of SKF against their contract. After knowing the facts (June 2000), the CMD, UPRVUNL issued orders (7 July, 2000) for effecting recovery of admissible discount (32 *per cent*) but SKF, India refused to give any discount.

The placement of order on a single quotation basis with vague provision regarding discount (under clause-3 of the contract especially when there were no compulsion to use bearings of any particular make), resulted in non-availment of discount of Rs. 31.86 lakh on bearing procured by TPS at Obra 'A' (Rs. 21.64 lakh), Obra 'B' (Rs. 14.57 lakh), Panki (Rs. 27.78 lakh) and Anpara (Rs. 35.58 lakh).

Further, prior to May 1999, the TPS of UPRVUNL were procuring critical bearings of different make through open tenders on cost-cum-performance basis. The UPRVUNL again decided to procure bearings of different make through open tenders. Thus, contract with SKF India was not in the best financial interest of the Company.

(c) Extra expenditure on procurement of PIV Chains

Rs.0.06 crore was incurred in extra due to the purchase of PIV chains on single quotations

During July 1996 to May 1999, 152 (nos.) PIV chains were procured at Obra TPS from Britex Industries, Mumbai and K.L. Engineering, Calcutta against 5 purchase orders at their price Rs. 11900.00 (8 nos.), Rs. 10200.00 (122 nos.), Rs. 16000.00 (22 nos.) per chain, without inviting open tenders.

The same firm, Britex Industries, Mumbai, accepted counter offer (July 2000) to supply PIV Chains at Rs. 7263.75 per chain (against their offered rate of Rs. 9979.75) at the lowest tendered rate offered by Standard Materials, Mumbai. Thus, as a result of procurement of chains, without inviting open tender, the project Management could not avail the benefit of competitive rates and incurred avoidable expenditure of Rs. 6.11 lakh on procurement of 152 nos. chains.

In reply (September 2001) Management stated that Britex Industries Limited, Mumbai offered to match the lower rates obtained against open tenders in July 2000 to maintain their business relations.

Thus by procuring without inviting tenders Company is put to financial loss.

2B.4.1.2 Faulty purchase procedure

(a) Extra expenditure on purchase of Hydrochloric Acid

For meeting requirement of Hydrochloric Acid (HCL) for the year 1997, orders were placed (December 1996/Janaury 1997) by Obra TPS on Kanoria Chemicals, Renukoot and Bihar Caustics, Bihar for supply of 1200 MT and 350 MT HCL at Rs. 2340.00 per MT. The rates were firm up to 31.12.1997 and the despatches were to be made as per indents placed by the consignee Division from time to time. Despite the fact that the period of orders was to lapse on 31.12.1997, no action was taken in advance by TPS Obra for obtaining fresh tenders to finalise rates for 1998-99. In December 1997 fresh tenders were invited with date of opening on 03.02.1998. However, in order to meet immediate requirement, it was decided to procure 300 MT HCL against limited enquiry for 3 months requirement (January to March 1998) on urgent basis. Bihar Caustics, Bihar quoted Rs. 1489.70 per MT in December 1997 and order was placed in January 1998 for 300 MT. Subsequently on the basis of open tenders opened on 03.02.1998, orders were placed on Kanoria Chemical, Renukoot (1000 MT)and Bihar caustics, Bihar (600 Mt) at rates of Rs. 2,476.11 and Rs. 2,476.46 per MT respectively for one year period of April 1998 to March 1999.

Avoidable expenditure of Rs. 0.16 crore was incurred due to delayed starte of purchase process

Thus, delay in finalisation of purchases for the year 1998-99 had caused the increase in rates by 66.24 *per cent* as compared to rate of December 1997, resulting in the avoidable expenditure of Rs. 15.78 lakh on procurement of 1600 MT HCL during 1998-99. Reasons of abnormal increase in rate in April 1998 as compared to January 1998 were neither analysed by the Management, nor was any negotiation held with the suppliers to lower the rates on the basis of previous rates of the same supplier.

Management replied (September 2001) that the rates received against short term tenders were lower and did not represent market rates. Reply is not convincing as the TPS failed to avail the benefits of lower rate due to delay in initiating the tender process. It also failed to hold negotiation to bring down rates obtained in February 1998 to the level of the rates of December 1997.

(b) Absence of central purchase system

Purchase of Caustic Soda Flakes

In TPS demineralised (DM) water is used for production of steam. Caustic soda

Lack of co-ordination among TPS led to extra expenditure of Rs. 0.14 crore

is the main ingredient for production of DM water. TPS Obra 'A' & 'B' are procuring Caustic Soda Lye (48 *per cent* concentrated) whereas Panki TPS is procuring Caustic Soda Flake (100 *per cent* concentrated). Cost of 48 *per cent* concentrated Caustic Soda was decided on pro-rata basis on the rate received for 100 *per cent* concentrated Caustic Soda.

During December 1994 and February 1995, Panki TPS procured 190 MT Caustic Soda Flake from Vijay Kumar Gauri Shankar, Kanpur (140 MT) and from Kanoria Chemicals Industries, Renukoot (50 MT) at evaluated rate of Rs. 22260.00 per MT whereas during the same period TPS Obra had obtained the rate of 100 *per cent* concentrate caustic soda at Rs. 17475 from Kanoria Chemicals. After loading differential transportation charge from Renukoot to Panki the evaluated rate for Panki TPS worked out to Rs. 17573.00 per MT. This resulted into an extra expenditure of Rs. 8.91 lakh.

Again it was observed that in April 1996, Panki TPS, Kanpur placed another purchase order on Vijay Kumar Gauri Shankar, Kanpur for procurement of 160 MT Caustic Soda Flake at evaluated rate of Rs. 21000.00 per MT, whereas Obra TPS placed (23.04.1996)purchase order on the same firm for supply of 100 MT Caustic Soda Lye (48 *per cent* concentration)on evaluated rate of Rs. 8542.90 per MT. The evaluated rate for 100 *per cent* concentrated Caustic Soda therefore worked out to Rs. 17797.70 per MT which was lower by Rs. 3202.30 per MT than the evaluated rate (Rs. 21000 per MT) at which Panki TPS had procured 160 MT Caustic Soda. Thus, the procurement of 160 MT Caustic Soda by TPS Panki without having co-ordination with sister units resulted in avoidable expenditure of Rs. 5.12 lakh on procurement of 160 MT Caustic Soda Flake. The units of the Company have still been procuring their requirement individually.

Absence of central purchase systems and lack of co-ordination of information among the TPS led to procurement of 350 MT of caustic soda flake from the same firm during the same period at an extra expenditure of Rs.14.03 lakh by TPS, Panki.

Management replied (September 2001) that the caustic soda flake and caustic soda lye are different and hence their rates could not be compared. Reply is not tenable as Obra TPS had worked out the rates of caustic soda lye (48 *per cent* concentration) on the basis of the rates received for caustic soda flake (100 *per cent* concentration) on prorata basis.

2B.4.1.3 Purchase of proprietary spares

(a) Avoidable extra expenditure on procurement of spares of Hydraulic Coupling

On the basis of requirement placed by Turbine Maintenance Division, Obra for spares of Hydraulic coupling type R-16K being used in boiler feed pumps of 200 MW unit, the Executive Engineer, Central Procurement Division-IV asked (December 1996) directly to Voith India, Hyderabad (Collaborator of Voith Turbo, Germany) being the supplier of proprietary spare to send their rates. In response, the firm furnished (March 1997) the rates as under :

Items	Quantity (Nos.)	Rate (Rupees)	Amount (Rupees)
Secondary Shaft	2	3,72,165	7,44,330
Distribution Housing	1	4,89,015	4,89,015
Scoop Tube	1	87,610	87,610
Total			13,20,955

The prices were ex-works, Hyderabad and statutory levies and freight charges were to be extra as applicable. The firm, in deviation from general condition of form 'B' demanded 30 *per cent* interest free advance of the value of order which was not finally approved and hence the order could not be placed within validity period.

It was noticed that the firm again in response to enquiry dated 27.03.98 of 'B'TPS Obra, offered (December 1998) fresh rate for the same items at Rs. 18.93 lakh (43.30 *per cent* higher) alongwith the same terms and conditions of 30 *per cent* interest free advance. Deviation clause of subsequent offer regarding demand of 30 *per cent* interest free advance was however, approved by the Board in April 1999.

Thus due to non-finalisation of the purchase at rates obtained in March 1997, the Company incurred an avoidable expenditure of Rs. 6.91 lakh. (inclusive of Excise Duty and Sales Tax).

Management while confirming the facts stated (September 2001) that the power of deviation from general condition of form-B was vested with Central Store Purchase Committee and Member Store Purchase Committee only, which could not be obtained at that time even after extension of validity period by the original manufacturer. Reply vindicates the contention of audit that the delayed approval of deviations of form-B had caused the extra expenditure in purchase of spares.

2B.4.1.4 Delay in arrangement of Materials

Timely procurement of material is the essence of the material management. As such mandatory spares should be kept to avoid heavy generation losses for want of spares. Further, standby arrangement of equipment if provided in the system, should be kept in working condition and before undertaking any construction works, the material required of requisites specification/design should be procured well in time, so as to avoid any additional cost/recurring expenditure.

Irregularities/lapses noticed in audit in this connection are discussed below:

(a) Loss of Generation due to delay in repair of stand-by Boiler Circulation pumps

Three nos. Boiler Circulation Pumps (BCP) A, B and C were installed in unit no. 5 (2 x 500 MW) of Anpara TPS to run the unit at 100 *per cent* PLF by running two pumps at a time and by keeping the third one as stand by. Besides, additional spare BCP was also lying in damaged condition since long.

Loss of generation of Rs. 10.22 crore due to non- keeping of standby BCP in working condition

In audit it was noticed that up to July 2000, the unit No. 5 (500 MW) was running at full load with BCP-5'A' and 5'B'. In August 2000 BCP-5'B' became defective and hence was unable to carry full load. The BCP-5'C' (provided with the system as standby arrangement) was therefore taken in service to operate the unit at full load. The repairing/overhauling of both BCPs (BCP 5B and spare BCP) could not be got done till February 2001. On 20/21 February 2001, BCP-5'A' also became out of order leaving only one BCP-5 'C' for operation of the unit. The load of unit No. 5 (500 MW) was therefore reduced to 280 MW (the maximum load at which the unit could be run with one BCP) up to 6/7 March 2001. The shutdown of the unit was taken on 07.03.2001 for replacement of damaged BCP and the unit could be synchronised at full load only on 12/13 March 2001.

Thus, due to neglect in getting the spare BCP repaired in time, the BCP-5'B' could not be replaced/overhauled within reasonable time. As such the arrangement of keeping stand by and spare BCP failed and the unit could not run at full load for 14 days, resulting into loss of generation to the extent of 74.63 MU valued at Rs. 10.22 crore.

It was stated in reply (September 2001) that repair of BCP was delayed as it was planned to repair the spare BCP at the time of overhauling of the unit No. 5 due in July 2001. Reply is not tenable as the Management was well aware that the unit was running without any standby arrangement with effect from August 2000. Any further damage in BCPs would have caused the closure of the unit/running of the unit at reduced load, even then no efforts was made to get the BCP repaired in time.

(b) Loss of Generation due to lack of mandatory spares

Loss of generation valued at Rs. 25.89 crore due to lack of mandatory spares in stock

Unit No. 2 (3 x 210 MW) of Anpara (O & M) TPS was taken into capital overhauling after tripping on 6 May, 1999 due to failure of automatic turbine runner-up system (ATRS). The work of overhauling of turbo generator and air preheater was awarded to BHEL Varanasi at the cost of Rs. 1.10 crore and was scheduled to be completed within 40 days from the date of start of the work (25.05.99). However, the work was delayed by 45 days due to non-availability of mandatory spare (TG Bearing No. 2, value Rs. 28.90 lakh), HP rotor gland fins, (value: Rs. 0.42 lakh) and follow up piston spring, (value: Rs. 0.90 lakh) with the unit. The damaged TG Bearing was therefore sent to BHEL Hardwar for repair up to 10.06.99 but it was actually received after repairing on 18.07.99, causing delay by 38 days. Further, the arrangement of other spares caused delay of seven days. The unit could be synchronised on 17.08.1999 as against scheduled date of synchronisation on 03.07.1999 which resulted into loss of generation of 189 MU valued at Rs. 25.89 crore calculated at the cost of Rs. 1.37 per unit at 83.37 *per cent* plant load factor.

Management stated in reply (September 2001) that other spares were also not available alongwith the mandatory spares. Reply is hardly convincing as the Management failed to keep the mandatory and other spares ready in stock to avoid delay in overhauling of unit/minimise the period of closure of unit.

(c) Extra expenditure in replacement of Ash-slurry pipelines

Disposal of ash discharged from 3 x 210 MW units of Anpara TPS was being done through four nos. ash-slurry pipelines having designed diameter of 350 mm constructed between ash pump-house to temporary ash pond. Pipelines from ATPS (ash pump house) were to be connected to saddle dam constructed at another place just before permanent ash pond.

Extra expenditure of Rs. 0.68 crore has been incurred in replacement of ash-slurry pipelines

Accordingly, the construction of ash-slurry pipelines having 350 mm diameter was completed by construction unit of Anpara 'B' TPS from Magazine Gate (a point in between ash pump house to saddle dam) to Saddle Dam. But the replacement/construction of ash-slurry pipeline (4 nos.) prior to Magazine Gate i.e. from pump-house to Magazine Gate was not planned properly for its timely erection. Meanwhile, in April 2000, it was stated that the temporary ash pond had almost been filled up and would be full to its capacity up to June 2000. Therefore the work of replacement/construction of pipelines from pump-house to Magazine Gate was undertaken by Anpara 'A' TPS and the work was carried out by utilising the pipes of higher specification having diameter of 450 mm instead of 350 mm which were borrowed from Anpara 'B' (2 x 500 MW). The use of ash pipe (7000 meters) of higher specification alongwith intermittent use of 350 mm pipe (1558 meters) necessitated a number of reducers/expanders and other spares valuing Rs. 12.66 lakh also.

Thus, due to improper planning, avoidable expenditure of Rs. 67.61 lakh had to be incurred on the replacement of 7000 meters pipelines of higher specification during April 2000.

Management stated (September 2001) that construction of these pipelines could not be completed due to non-clearance of land and non-release of funds by the headquarters and hence pipes lying with Anpara 'B' TPS were utilised. The reply is not tenable on the ground that the clearance of land and availability of funds were to be ensured by the erstwhile UPSEB itself. Further the pipes of higher diameter and thickness lying at Anpara-B TPS were to be utilised against the repair and maintenance of their pipelines.

2B.4.1.5 Avoidable payment of trade tax

With effect from 1 June, 1994 (notification No. ST-II-1624/XI dated 21.5.1994) Uttar Pradesh Trade Tax Act, 1948 provides that any traders who get themselves registered under sub-Section (2) of Section 4-B of this Act, could avail the benefit of concessional rate of trade tax at 2.5 *per cent* (including 25 *per cent* surcharge) provided they purchase the notified goods for use in manufacture by them in the State and issue a declaration in Form-3B to the supplier of the goods regarding valid recognition certificate under the Act.

Benefits of concessional rate of trade tax aggregating Rs. 1.29 crore was not availed

It was however, noticed in audit that Panki TPS could not get registered itself under Section 4B of Trade Tax Act and avail the benefit of concessional rate of tax. This resulted in avoidable payment of trade tax to the extent of Rs. 1.29 crore during period from 1995-96 to 1999-2000 as worked out below:

(Rupees in lakh)

Period of Purchase	Description of material	Value of material	Amount of trade tax paid @ 5 *per cent* including surcharge	Amount of trade tax under form 3-B payable @ 2.5 *per cent* including surcharge	Avoidable Extra payment of trade tax
Sept. 95 to Sept. 2000	Lubricants	215.68	10.78	5.39	5.39
Feb. 95 to April 1999	Chemicals	112.51	5.63	2.81	2.81
April 95 to Nov. 2000	LDO	4307.75	215.39	107.70	107.70
Jan. 99 to Dec. 2000	Spares & Consumables	513.95	25.70	12.85	12.85
Total		**5149.89**	**257.50**	**128.75**	**128.75**

In reply (September 2001) the Management stated that he Sales Tax Department rejected (26.02.1996), the request (22.02.1996) for registration under Section 4B by stating that Section 4B is not applicable in this case, as such registration can not be granted and it was only when the matter was raised by Audit, the matter was again taken up with the Sales Tax Department and registration obtained on 11.07.2001. This clearly establishes the laxity on the part of the Management in taking up the matter with Sales Tax Department.

2B.5 Consumption of materials

In order to achieve economy in consumption of materials, the overall and item wise consumption should be checked from time to time to know the consumption pattern and to take remedial action by the Management in case of excess consumption. Norms for consumption of stores/spares and other consumables were not laid down by the Company.

Table below indicates the consumption pattern of stores and spares utilised in operation and maintenance of generating units against per MW of installed capacity for the period from 1996-97 to 2000-2001.

Name of Thermal Power Station/ Capacity installed/ utilized	Year	Consumption of Stores and Spares (Rupees in crore)	Consumption of stores and spares against per MW of installed/utilized capacity (Rupees in lakh)
Obra 'A' TPS (550 MW)	1996-97	7.09	1.29
	1997-98	14.20	2.58
	1998-99	12.34	2.24
	1999-00	9.46	1.72
	2000-01 (prov.)	13.05	2.37
Obra 'B' TPS (1000MW)	1996-97	24.90	2.49
	1997-98	23.36	2.34
	1998-99	21.08	2.11
	1999-00	28.57	2.86
	2000-01 (prov.)	24.98	2.49
Panki TPS up to 1996-97 (252 MW) from 1997-98 (220MW)	1996-97	7.23	2.86
	1997-98	9.33	4.24
	1998-99	11.20	5.00
	1999-00	10.34	4.70
	2000-01 (prov.)	12.59	5.72
Anpara (O&M) TPS (1630MW)	1996-97	25.18	1.54
	1997-98	35.60	2.18
	1998-99	42.21	2.58
	1999-00	46.29	2.83
	2000-01 (prov.)	60.80	3.73

It would be observed from the above that the consumption of store and spares against per MW of installed/utilized capacity varied widely and ranged from Rs. 1.29 lakh to 5.72 lakh during 1996-97 to 2000-2001. Following deficiencies were noticed in respect of consumption of materials in different thermal power stations:

(i) Norms for different consumables/ spares were neither fixed nor the reasons of wide variations in consumption of materials were analysed as discussed in paragraph 2B.5.1 (a)(c), 2B.5.2, 2B.5.3 and 2B.5.5 *infra*.

(ii) Performance/wear rate of consumable spares were not recorded/ evaluated so as to enforce pro-rata deductions from the suppliers in case of poor performance/excess consumption of spares as discussed in paragraph 2B.5.1 (b) *infra*.

(iii) Economic viability based on cost cum performance analysis of spares were not ascertained wherever TPS had switched over to use the materials of another specification/ make as discussed in paragraph 2B.5.4 *infra*.

(iv) Equipment/Machinery which had an indirect control over the consumption of materials were not maintained properly as discussed in paragraph 2B.5.6 *infra*.

In absence of norms, the actual consumption of few items was however, reviewed vis-a-vis achieved consumption, guaranteed running hours/wear rate etc. for the period of 5 years up to 2000-2001. Results of review are discussed in succeeding paragraphs:

2B.5.1 Excess consumption of Grinding Media

Steel balls/Grinding Rolls (GRs)are the frequently required consumable spare of the coal based TPS, which are used as grinding media in the power houses for crushing of coal in the ball/bowl mills. The consumption of steel balls/GRs depends upon the quality and quantity of coal crushed, condition of mills and also on the quality of balls/GRs.

An analysis of the consumption of steel balls/GRs revealed that even after improvement in the quality of coal used, the consumption of steel balls was varying widely. Audit findings on the consumption pattern of steel balls/GRs are given below:

(a) Forged Steel Balls

The table below indicates the total quantity of steel balls consumed, wear rate (consumption of steel balls in grams against per MT crushing of coal) and excess consumption of steel balls at TPS Anpara and Panki for the period from 1996-97 to 2000-2001.

Year	Anpara (2 x 500 MW) TPS				Panki (2 x 110 MW) TPS			
	Consumption of coal (MT)	Consumption of Forged Steel Balls (MT)	Wear rate (gms/ MT)	Excess consumption Forged Steel Balls (MT)	Consum-ption of coal (MT)	Consum-ption of Forged Steel Balls (MT)	Wear rate (gms/MT)	Excess consumption Forged Steel Balls (MT)
1996-97	4905169	1845.081	376	--	757408	211.855	280	--
1997-98	4940375	2029.261	411	172.913	716330	288.855	403	88.108
1998-99	4676766	2976.629	636	1215.959	645334	194.350	301	13.552
1999-00	5416383	2666.573	492	628.300	682003	291.210	427	100.254
2000-01	4349984 (up to 2/2001)	1806.004 (up to 2/2001)	415	169.649	526330 (up to 11/2000)	295.195	561	147.898
Total				2186.821				349.812

Though consumption norms were not fixed by the Company, however, as recommended by the plant manufacturer (Mitsui & Co. Japan) it was 200 gms/

Grinding media forged steel balls valuing Rs. 5.79 crore were consumed in excess than required

MT coal crushed. It would be observed from the table above that the wear rate was widely varying and ranged from 376 to 636 gms and 280 to 561 gms at Anpara and Panki TPS respectively.

Considering the minimum achieved wear rate at Anpara (376 gms) and Panki (280 gms) TPS, the excess consumption of steel balls after giving credit for scrap value have been worked out to 2536.633 MT (2186.821 MT at Anpara and 349.812 MT at Panki TPS) valuing Rs. 5.79 crore (Rs. 5.11 crore at Anpara and 0.68 crore at Panki TPS) during the period from 1996-97 to 2000-2001. TPS Management did not analyse the reasons of excessive consumption with a view to take remedial actions.

Management stated (September 2001) that the norm of 200 gms/MT of coal crushed as given by the manufacturer is not fully workable due to the variation in the quality of coal, the ash content of coal, physical properties of coal, use of coal from coal yard lying there since long and physical condition of the ball mills and working out excess consumption on the basis of achieved consumption of 1996-97 is not justified.

Reply is not tenable as the analogy of the Management for considering the norm given by the manufacturer as not workable is only an afterthought as one of the unit could achieve almost the same norm given by the manufacturer.

(b) Chrome Steel Balls

The Obra "A" TPS procured and utilized the chrome hard steel balls for using as grinding media for crushing of coal.

Obra TPS did not control consumption of chrome hard steel balls at tested/guaranteed level resulted in extra expenditure of Rs. 2.11 crore

The supplier of chrome hard steel balls had given guaranteed wear rate of 50 gms per MT of coal crushed. Further pro-rata deduction clause though provided in the purchase orders placed up to July 1995 was never enforced in cases where the actual wear rate exceeded the guaranteed wear rate. In July 1995, this clause of guaranteed wear rate was deleted from the tender specification itself on the plea that user divisions were facing problems in evaluating wear rate, due to mixing of balls used in ball mills, supplied against different orders, on account of non-availability of sufficient quantity of balls against individual orders. However, in other Electricity Boards viz. MPEB, the guarantee clause of wear rate, pro-rata deduction in cases of excess wear rate are still enforced.

It was noticed in audit that the guaranteed wear rates (50 gms/MT), offered (1995) by the suppliers AIA Magotteaux Ltd., and R.G. Ispat, was subsequently withdrawn on the request of the TPS.

The Obra 'A' TPS neither controlled its consumption of steel balls at the level of tested wear rate of 52 to 53 gms/MT nor enforced the clause of pro-rata deductions. The wear rate of steel balls during 1996-97 to 2000-2001 ranged between 85 gms and 453 gms which resulted into excess consumption of steel balls weighing 787.467 MT valuing Rs. 2.11 crore worked out at the rate of Rs. 26800.48 per MT over and above the guaranteed wear rate of 50 gms/MT.

Management stated (September 2001) that the reasons of excess consumption were non-evacuation of crushed coal from mills, non-arrival of coal in the mills and as a result, balls were being crushed among each other. Reply is not convincing as timely and proper corrective action would reduce the consumption.

(c) Grinding rolls (GR)

GRs were procured from BHEL and also from other suppliers. The normal life of these rolls, as considered by the TPS, was 3500 running hours. However, the consumption of rolls depends upon the quality of coal crushed, condition of bowl mills, quality of rolls used and also proper functioning of Air preheaters.

Grinding rolls did not run their normal running life resulted in excess consumption valued at Rs. 0.09 crore

Scrutiny of records revealed that during the year 1996-97 to 1999-2000, out of 60 sets (180 nos.) of GRs , 28 sets (84 nos.) rolls could not achieve their normal life of 3500 running hours. The actual running hours of these rolls were 221856 hours as against normal life of 294000 hours, resulting in short achievement by 72144 running hours equivalent to 20 new rolls. Thus, due to non-achievement of normal life of 3500 running hours, the TPS had incurred an avoidable expenditure of Rs. 8.82 lakh on excess consumption of 20 nos. GRs (at the rate Rs. 44075.00 per roll). The reason of excess consumption was not analysed by the Management.

Management stated (September 2001) that the GRs had given minimum guaranteed running hours (2500 hours) except one set of GRs. Further it was stated that the difference in performances of GRs was because of the problem of primary air pressure. Reply is not convincing as excess consumption had been compared by considering the normal running hours (3500 hours) of GRs as fixed by the TPS.

2B.5.2 Excessive consumption of steel armour plates

Steel armour plates are fitted inside the periphery of the ball mill's drum and form a steel layer for grinding of coal. The consumption of steel plates depends on the quality of coal crushed, operating parameters and conditions of the ball mills. In case of damages, its replacement is necessary to avoid coal ingress in the system of lubricating oil rim gear vis-à-vis erosion in counter shaft pinion.

Loss due to excess consumption of armour plates valuing Rs. 0.26 crore

In test audit, it was noticed that 7170 nos. steel armour plates, weighing 361.926 MT were issued to ball mills at Panki TPS during 1996-97 to January 2001, out of which 228.391 MT were consumed for coal crushing leaving 133.535 MT (36.9 *per cent*) as scrap. The year-wise break-up of its consumption, receipt of scraps, quantity of coal crushed, consumption per MT of coal crushed and excess consumption with reference to actual lowest consumption achieved in 1996-97 are given in table below :

Year	Qty. of Steel armour plate issued (MT)	Scraps received/(*per cent* of scrap to total issue) (MT)	Net consumption (MT)	Coal crushed (MT)	Consumption per MT of coal crushed (in kgs.)	Excess consumption (MT)
1996-97	28.565	1.465 (5.1 *per cent*)	27.100	757.408	36	--
1997-98	107.340	28.200 (26.3 *per cent*)	79.140	716.330	110	53.008
1998-99	70.342	19.060 (27.1 *per cent*)	51.282	645.334	79	27.749
1999-00	79.563	36.710 (46.1 *per cent*)	42.853	682.003	63	18.414
2000-01 (up to 1/2001)	76.116	48.100 (63.31 *per cent*)	28.016	526.330	53	8.948
Total	**361.926**	**133.535 (36.9 *per cent*)**	**228.391**			**108.119**

It would be seen from above that the actual consumption of steel armour plate per MT of coal crushed varied widely and ranged between 36 kg. and 110 kg. Taking the consumption of 36 kg per MT coal crushed as achieved in 1996-97, the excess consumption worked out to 108.119 MT valuing Rs. 26.22 lakh (calculated at an average procurement rate of Rs. 24250 per MT). The reasons of excess consumption were not analysed by the Management.

Management stated (September 2001) that taking the consumption of 1996-97 would not be the correct basis for working out excess consumption in subsequent years, as in subsequent year, capital overhauling of units was done and the armour plates were replaced during overhauling. Reply is not tenable as the quantity of replaced armour plates as scrap have already been accounted for at the time of working out excess consumption.

2B.5.3 Excess consumption of ring hammers

Ring hammers were consumed more than the lowest achieved consumption rate resulting in extra expenditure of Rs. 0.11 crore

Toothed ring hammers are used as crushing media, both in primary and secondary crushers of Coal Handling Plant. Year wise details of toothed ring hammers used at Anpara 'A' TPS (3 x 210 MW), quantity of coal crushed etc., consumption of ring hammers per MT of coal crushed, excess consumption with reference to achieved consumption are given below :

Year	Ring Hammer used (kg.)	Quantity of coal crushed (MT)	Consumption of Ring Hammer per MT coal crushed (kg.)	Excess Consumption (kg.)	Total quantity of excess consumption (kg.)
(1)	(2)	(3)	(4)	(5)	(6)
1996-97	11895	3291349	0.0036	0.0013	4278.75
1997-98	7137	3065332	0.0023	--	--

(1)	(2)	(3)	(4)	(5)	(6)
1998-99	12871	3068582	0.0042	0.0019	5830.30
1999-00	11895	2727257	0.0044	0.0021	5727.24
2000-01	16653	3212329	0.0052	0.0029	9315.75
Total					**25152.04**

From above, it may be seen that the consumption of ring hammer against per MT of coal crushed varied widely and ranged between 0.0023 kg. in 1997-98 and 0.0052 kg. in 2000-2001. Taking consumption of 0.0023 Kg./per MT coal crushed as achieved during 1997-98 as norm, the excess consumption worked out to 25152 kgs. valuing Rs. 11.07 lakh (at the rate of Rs. 44.00 per kg.) during 1996-97 to 2000-2001. Reasons of excess consumption had not been analysed by the Management.

Management stated (September 2001) that the sufficient ring hammers were not in stock during 1997-98, as such it could not be changed in 1997-98 which reduced the consumption of 1997-98. Further, when the ring hammers were changed in 1998-99 they enhanced the consumption of the year 1998-99. Likewise the consumption of 2000-2001 was enhanced due to the fresh replacement of ring hammers in 2000-2001. Reply is not convincing as the consumption of ring hammers had not been worked out only on the basis of quantity of ring hammers replaced, but it had been worked out on the basis of quantity of coal they had crushed during the year.

2B.5.4 Excess Consumption of Chemicals (Caustic Soda and Hydrochloric Acid)

Caustic soda and HCL valued at Rs. 1.36 crore were consumed in excess

The consumption of chemicals depends on the quality of water and condition of resin exchanger of the water treatment plant. Year wise details of quantity of DM water produced, chemicals consumed (Caustic Soda and HCL), average consumption per MT of DM water and excess consumption with reference to achieved consumption at each power stations are given in Annexure-24. The UPRVUNL did not prescribe revised norms for consumption of chemicals for each power station taking into consideration the raw water of the area and condition of the plant. It was, however, noticed that there were wide variation in consumption of chemicals. Taking the minimum average consumption achieved by each TPS, the excess consumption of Caustic Soda worked out to 1327.26 MT valuing Rs. 1.14 crore during the period from 1996-97 to November 2000.

Similarly, the excess consumption of HCL worked out to 1115.99 MT valuing Rs. 22.86 lakh during the period 1996-97 to November 2000. The UPRVUNL, however, did not analyse the reasons for wide variation/and excess consumption of chemicals.

Management replied (September 2001) that the DM water plant of Obra 'A' TPS is oldest one. The resins of the plant of Obra 'B' TPS was also not changed (due in 1991) since its installation (1976-77) due to financial crisis. Reply is not tenable on the grounds that maintenance of the DM water plant is of utmost importance in running of TPS and financial constraints should not come in its way. Further, the achieved consumption by the respective DM water plant were taken as the base for working out the extra consumption in view of variations in consumption of HCL and Caustic soda.

2B.5.5 Excess Consumption of Gas (Hydrogen gas)

For normal functioning of the generators, the quantity of gas is to be maintained at 3.5 kg/cm^3 pressure inside the generator casing and purity thereof at 99 *per cent* level. The consumption per day per unit for make up of hydrogen gas, as per technical particulars, was 1.5 M^3 per day per unit. The consumption of hydrogen gas increases beyond permissible limit due to (i) leakage into gas cooler or stator winding leads to reduced quantity of gas and (ii) excessive flow of seal oil due to improper maintenance of vacuum at minimum level of 400 to 500 mm for which vacuum pumps are provided.

Consumption of hydrogen gas ranged from 30 to 53.9 M^3 as against the norm of 1.5 M^3.

In audit, it was noticed that against the consumption norm of 1.5 M^3 hydrogen gas per day per unit, TPS considered its requirement at 15 M^3 (2.5 cylinders per day) per unit. Even this was not achieved and the actual consumption was much in excess and ranged between 30 M^3 and 53.9 M^3 per day per unit which resulted in extra consumption of hydrogen gas 136746 M^3, valuing Rs. 49.21 lakh (at the rate Rs. 36 per M^3) during the period from 1996-97 to February 2001. The reasons for excess consumption as noticed in audit was the excessive flow of seal oil due to improper maintenance of vacuum at minimum required level.

Management stated (September 2001) that the excess consumption of hydrogen gas was due to the problem of shaft sealing, however, the unit was put to run for the generation purpose to avoid any generation loss. It was further stated that the consumption norm stated by BHEL is 15M^3 as against 1.5M^3 pointed out by audit. Reply is not tenable as the problem of shaft sealing which led to excess consumption of hydrogen gas was a problem to be rectified by the TPS from time to time when the unit remained under overhauling. The norm adopted by audit is as per technical particulars of operating manual of Anpara-A TPS, but extra consumption of hydrogen gas has been worked out based on the norms as stated by BHEL.

2B.6 Inventory control

The UPRVUNL had not fixed any reserve stock limits at power stations as had been fixed by other Electricity Boards. The Andhra Electricity Board had fixed the inventory holding limit of not more than three months consumption at any point of time. Further, poor control over inventory had caused excess/imbalanced holding of ma terials. Cases noticed in audit are discussed below:

2B.6.1 Excessive Inventory Holdings

The table given below indicates the position of spares consumed during the year and closing stock in terms of months consumption at the end of each year for the five years up to 2000-2001:

TPS/Year	Consumption (Rupees in lakh)	Closing Stock (Rupees in lakh)	Closing stock in terms of months consumption	Excess stock (In month)	Excess inventory (Rs. in lakh)
Obra 'A'					
1996-97	1742.39	1150.62	7.92	4.92	714.78
1997-98	3806.23	1273.85	4.02	1.02	323.22
1998-99	4619.18	1029.86	2.68	--	--
1999-00	4512.52	953.24	2.53	--	--
2000-01 (Provisional)	4407.83	1927.06	5.25	2.25	361.32
Obra 'B'					
1996-97	5331.20	4116.94	9.27	6.27	2784.60
1997-98	5335.67	4319.67	9.72	6.72	2986.44
1998-99	3936.28	4106.23	12.52	9.52	3122.31
1999-00	6572.42	4589.81	8.39	5.39	2948.64
2000-01 (Provisional)	5265.11	4730.52	10.78	7.78	3066.95
Panki					
1996-97	1863.31	1476.05	9.51	6.51	1010.42
1997-98	2299.04	1459.46	7.70	4.70	890.84
1998-99	2988.41	1465.63	5.89	2.89	719.13
1999-00	2651.94	1418.14	6.42	3.42	755.46
2000-01 (Provisional)	2744.15	1023.85	4.47	1.47	336.70
Anpara (O&M)					
1996-97	6906.09	408.60	0.71	--	--
1997-98	15016.09	6377.76	5.09	2.09	2618.77
1998-99	26593.90	22861.09	10.32	7.32	16215.42
1999-00	11914.55	23318.29	23.49	20.49	20340.22
2000-01 (Provisional)	20568.07	27827.76	16.23	13.23	22683.99
Total					**81879.21**

It is evident from above that the inventory held in terms of month consumption at different power stations widely ranged between 0.71 and 23.49 months.

Excess holding of inventory resulted in interest burden of 147.38 crore

Taking three months consumption as stock holding limit as laid down by Andhra Paradesh State Electricity Board, the excess investment in stock ranged from 3.23 to 7.15 crore, 27.85 to 31.22 crore, 3.37 to 10.10 crore and 26.19 to 226.84 crore at thermal power stations of Obra 'A', Obra 'B', Panki and Anpara (O&M) respectively during the period from 1996-97 to 2000-2001. Taking into account the interest charge at the rate of 18 *per cent*, the interest element on holdings of excess inventory per annum aggregated to Rs. 147.38 crore.

2B.6.2 Composition of Inventory

The table below shows category-wise inventory held at the end of 1999-2000 in different thermal power stations of UPRVUNL :

(Rupees in lakh)

Items	Obra 'A'		Obra 'B'		Panki		Anpara (O&M)	
	Closing stock	*per cent*	Closing stock	*per cent*	Closing stock	*per cent*	Closing stock	*per cent*
1. Lubricants	58.81	4.72	32.61	0.68	13.52	0.66	364.72	1.45
2. Chemicals	2.91	0.23	22.17	0.46	15.15	0.73	13.18	0.05
3. Consumables /Diesel	11.84	0.95	126.85	2.65	2.62	0.13	139.20	0.55
4. Spares	953.24	76.48	4589.81	95.96	1418.14	68.88	23318.29	92.64
5. Others	219.68	17.62	11.79	0.25	609.47	29.60	1335.85	5.31
Total	**1246.48**	**100.00**	**4783.23**	**100.00**	**2058.90**	**100.00**	**25171.24**	**100.00**

It can be seen from the above that the percentage of inventory of spares to total inventory ranged from 68.88 to 95.96 *per cent*. Different kinds of inventories were stacked in Central Store Divisions. It was observed that besides not conducting ABC analysis, identification of spares into non, slow and fast moving, mandatory and optional spares had not been carried out.

Inventory valued at 13.27 crore was not moving since last five to ten years

A scrutiny of records revealed that the inventory held at the close of 1999-2000 also included inventory valuing Rs. 13.27 crore (Obra 'A' Rs.: 6.91 crore, Obra 'B' Rs.: 3.22 crore, Panki Rs.: 1.81 crore and Anpara (O&M) TPS Rs.:1.33 crore) which were not moving since last 5 to 10 years. Management did not analyse the usability of these spares at present time which resulted into avoidable loss of interest Rs. 2.39 crore every year worked out at the rate of 18 *per cent* per annum on the locked up non-moving serviceable spares.

2B.6.3 Composition of Operation and Maintenance Expenditure

The table at Annexure-25 indicates the TPS wise position of generation, total O&M expenditure, other O&M expenditure (the cost of stores & spares, and expenditure on repair and maintenance), percentage of expenditure on repair and maintenance to other O&M expenditure for the period from 1996-97 to 1999-2001.

Repair and maintenance expenditure varied from 16.54 to 54.52 *per cent* during last five years

A review of the O&M expenditure of the four TPS for the period from 1996-97 to 1999-2001 revealed that the expenditure per million unit (MU) of generation varied widely and ranged from Rs.4.38 lakh to 18.50 lakh. Further the expenditure on stores and spares against per MU of generation was also varying and ranged from Rs. 0.21 lakh to 1.87 lakh. Company had not fixed any norms in this regard, and as a result of which no control on such expenditure could be exercised.

2B.7 Unutilised Materials

A review of the stock records revealed that materials in huge quantity remained unutlised for want of proper planning and purchases of materials much in advance without any immediate requirement. Cases of idle investment in materials/ equipment, procured against specific purpose as noticed in audit are discussed in succeeding paragraphs:

(a) Blockade of funds in spares

Renovation and modernisation project

Renovation and mordernisation of 8 units (1 x 50 MW, 2 x 100 MW and 5 x 200 MW), alongwith associated Coal Handling Plant and Water Treatment Plant of Obra TPS was taken up under a package (4 June, 1997) at a cost of Rs. 126.60 crore which was to be jointly financed through a loan of Rs. 88.60 crore from PFC (at the interest of 16 *per cent* per annum) and Rs. 38.00 crore to be arranged by the erstwhile UPSEB from its own resources. The project was to be completed by March 2000.

Spares valuing Rs. 12.76 crore remained unutilised

Scrutiny of records however, revealed that, though total amount of loan (Rs. 88.6 crore) was received within scheduled period, the project could not be completed up to December 2000 as the erstwhile UPSEB could provide funds of Rs. 4.85 core only as against provision of Rs. 38 crore, with the result that the spares/ equipment, valuing Rs. 12.76 crore (Rs. 10.95 crore at 'B' TPS Obra and Rs. 1.81 core at Obra 'A' TPS) purchased against loan fund remained unutilised on which UPRVUNL (erstwhile UPSEB) is incurring financial charges to the extent of Rs. 2.04 crore per annum at the rate of 16 *per cent* per annum.

Management stated (September 2001) that the spares could not be utilised as the funds to be provided by erstwhile UPSEB was not available to the TPS and unit was not taken into shut down. Reply itself confirms the contention of audit regarding non-utilisation of spares procured through loan funds.

(b) Closed units of Panki TPS

One of the 2 x 32 MW units of Panki TPS was closed during 1995 and the ot: was closed in March/April 1997, under the orders of District Magistrate Kanpur in consonance with the orders of U.P,. Pollution Control Board (UPPCB) as these units were emitting suspended particulate matters (SPM) beyond the level fixed by UPPCB.

Panki TPS (2 x 32 MW) was neither restarted nor spares valuing Rs. 2.13 crore were disposed of

Scrutiny of records revealed that the unit was having heavy accumulation of spares valuing Rs. 2.13 crore which remained un-utilised at the time of closure of unit with the TPS. Corporation decided to close these units (April 2001) belatedly after a lapse of four to six years which resulted into loss of interest aggregating Rs. 1.53 crore.

2B.8 Non-recovery/adjustment of advances to suppliers/contractors

The terms and conditions of supply order/contracts at times provide for payments in advance to suppliers/contractors. The advances so paid are adjusted as and when supplies/services are received/rendered. As on 31 March 2000, an amount of Rs. 32.15 crore was outstanding in the books of four thermal power stations. The partywise and yearwise details of these advances were not maintained. There was also no system to review these advances to facilitate pursuance in cases where advances were outstanding for a long period to avoid blockade of funds and consequent loss of interest as discussed in succeeding paragraphs:

Advances Rs. 0.84 crore paid against 171 nos. purchase orders during 1988 to 2000 remained unadjusted/unrecovered

(i) BHEL (Trichi, Hardwar and Varanasi) had not supplied any item against 57 nos. purchase order (value Rs. 3.85 crore) and supplied partial items (value of unsupplied items Rs. 3.25 crore) against 114 nos. purchase orders during the period from 1988-89 to 1999-2000 for which a total advance of Rs. 83.70 lakh (Obra 'B' TPS: Rs. 19.29 lakh, Panki TPS: Rs. 18.38 lakh, Anpara 'A' TPS: Rs. 26.49 lakh and Anpara 'B' TPS: Rs. 19.54 lakh) paid to them remained unadjusted (May 2000).

A scrutiny of records further revealed that sincere efforts were not made either to get the supplies resumed or to adjust the advances outstanding since long on which the Company had to bear avoidable financing charges amounting to Rs. 15.07 lakh every year, worked out at the rate of 18 *per cent* per annum.

(ii) Anpara TPS was procuring LDO from Indian Oil Corporation against advance payments. The advances were paid from time to time against assessed quantity.

A scrutiny of records revealed that the huge advances were outstanding with IOC since 1993-94 for want of quarterly reconciliation which was done after lapse of six years (May 1999).

The position of outstanding advances during the period from 1993-94 to 1998-99 is detailed in the table below :

(Rupees in lakh)

Period	Amount of Advance	Despatches	Progressive balances on which interest worked out	Period of Interest (months)	Loss of interest at the rate 18*per cent* per annum
(1)	(2)	(3)	(4)	(5)	(6)
1993-94	1361.34	1303.43	57.91	12	10.42
1994-95	1726.82	1706.53	78.20	12	14.08
1995-96	552.79	535.89	95.10	12	17.12

(1)	(2)	(3)	(4)	(5)	(6)
1996-97	665.04	610.24	148.30[24]	12	26.69
1997-98	844.41	846.01	148.30	12	26.69
1998-99	1529.90	1482.44	195.76	3	8.81
Total					**103.81**

Loss of interest Rs. 1.04 crore due to non-timely reconciliation of supplies

Thus, due to delay in reconciliation of payments and supplies a sum of Rs. 57.91 lakh to 1.96 crore remained locked up during 1993-94 to 1999-2000 (up to June 2000) on which UPRVUNL had to incur loss of interest amounting Rs. 1.04 crore worked out at the rate of 18 *per cent* per annum.

Management stated (September 2001) that as a result of reconciliation made in June 2001, balances were reduced to Rs. 29.45 lakh. Management, however, could not justify non-adjustment of heavy balances in earlier years.

2B.9 Heavy accumulation of scrap

Periodical review of disposal of accumulated scrap not only augments working capital but also releases space and reduces pressure on inventories. Timely disposal also prevents deterioration in quality and value of the scrap.

A review of accumulation and disposal of scrap in four thermal power stations by audit revealed that scrap valued at Rs. 3.87 crore (Obra 'A': Rs. 1.41 crore, Obra 'B' : Rs. 1.81 crore, Panki : Rs. 21.00 lakh and Anpara (O&M) : Rs. 44.46 lakh) accumulated over number of years were lying undisposed at the end of 2000-2001.

It was noticed in audit that the reasons for heavy accumulation of scrap were procedural delays and not taking timely decisions. The cases noticed are illustrated below:

2B.9.1 Delay in disposal of scrap

Even after receipt of rates higher than estimated, scrap valuing Rs. 1.24 crore remained un-disposed of

After identifying the scrap by scrap disposal committee, Obra TPS was disposing off its scrap on open tenders basis through Metal Scrap Trade Corporation (MSTC), New Delhi at the rates recommended by MSTC and approved by Project Tender committee (up to Rs. 10 lakh)/Member stores purchase committee UPSEB (Above Rs. 10 lakh)/corporate purchase committee of UPRVUNL with effect from 14.01.2000.

It was noticed in audit that scrap lying in the project prior to 31.03.97 was not disposed of even after receipt of rates from MSTC. The rates so received were higher than the estimated rates (Rs. 1.17 crore) and valued at Rs. 1.24 crore. The scrap could not be disposed of due to non-approval by MSPC/Corporate Tender

24 The progressive balance of 1996-97 was Rs. 149.90 lakh, however, the balances next year being lower one i.e. Rs. 148.30 lakh has been taken for calculation of interest.

Committee, resulting in the blockade of Company's fund to the extent of Rs. 1.24 crore during last four years up to 31.03.2001.

2B.9.2 Non disposal of unserviceable Dozers

Bulldozers were being utilised in the power houses for carriage of coal from coal yard to track hopper. Two nos. BEML make 150 HP Bulldozers purchased in 1968 and 1971 by Panki TPS at the cost of Rs. 8 lakh each were lying in damaged condition since 1981 & 1986 respectively. Management declared (05.08.95) them unserviceable and recommended for their disposal within 3 months. The estimated cost thereof, as assessed by Management, was Rs. 0.60 lakh each. Accordingly for its disposal open tenders were invited through MSTC.

Uneconomical dozers were not disposed of even after receipt of higher rates

The rates of Rs. 13.42 lakh for both the dozers offered by SPS Bombay were not accepted by Management within validity period of offer i.e. up to 25.11.95 from the date of opening of tender (28.8.1995) for which no reasons were available on record. Approval of the rates was however, intimated on 21.12.95 to MSTC which was not honoured by the firm. During next five years on account of rates obtained (Rs. 10 lakh in 1996, Rs. 7.52 lakh in 1997) being lower it could not be accepted by Management.

Thus, due to delay in acceptance of rates the Management failed to dispose of these bulldozers at most remunerative rates. Responsibility for the lapse had not been fixed (May 2001).

Similarly, three Bulldozers at Anpara TPS were also lying in damaged condition being beyond economic repair (BER) since May 1995 to November 1997. No efforts were made for disposal even after lapse of four to six years of their becoming BER.

Management stated (September 2001) that bidder deliberately avoided lifting of bulldozers. Reply is not tenable as procedural delay in acceptance of bid within validity period gave the bidder opportunity to avoid lifting of bulldozers.

2B.10 Physical verification of inventories

Stock balances as per accounts and as per physical verification were never reconciled

The TPS wise position of stores, spares and lubricants balances as per accounts and as per physical verification, as on 31 March 2000 was as under:

(Rupees in lakh)

Name of TPS	Balances as per accounts	Balances as per physical verification	Difference (-) (2)-(3) (+) (3)-(2)
(1)	(2)	(3)	(4)
Obra (R & M)	3005.80	1296.00	(-) 1709.80
Obra 'A'	1026.81	3200.00	(+) 2173.19
Obra 'B'	4771.44	3426.00	(-) 1345.44
Panki	1449.43	1568.00	(+) 118.57
Anpara (O & M)	23835.39	25908.58	(+) 2073.19

It would be observed from the above that there were heavy differences in the balances of stores as per accounts and as per physical verifications. These differences were never reconciled as the monitoring records were not being maintained/closed since long. As such the correctness of the balances shown in accounts were not ascertainable in audit.

Further, divisional officers are to have stock taken through out their Divisions at least once a year. All the stores should be checked and counted. A certificate to this effect is to be issued under dated signature. The discrepancies noticed after physical verification, should be set right by verifying officer with surplus being treated as a receipt and deficit as issue with a suitable remark. The value of deficit should not be charged off finally but kept under the head (22.830) "stock shortages pending investigation".

A scrutiny of records however revealed that the ground balances of Obra (R & M) accounts was less by Rs. 17.10 crore than the book balances at the end of 31 March 2000. Neither the deficit had been charged to the head "stock shortages pending investigation" nor the reasons of heavy differences were ascertained by the TPS and the balances remained unreconciled as a result the correctness of balances could not be ascertained in audit. (May 2001). In the absence of proper accounting for variations, possibilities of fraud/ misappropriation could not be ruled out.

Conclusion

The Company failed to introduce an efficient material management and inventory control system due to:

- **faulty purchase procedure resulting into procurement of material at higher rates;**
- **delayed arrangement of materials resulting into generation losses;**
- **excess consumption of materials due to non-fixation of any norm in this regard;**
- **minimum, maximum and reordering level for different materials were not fixed which resulted into excessive imbalance holdings of materials; and**
- **The Corporation suffered heavy loss of interest due to huge outstanding advances against suppliers since long.**

The Company needs to have special attention to strengthen/revive its material management and inventory control system. It should prepare an inventory management manual of it's own and the provisions therein should be meticulously observed to have better economy in purchases.

These matters were reported to Company and to the Government in June 2001; the reply of the Government was awaited.

Uttar Pradesh Police Avas Nigam Limited

2C. Working of Uttar Pradesh Police Avas Nigam Limited

Highlights

The Company was established on 27 March 1987 with paid-up capital of Rs. 3.00 crore to execute housing and other schemes for the benefit of employees of the Police Department.

(Paragraphs 2C.1 & 2C.4)

The Company registered a downward trend during all the four years up to 1999-2000 which turned into substantial loss of Rs. 1.09 crore during 2000-2001 due to lower magnitude of work done. The advances from Government also registered a substantial growth up to 78.7 per cent over 1996-97 due to non-finalisation of accounts in respect of completed works valuing Rs. 97.47 crore.

(Paragraph 2C.5.1)

The Company suffered loss of Rs. 1.10 crore due to Government's refusal to entertain claims of extra expenditure incurred over the sanctioned cost under IXth Finance Commission works as a sequel to not obtaining prior approval of deviation in standard design, execution of additional works etc.

{Paragraphs 2C.5.2 & 2C.7.2 (i)}

The Company could not utilise funds ranging between 43.25 and 63.43 per cent despite availability of sufficient funds for execution of works.

(Paragraph 2C.6.1)

Contrary to the Government's directives, the Company incurred irregular expenditure of Rs. 21.05 crore on 147 works without releasing Technical Sanction (TS) (61 works: Rs. 17.24 crore) and excess expenditure (86 works: Rs. 3.81 crore) over and above the TS.

(Paragraph 2C.7.1)

Construction of buildings at two places near protected monuments without obtaining prior approval of Archeological Survey of India resulted in nugatory expenditure of Rs. 0.32 crore.

{Paragraph 2C.7.1 (d)}

Irregular curtailment in the volume of work at Krishna Janam Bhoomi, Mathura and PAC Bn., Rudrapur and Bareilly resulted in extra expenditure of Rs. 0.52 crore incurred over and above the sanctioned cost of executed works.

{Paragraph 2C.7.1 (e) & (f)}

The Company made inadmissible payment of trade tax amounting to Rs. 0.54 crore to middlemen suppliers against supplies of stonegrit, coarse sand and Ganga sand.

(Paragraph 2C.8.2)

2C.1 Introduction

The Uttar Pradesh Police Avas Nigam (UPPAN) Limited was incorporated on 27 March 1987 as a wholly owned Government Company with the main objects to formulate and execute housing schemes for the benefit of Police Department personnel, to construct residential and non-residential buildings for the Police Department, Government of Uttar Pradesh and to undertake design, construction, repair, maintenance including additions or alterations and other allied works for all kinds of buildings residential and non-residential complexes and other similar accommodations.

Presently the Company has confined its activities to construction of residential and non-residential buildings of Police Department and other deposit works of Ambedkar University of Agra.

2C.2 Organisational set-up

The Management of the Company is vested in a Board of Directors consisting of a full time Chairman-cum-Managing Director (CMD) and six directors as on 31 March 2001. The CMD, who is the executive head of the Company, is assisted by a General Manager (Technical), General Manager (Finance) and a Company Secretary at the corporate office and by seven Executive Engineers at its field units.

2C.3 Scope of Audit

The review was conducted during October 2000 to March 2001 and the activities of the Company for a period of five years up to 31 March 2001 have been covered and records of all seven construction units and the Corporate office were test checked results of which are set out in the succeeding paragraphs.

2C.4 Capital structure

The authorised share capital of the Company was Rs. 10 crore divided into one lakh equity shares of Rs. 1000 each as on 31 March 2001. Against this, the paid-up capital of the Company was Rs. 3.00 crore, wholly subscribed by the Government of Uttar Pradesh.

2C.5 Financial position and working results

2C.5.1 Financial position

The financial position of the Company for the last five years up to 31 March 2001 as given in Annexure-26 indicates increase in current liabilities and provisions from Rs. 112.86 crore in 1996-97 to Rs. 201.86 crore (an increase of 78.68 *per cent* over 1996-97) at the end of the year 31 March 2000 mainly because of increase in advances received from Government for execution of civil work but not adjusted due to non-finalisation of accounts in respect of completed works valuing Rs. 97.47 crore.

The percentage of reserves and surplus to total liabilities dropped during five years up to March 2000 from 2.64 in 1996-97 to 2.00 at the end of the year 1999-2000.

2C.5.2 Working results

The working results of the Company for five years up to 31 March 2001 as summarised in Annexure-27 bring out the following facts:

- ➢ The net profit of the Company during 1998-99 and 1999-2000 was mainly due to interest income of Rs. 41.12 lakh and Rs. 44.31 lakh respectively. During 2000-2001 the Company has incurred a loss of Rs. 1.09 crore (Provisional) in view of drop in value of work done and increase in administrative overheads.
- ➢ The Company incurred operating loss of Rs. 12.99 lakh and Rs. 1.28 crore during 1998-99 and 2000-2001, respectively which was mainly due to steep decline in value of work done.
- ➢ The Company had to write off the construction expenses of Rs. 1.10 crore during 1999-2000 due to Government's refusal to sanction extra expenditure incurred over the sanctioned cost of the works under 9th Finance Commission as discussed in paragraph 2C.7.2 (i) *infra.*

The accumulated profit (Rs. 4.15 crore) of the Company as on 31 March 2000 were also subject to following:

(i) non-provision of income tax amounting to Rs. 1.04 crore for the year 1987-88 and 1993-94 plus interest thereagainst as demanded by Income Tax authorities for which appeals were pending before Tribunal/ Commissioner (Appeal);

(ii) non-provision of old irrecoverable advances of Rs. 12.23 lakh from Uttar Pradesh Cement Corporation Limited, a BIFR Company;

(iii) doubtful recovery of Rs. 3.07 crore due to non-approval of extra expenditure incurred beyond the sanctioned cost pending with the Government since June 1993 as discussed in paragraph 2C.7.2 (ii) *infra*.

2C.6 Fund Management vis-a-vis targets and achievements

2C.6.1 Fund Management

The Company obtains funds from the State Government through Police Headquarter (PHQ), Allahabad for construction of residential (R) and non-residential (NR) buildings for Police Department on the basis of Preliminary Estimates prepared on plinth area rates of PWD and approved by the Police Department/Government for various types of buildings.

The table below indicates the position of funds available with the Company for execution of works vis-a-vis value of work done thereagainst during five years up to 31 March 2001.

(Rupees in crore)

Year	Opening balance	Received during the year	Total available fund	Value of work done	Unutilised balance at the end of year	Percentage of value of work done to total availability of fund
1996-97	14.51	23.35	37.86	21.49	16.37	56.75
1997-98	16.37	25.03	41.40	22.48	18.92	54.29
1998-99	18.92	26.97	45.89	16.78	29.11	36.57
1999-2000	29.11	33.21	62.32	31.46	30.86	50.48
2000-2001	30.86	0.20	31.06	13.13	17.93	42.27
Total		**108.76**	**218.53**			

Despite availability, the Company could not utilise funds ranging between 43.25 and 63.43 *per cent*

It would be seen from above that despite sufficient funds available with the Company during last five years up to 31 March 2001, it could utilise only 36.57 to 56.75 *per cent* of available funds for execution of works.

Lapses/Irregularities noticed in this connection are discussed below:

- The Company withdrew Rs. 2.01 crore from PLA during 1988-89 and deposited with Zila Sahkari Bank (ZSB) under call deposits at 12 and 10.5 *per cent* for 61/60 days call notice.

- On completion of work, final accounts are required to be prepared and savings effected against funds received be either refunded to the Government or utilised for other purposes with the approval of the Government only. In test check, it was noticed that construction of non-residential buildings at fire stations and other residential and non-residential buildings were completed during February 1998 to December 2000 with huge savings of Rs. 1.46 crore as detailed in Annexure-28 which had not been refunded to Government so far (March 2001). It was further observed that the Kanpur division had utilised (December/January 2001) savings of Loutouche Road Fire Station, Kanpur on construction of additional barrack costing Rs. 6.00 lakh without the approval of Government.

2C.6.2 Targets and achievements

The table given below indicates the targets fixed by the Company and value of work done thereagainst for the last five years up to 2000-2001 with respect to its annual capacity:

(Rupees in crore)

Year	Annual capacity	Targets fixed by the Company		Value of work done (VOWD) during the year	Percentage of value of work done with respect to		
		As per original budget (with centage)	As per revised budget (with centage)		Annual capacity	Original budget	Revised budget
1996-97	30.00	21.62	20.27	21.49	71.62	99.40	106.02
1997-98	30.00	20.90	23.81	22.48	74.92	107.52	94.41
1998-99	30.00	24.75	17.00	16.78	55.95	67.82	98.74
1999-2000	30.00	25.00	26.54	31.46	104.87	125.84	118.53
2000-2001	30.00	29.17	-	13.13	43.76	45.00	-
Total				**105.34**			

- It is evident from above that the Company never achieved its annual optimum level of VOWD (Rs. 30 crore) during last five years except in 1999-2000 despite availability of sufficient funds as indicated in paragraph 2C.6.1 *supra*. The annual target framed by the Company for the execution of works were not commensurate with the size and capacity of the Company and ranged between 43.76 and 74.92 *per cent* of annual capacity of the Company (Rs. 30.00 crore).

- Civil works valued at Rs. 92.00 crore and Rs. 1.86 crore related to Police Department had been awarded by the department to other agency (Rajkiya Nirman Nigam, Jal Nigam etc.) during 1998-1999 and 1999-2000 respectively which had not only adversely affected the profitability of the Company but also forfeited the very purpose of establishment of the Company.

2C.7 Activities

The Company obtains funds from the Government and undertakes the construction of residential and non-residential buildings of Police Department on Departmental Construction Unit (DCU) pattern. Under this pattern work is to be executed at cost plus centage basis. Cost for this purpose is worked out at 95 *per cent* of Public Works Department's (PWD) schedule of rates. It had not finalised working manual of its own but was following the pattern of UPRNN and PWD for execution of civil works and other specifications.

The Company, after receipt of funds from the Government and land from Police Department, formulates standard design of various types of residential and non-residential buildings for Police Department, and undertakes construction work after approval of designs from Police Headquarters (PHQ), Allahabad and clearance from U.P. Pollution Control Board and Archeological Department. In case of any change in specification, design, additional work or otherwise, the Company is required to obtain prior approval of Government through PHQ so as to receive required funds from the Government.

The Government while releasing administrative and financial sanctions to the Company issued directives for utilisation of funds and incurring works expenditure which inter-alia envisaged (i) the expenditure on works should be within the sanction cost; (ii) the works should be executed as per the approved standard design only; (iii) no works should be started and expenditure incurred thereagainst unless technical sanction is obtained from the competent authority; (iv) the sanction amount should be utilised and utilisation certificate thereagainst be submitted to the Government in addition to submission of monthly physical and financial progress; (v) the sanctioned amount be drawn and kept in Personal Ledger Account (PLA) with PHQ and be further withdrawn from PLA only when it is urgently required for the purpose.

Test check of records revealed lapses on the part of the Management which resulted in loss due to non-adherence of procedures for execution of works and the Government's directives relating to utilisation of funds and execution of works as discussed below:

2C.7.1 Irregular expenditure over and above the Technical Sanction(TS)

Irregular expenditure over and above technical sanction was incurred

In contravention of the Government directives, the Company incurred irregular expenditure of Rs. 21.05 crore (as detailed in Annexure-29) on execution of civil works up to November 2000 as detailed below:

(i) Scrutiny of records of seven units revealed that in 61 cases works were started by the units without obtaining technical sanction (TS) of competent authority i.e. General Manager (Technical) and incurred works expenditure of Rs. 17.24 crore up to November 2000. Reasons for non-release of TS and execution of works without TS were not available on records.

(ii) In 86 cases, the units had incurred excess expenditure of Rs. 3.81 crore up to November 2000 over and above TS for which no justification was available on records. However, chances of release of additional funds to regularise excess expenditure from the Government were quite remote.

The Management stated that due to receipt of Government's sanction in bulk and shortages of technical staff issuance of TS was not possible. The reply of the Management is not tenable as Government's directives have not been complied with.

(iii) The under mentioned works taken up by the Company during 1995-97 were commenced without obtaining TS and without receipt of sufficient funds with the result Company had to incur expenditure either from its own funds or from the funds meant for other works.

(a) Construction of swimming pool at Lucknow

Loss on blocked funds against incomplete work

The Government sanctioned (May 1995) Rs. 1.31 crore for construction of swimming pool at 35 BN PAC, Lucknow and released Rs. 60 lakh in two phases during November 1994 to May 1995. The Lucknow unit II started (July 1995) construction work without formulating design and preparation of detailed estimate (approx. Rs. 1.85 crore) and obtaining full sanctioned funds from the Government and incurred expenditure of Rs. 1.18 crore up to March 1996 involving it's own funds of Rs. 57.69 lakh.. The construction work had been stopped after achieving 26 *per cent* physical progress since March 1996 due to non-availability of funds from the Government. The unit thus, incurred expenditure of Rs. 57.69 lakh over and above funds received (Rs. 60.00 lakh) from its own fund. The Company incurred Rs. 5 lakh on 'watch and ward expenses' for safety of the site since March 1996 which was not reimbursable to the Company.

The Management stated (September 2001) that the matters were being looked into at Government's level and action will be taken accordingly.

No responsibility had been fixed for the lapses so far (September 2001).

(b) Construction of Ambedkar Police Post

Failure in submission of detailed estimate resulted in lapse of financial sanction leading to loss

The Company was entrusted by the Government (April 1997) the construction work of police outpost near Ambedkar Park, Gomti Nagar, Lucknow without any administrative and financial sanction of the Government. The Company, however, submitted a preliminary estimate for Rs. 20.44 lakh on 25 April 1997 for obtaining financial sanction and started construction without waiting for receipt of funds and completed work (June 1997) after incurring expenditure of Rs. 19.37 lakh. The financial sanction of Rs. 19.57 lakh was accorded by the Government only in March 1998 but due to failure of the Company in submission of detailed estimate and TS for the executed works the financial sanction lapsed and has not been released so far (March 2001), resulting in blocking of Company's fund of Rs. 19.37 lakh and loss of interest of Rs. 8.71 lakh for the period from July 1997 to March 2001 (calculated at the rate of 12 *per cent* per annum).

The Management in reply (September 2001) did not give any reason for non-submission of detailed estimate.

(c) Partial construction of buildings

Works detailed in Annexure-30 indicate blocking of funds in respect of 128 residential buildings and three non-residential buildings where the land was made available late by the Police Department, but the Company instead of revising the estimates and obtaining technical sanction, started construction work and left the work incomplete due to paucity of funds as the Government did not accord sanction for the revised cost. This led to blocking of Government's fund (Rs. 2.63 crore) on incomplete buildings.

The Management stated (September 2001) that awaiting approval of revised sanction from the Government relating to the period prior to 1995 revised estimates for the subsequent years would be submitted to PHQ depending upon the availability of funds in their working plan.

The reply of the Management is not tenable as the construction works were started prior to release of technical sanction and there is all the likelihood that in these cases approval would not be forthcoming.

(d) Commencement of work without clearance from Archeological Department

Rule 32 of the Ancient Monument and Archeological Sites and Remains Rules 1959 prohibits any construction work within 200 meters of a protected monument. The Government sanctioned (March 1994) Rs. 41.24 lakh for construction of police station and barrack for 50 persons at Tajganj, Agra. Since the work site of police station Tajganj was within 200 meters of Taj Mahal (a protected monument) in terms of Gazette Notification, prior approval of Archeological Department was required to be obtained by the Company before start of construction work.

Wasteful expenditure on construction within protected monument areas

It was noticed that the construction work of Tajganj police station was started by the Agra unit in January 1996 without obtaining TS and prior permission from Archeological Department with the result that after incurring expenditure of Rs. 12.92 lakh, the construction work had to be stopped (2 May 1996) and finally dismantled as per the order of Hon'ble Supreme Court (August 1996). This rendered entire expenditure wasteful.

Similarly, the Government sanctioned (March 1996) Rs. 52.85 lakh for construction of Type I residences (Rs. 12.48 lakh) and barrack for 100 persons (Rs. 40.37 lakh) within the Chunar fort (a protected monument) in which a Regional Training Centre is already functioning. TS was released in July 1996 for Rs. 52.85 lakh for commencement of work and the Varanasi unit started

(August 1996) construction of barrack without obtaining prior permission of Archeological Department. The construction of barrack was stopped in March 1997 at the instance of Archeological Department and entire expenditure of Rs. 19.01 lakh incurred against the construction proved wasteful.

The Company had not fixed any responsibility against officers/officials for the lapses so far (September 2001).

(e) Construction of residential buildings at Krishna Janam Bhoomi, Mathura

The Government accorded (March 1996) its administrative and financial sanction for Rs. 3.92 crore for construction of 69 nos. Type I, 77 nos. Type II and 69 nos. Type III residence at Krishna Janam Bhoomi, Mathura in March 1996 which was revised (May 1997) to Rs. 4.45 crore by the Government with the condition that the work would be completed within the sanctioned cost and in case of any deviation, the matter would be immediately intimated to the Government.

It was noticed that the Agra unit started the construction work in 1996 without obtaining TS and completed only 69 nos. Type I, 70 nos. Type II and 64 nos. Type III residences at an expenditure of Rs. 4.43 crore againt 69 nos. Type I, 77 nos. Type II and 69 nos. Type III residences originally sanctioned for Rs. 4.45 crore.

Irregular expenditure on partially completed buildings

The Agra unit, thus, irregularly curtailed the volume of work and exhausted entire sanctioned fund against the remaining partially completed buildings without prior approval of the Government resulting in extra expenditure of Rs. 40.59 lakh against the completed buildings over its sanctioned cost.

The Management stated (September 2001) that on receipt of sanction of revised estimated cost, remaining works would be completed. The reply of the Management is not tenable as the funds meant for entire project had already been exhausted. No responsibility for irregular curtailment in the volume of work and incurring extra expenditure of Rs. 40.59 lakh on partially constructed buildings had been fixed so far (September 2001).

(f) Extra expenditure due to delay in commencement of work

Against the Government's sanction and release of funds of Rs. 1.37 crore (Rs. 68.36 lakh each) in March 1996 for construction of two barracks of 200 persons capacity at 46 Bn PAC, Rudrapur and 47 Bn PAC, Bareilly, the Company released TS for execution of works at both the places in June 1996. But the construction work at Rudrapur and Bareilly were delayed by 9 to 12 months from the date of release of TS and could be started only in March 1997 (Rudrapur) and in June 1997 (Bareilly). The balance surplus funds of Rs. 22.51 lakh were utilised to meet out the extra expenditure incurred on construction of barracks. The works at Rudrapur (for 200 persons) and at Bareilly (for 100 persons) were completed in May and November 1998 at an expenditure of Rs. 77.14 lakh and Rs. 37.07 lakh respectively which had resulted in excess expenditure of Rs. 11.67 lakh (Rudrapur: Rs. 8.78 lakh and Bareilly: Rs. 2.89 lakh) over and above the sanctioned cost of works.

A revised estimate of Rs. 2.05 crore for both the works (based on the revision of plinth area rates of PWD effective from February 1997) was, however, submitted by the Company to the Government in April 1997 for regularisation of extra expenditure and completion of work at Bareilly which had not been approved by the Government so far (September 2001).

The Management has not fixed any responsibility for the lapse.

(g) Irregular diversion of fund on partially completed building

The Government accorded (December 1995) sanction for (a) Rs. 45.98 lakh for construction of 8 nos. Type I and 4 nos. Type II residences and (b) Rs. 10.00 lakh for construction of S.P. residence at Uttarkashi. Government released Rs. 10.00 lakh for each work.

The construction of type-I and type-II residences was taken up by Moradabad unit in December 1995 without obtaining TS. The TS was released in November 1998 for Rs. 38.77 lakh for type-I and type-II residences with a condition that quantum of expenditure should not exceed the amount released by the Government. The unit had already incurred expenditure of Rs. 20.68 lakh up to November 1998 on construction of type-I and type-II residences by diverting funds from other works (Rs. 9.63 lakh from S.P. residence and Rs. 1.05 lakh from own savings). Even these residences remained incomplete rendering the expenditure of Rs. 20.68 lakh unfruitful and also leading to misapplication of funds released by the Government for construction of S.P. residence.

2C.7.2 Irregular expenditure beyond sanctioned cost

Scrutiny of records revealed that the Company irregularly incurred extra expenditure of Rs. 4.50 crore over and above the sanctioned cost approved by the Government against various schemes discussed below. The revised estimates in most of the cases had, however, been submitted to the Government for approval which were either refused or not approved so far (September 2001).

(i) Ninth Finance Commission Works

With a view to improve administrative status of the Police Department, the Government under 9th Finance Commission, accorded (November 1989) its administrative and financial sanction for construction of residential (624 nos.) and non-residential (5 nos.) buildings at different places at an estimated cost of Rs. 3.82 crore with the scheduled date of completion of works by March 1990.

Loss due to Government's refusal to sanction extra expenditure incurred over and above the sanctioned limit

Scrutiny of records revealed that the construction work was started after the date of scheduled completion in April 1990. The Company went on executing the works without releasing TS and deviated from the standard design. and incurred expenditure beyond the sanctioned cost without ensuring release of additional funds from the Government and approval of deviation in standard design and for execution of extra work. The Company, thus incurred an expenditure of Rs. 4.92 crore up to March 1999 on completion of work against the sanctioned cost of Rs. 3.82 crore resulting in extra expenditure of Rs. 1.10 crore over and above the sanctioned cost. The Company had, however, submitted (May 1995) a revised estimate for Rs. 5.09 crore giving reasons for revision in cost and went on incurring extra expenditure beyond sanctioned cost in anticipation of obtaining additional funds from the Government for above works. The Government had refused (January 2000) to sanction the extra expenditure on the ground that the extra expenditure incurred was due to deviation in the standard design, delay in start of work, execution of works without obtaining TS and execution of extra works not provided in original estimates for which the responsibility rest on the Company itself. The Company ultimately had to write off the entire extra expenditure of Rs. 1.10 crore in the year 1999-2000. No responsibility for the loss had been fixed by the Management so far (September 2001).

(ii) Works under other schemes

In terms of provisions of G.O. the Company was required to execute the works and keep the expenditure limited to sanctioned cost for which close monitoring over the expenditure was required to be exercised by the GM (Tech) through its monthly meetings with the unit incharges and monthly progress reports. However, the Management failed to do so.

The table below indicates the details of works executed under various schemes, prior to June 1993, where excess expenditure of Rs. 3.85 crore over and above the sanctioned cost was not sanctioned by the Government so far (September 2001).

(Rupees in crore)

Name of scheme	Sanctioned cost/Fund received	Expenditure incurred	Expenditure beyond sanctioned cost
9th Finance Commission Works for the period 1989-90	3.82	4.60	0.78
Works relating to Grih Nirman for the period 1987-91	2.56	3.45	0.89
Administrative and 100 persons barrack for PAC for the period 1991-92	3.00	4.72	1.72
7th Finance Commission Works for the period 1988-90	1.27	1.73	0.46
Total	**10.65**	**14.50**	**3.85**

In this connection, it is worth mentioning that the Government had already refused to sanction extra expenditure of Rs. 78.55 lakh relating to 9th Finance Commission

Works. For balance extra expenditure of Rs. 3.07 crore approval of the Government was still awaited since June 1993.

Action against the officers/officials responsible for incurring extra expenditure over and above sanctioned cost had not been initiated by the Company so far (September 2001).

2C.7.3 Loss on defective work

Against the Government's sanction of December 1992, TS for construction of residences and barracks (seven nos. type-II, two number type-III and a barrack for seven persons) at three police stations (PS) viz Kotwali Dehat, Chilla and Bargarh in Banda district under Jhansi circle at a cost of Rs. 18.84 lakh each, was released on pile foundations since entire Jhansi circle has been declared black cotton soil area by the PWD.

Company suffered loss of Rs. 0.27 crore due to reconstruction of defective works

It was noticed that contrary to the nature of soil (black cotton soil), the unit incharge, Kanpur finalised foundation design of Bargarh residence on "open footing" instead of pile foundation suitable for the soil which was based on the ambiguous soil testing report of private agency (Gomti Computers, Lucknow) employed for carrying out tests. Construction on "open foundation basis" was started in April 1993. The work was completed during 1994-95 at a cost of Rs. 18.51 lakh but the buildings could not be handed over to the Police Department as several cracks developed in the buildings and the same could not be controlled despite repair works carried out regularly. In an inspection carried out by the engineers of the Company during 1999-2000, it was declared that the building cannot be used for living purposes.

The BOD in its meeting held on 17 February 2000 observed that it was not safe to live in the cracked building and directed reconstruction of the entire building separately on pile foundation at an estimated cost of Rs. 27.06 lakh at the Company's cost, and also ordered to enquire into the matter and fix responsibility for defective construction.

The inquiry committee headed by a Senior Executive Engineer of the Company observed (September 2000) that the soil testing report of Gomti Computers was ambiguous and contrary to the nature of soil and held the Executive Engineer concerned, who designed the foundation, responsible for carrying out defective work.

Thus, due to negligence on the part of Executive Engineer, expenditure incurred (Rs. 18.51 lakh) on construction of residences at PS Bargarh not only became infructuous but also put the Company liable to bear the entire expenditure of Rs. 27.06 lakh to be incurred on reconstruction of the residences/barrack.

Despite fixing of responsibility for carrying out defective work at Bargarh no recovery had been initiated so far (September 2001).

2C.8 Procurement of materials

The Company had not framed any working manual of its own. The Company has adopted the purchase procedures of Uttar Pradesh Rajkiya Nirman Nigam Limited (UPRNN) which envisages *inter alia* formation of a procurement committee viz. Central Purchase Committee (CPC) mainly for cost control and retaining of a margin ranging from 12.5 *per cent* to 15 *per cent* in case of deposit works.

It was, however, noticed that the requirements of purchase procedure were not complied with while effecting purchases of Rs. 59.43 crore for deposit works during four years up to 31 March 2000. Orders for supply of building materials were placed on the basis of quotations or enquiries from the suppliers. Following observations deserve mention in this connection.

2C.8.1 Blocking of funds on unrequired purchase of steel from re-rolling mills/dealers

It was noticed in audit that during 1999-2000, the CPC invited quotations (June 1999) for purchase of steel (750 MT). Seven parties quoted their rates including two re-rollers viz. Kashi Vishwanath Steels (KVS), Udham Singh Nagar and Vimal Industries, Rishikesh.

Although negotiated basic rates of TISCO was at par with KVS except Rs. 50 per MT for unloading charges, CPC instead of procuring of steel from primary producers, placed (October 1999) orders with KVS (525 MT) and TISCO (225 MT) for supply of 750 MT of steel of various sizes.

Blocking of funds due to un-required procurement of steel bars

It was noticed that the Company procured 1177.873 MT of steel bars against the ordered quantity of 525 MT steel (out of total of 1322.50 MT) from KVS during 1999-2000 without ensuring actual requirement with the result 365.189 MT of steel bars valuing Rs. 57.91 lakh was lying unutilised as on 31 March 2000. The Company without ensuring availability of steel bars further procured 145.853 MT steel valuing Rs. 23.31 lakh during 2000-2001. 251.278 MT of steel valuing Rs. 39.60 lakh was still lying in stock (March 2001). Thus, due to un-required purchase of steel from re-roller (KVS), the Company's fund (Rs. 39.60 lakh) had been blocked and Company had suffered a loss of interest of Rs. 6.34 lakh at the rate of 16 *per cent* per annum for April 2000 to March 2001.

2C.8.2 Purchase of sand and stone grit/river shingle

Section 3AAA of Uttar Pradesh Trade Tax (UPTT) Act provides payment of

UPTT at first point sales. Thus, a retail dealer who had purchased goods from manufacturer in the state cannot charge UPTT from his customer as the requisite UPTT had already been charged by the manufacturer once. Similarly, no UPTT is payable to middlemen as they are neither manufacturer nor the importer as defined in UPTT Act.

Inadmissible payment of Uttar Pradesh Trade Tax on purchase of construction material

It was, however, noticed that the purchase committees collected quotations or made enquiries about rates of stone grit, coarse sand, sand, etc. from the middlemen only and finalised composite rates at FOR site plus UPTT at the rates of 5 to 7.5 *per cent* on composite rates. In this way the Company made inadmissible payment of UPTT (5 to 7.5 *per cent*) amounting to Rs. 53.99 lakh to the middlemen during five years up to 2000-2001 as detailed in Annexure-31.

No responsibility had been fixed against the officers/officials responsible for making the inadmissible payment (September 2001).

Conclusion

The Company was established with the main objectives of constructing residential and non-residential buildings for Police Department of the State. It failed to achieve its optimum level capacity mainly due to:

- **under utilisation of capacity despite availability of sufficient funds;**
- **deficient system of execution of works without first releasing technical sanction and**
- **lack of monitoring the time schedule and expenditure on construction works;**

as a result of which it incurred irregular and extra expenditure on many of its works which the Government has refused to sanction/regularise.

The Company needs to review its system of execution of works by follow-up of Government directives, issuance of technical sanction before start of work in all cases, close physical and financial monitoring of works with a view to complete the works within specified time frame and keep the works expenditure within sanctioned limit.

The matter was reported to the Government (June 2001); reply was awaited (September 2001).

CHAPTER-III

Reviews relating to Statutory corporations
Uttar Pradesh Forest Corporation

3A. Working of Uttar Pradesh Forest Corporation

Highlights

The Uttar Pradesh Forest Corporation, established in November 1974, was mainly engaged in felling/disposal of trees, collection/sale of tendu patta and jari buti and agricultural operations in the Tarai areas of the State.

(Paragraph 3A.1)

As per corporate policy of January 1998 the solid volume of trees was to be considered for production control purposes but it was not being worked out at divisional level except in logging division, Kotdwar where the shortfall in actual production as compared to solid volume aggregated to 16686 CuM. valuing Rs. 5.11 crore.

{Paragraph 3A.6.1.1 (A) (i)}

The shortfall in actual production during 1998-99 and 1999-2000 aggregated 5960.9832 CuM valuing Rs. 1.75 crore.

{Paragraph 3A.6.1.1 (A) (ii)}

Norms of recovery of sawn timber were not prescribed. During five years up to 1999-2000, considering the highest recovery of 87.83 per cent the shortfall in production of sawn timber in 13 logging divisions aggregated to 68101.5859 CuM. valued at Rs. 44.90 crore.

{Paragraph 3A.6.1.1 (C)}

The accumulated losses in agricultural activities aggregated to Rs. 10.60 crore up to 1999-2000 which was primarily due to poor yield as compared to norms and higher cost of production.

(Paragraph 3A.6.1.2)

The Corporation sustained loss of revenue of Rs. 2.52 crore during 1998-99 and 1999-2000 as the proposal for increasing the floor prices was not put up to Managing Director for approval. Likewise loss of Rs. 7.57 crore was sustained due to inordinate delay in making the proposal for increase in floor prices for 1995-96.

{Paragraph 3A.7.1 (i)}

The Corporation suffered a loss of Rs. 1.39 crore due to selling the unlifted quantity of poplar by the allottees in 1998-99 and 1999-2000 at rates lower than those finalised as per Government directives. No action even to blacklist the defaulters could be taken in the absence of any enabling clause in the allotment order.

{Paragraph 3A.7.2 (ii)}

The Corporation paid marking fee of Rs. 2.45 crore to Forest Department during 1991-92 to 1999-2000, despite the fact that marking of trees was the responsibility of Forest Department and they were meeting this expenditure up to 1990-91 from their own source.

(Paragraph 3A.10.2)

3A.1 Introduction

The Uttar Pradesh Forest Corporation (Corporation) was established in November 1974 under the Uttar Pradesh Forest Corporation Act 1974 (Act) as a local body on the recommendation (1972) of National Commission on Agriculture for better preservation, maintenance, development, and scientific exploitation of forest produce within the State.

The main objects of the Corporation, as defined under section 14 of the Act, are:

- to undertake removal and disposal of trees and exploitation of forest resources entrusted to it by the State Government;
- to prepare projects relating to forestry within the State ;
- to undertake research programmes relating to forest and forest products and render technical advice to the State Government on matters relating to forestry;
- to manage, maintain and develop such forests as are transferred or entrusted to it by the State Government; and
- to perform such functions as the State Government may from time to time require.

The main activities of the Corporation comprised felling/disposal of trees, collection/sale of tendu patta and jari buti and agricultural operations in tarai areas of Nainital and Udhamsingh Nagar.

With the creation of Uttaranchal State on 9 November 2000 and consequent to setting up of Uttaranchal Van Vikas Nigam (UVVN) from 1st April 2001, the logging activities in Tehri, Garhwal, Western and Kumaon regions comprising 55 *per cent* of total timber production (1999-2000) has been transferred to the UVVN with effect from April 2001. However the modus-operandi for transfer of assets and liabilities to UVVN were yet to be decided.

3A.2 Organisational set-up

The Management of the Corporation spread over in eight regions and 51 divisions is vested with the Board, headed by a Chairman and eight members to be appointed by State Government. Five members are to be appointed amongst officers serving under the State Government, one of whom is appointed as Managing Director. Not more than three non official members are to be appointed amongst people having experience in preservation and development of forest.

Appointments against three non official members who would provide the professional inputs, had not been made during June 1991 to May 2000. The directives issued by the State Government in December 1979 inter-alia provide for a minimum tenure of three years for high level posts in public sector undertaking, It was, however, seen that the post of Chairman and Managing Director was held by 5 and 4 persons during the five years period up to March 2001 for periods varying from 5 to 16 months and 2 to 20 months respectively. The rapid rotation of chief executives does not allow adequate time for effective planning, implementation and follow up.

3A.3 Scope of Audit

The Comptroller and Auditor General of India took up the audit of the Corporation from 1997 at the request of the Governor of the Uttar Pradesh. The State Government (July 1997) ordered Principal Secretary of the Administrative Department for ensuring amendments in the Uttar Pradesh Forest Corporation Act 1974 to provide for audit by the Comptroller and Auditor General of India on priority within one month of the issue of orders. The said amendment was still awaited (March 2001) with the result that the audit by Examiner, Local Fund Account is also being done. Out of eight regional and 51 divisional offices, this review (conducted during November 2000 to March 2001) covers the working of the Corporation in respect of three regional and 26 divisional offices for the five years ending March 2000.

3A.4 Finance and Resources

3A.4.1 Share Capital

The Corporation being a local body was precluded from having a share capital.

3A.4.2 Borrowings

The borrowings of the Corporation increased from Rs. 7.00 crore in 1995-96 to Rs. 35.60 crore in 1999-2000. In this connection it was seen that the Corporation as on 31.3.2000 had Rs. 274.32 crore placed in fixed deposit receipts (FDRs) at interest rates varying from 5 to 11 *per cent* depending upon period of deposits. Against this, it borrowed Rs. 20.00 crore and deposited in personal ledger account on 4 September 1999 as per request of the State Government on the assurance that the loss of interest on account of premature encashment of FDR or on obtaining loan against the FDR would be compensated by the Government. The bank recovered interest of Rs. 3.72 crore together with the loan amount (Rs. 20.00 crore) on maturity of FDRs on 11 December 2000. The Government issued instructions (December 2000) for adjusting loan with interest, against the royalty payable by the Corporation from time to time. The earliest payment of royalty was due only in March 2001, resultantly the Corporation was unable to reinvest the money and therefore had to suffer a loss of interest of Rs 79.89 lakh (December 2000 to March 2001) at the rate of 11.28 *per cent* on Rs. 23.72 crore being the amount of loan and interest due to the Corporation.

It was stated in reply that adjustment of Rs. 23.71 crore had been made against royalty during 30.3.2001 to 26.6.2001. The Management while accepting the audit observation stated that the matter regarding loss of interest had been taken up with the Government whose decision was awaited (September 2001).

3A.5 Financial position and Working results

The financial position and working results of the Corporation during the five years up to 1999-2000 are given in Annexure-32 and 33.

It would been seen from Annexure-33 that the operating profit of the Corporation decreased from Rs. 22.54 crore in 1995-96 to Rs 11.67 crore in 1997-98 and it turned negative to Rs 1.59 crore in 1998.99. However it marginally improved to Rs 8.82 crore in 1999-2000. The main reasons for decline in profit as analysed by audit were:

- Lower sales realisation in auction sale due to approval of bids below the floor price[25] in large number of cases. {Paragraph 3A.7.1(iv)}
- Heavy incidence of material losses. (Paragraph 3A.9.1)

25 Floor price refers to guiding price fixed by the Corporation to serve as benchmark for approval of sale by auction as well as retail sale.

- The operating loss in 1998-99 was mainly due to increase in royalty of Tendu Patta.

3A.5.1 Implementation of National Forest Policy

Though the National Forest Policy was enunciated in 1988, the State Government declared the State Forest Policy in 1998 and the same is still not incorporated in the Corporation's objectives

The National Forest Policy enunciated by Government of India in 1988 is very clear that the new strategy would be forest conservation including preservation, maintenance and restoration of forest resources rather than its exploitation. The policy stressed that forest should not be looked as a source of revenue but as renewable natural resources and the national ethics is to be protected for the well being of people of the Nation. The State Government after a period of ten years declared its Forest Policy in 1998 where the role of the Corporation was extended to greater involvement with forest development and forest conservation, elimination of middlemen in disposal of forest produce and collection of boulders/ bajari from rivers/nalas in forest areas of the State. However, the additional responsibilities entrusted to the Corporation in the State Forest Policy had not been incorporated in the objectives of the Corporation defined under Section 14 of the Act.

3A.6 Activities

The activities of the Corporation mainly constituted the following which are dealt with in succeeding paragraphs:

- Logging Operation ;
- Agricultural operations in Tarai areas of Nainital and Udhamsingh Nagar leased by Forest Department ;
- Collection of Tendu Patta ;
- Collection of Jari Booti in Lalitpur district from 1997-98.

3A.6.1 Logging Operation

3A.6.1.1(A) Production Performance

The logging operation by the Corporation begins with issue of sale list by the Forest Department indicating the area wise number of trees marked for felling. The Corporation does not have details of solid[26] volume of the trees allotted by Forest Department for felling during the year and therefore the production performance, as shown on the next page for five years ending 1999-2000, could not be analysed in audit:

26 Solid volume refers to the volume of the main trunk without consideration of its being fit or unfit.

Year	Production (in lakh CuM)		
	Timber	Firewood	Percentage of Firewood to timber
1995-96	3.84	1.42	36.98
1996-97	1.95	0.54	27.69
1997-98	3.29	0.78	23.71
1998-99	4.76	1.10	23.11
1999-2000	4.53	1.38	30.46

The norms for production of firewood in relation to timber had not been fixed by the Corporation.

The following facts need to be mentioned:

The shortfall in production as compared to solid volume aggregated Rs. 5.11 crore in logging Division, Kotdwar

(i) The Corporation policy (January 1998) stated that the solid volume of trees should be considered for production control purposes. The solid volume of trees was however not calculated at divisional levels except in the Logging Division Kotdwar where the percentage of actual production to solid volume for various species varied from 22.77 (Kokat:1999-2000) to 113.36 (Eucalyptus:1997-98) during three years up to 1999-2000. As the actual volume of production should not be less than its solid volume, the shortfall in production during the three years aggregated 16686 CuM, having a value of Rs 5.11 crore in this Division alone.

It was stated in reply that the objective of instructions issued in January 1998 was to obtain highest production and the low production was due to restriction on green felling. The reply is not tenable as:

- the ban on green felling was imposed from December 1996 i.e. much before issue of Corporation's instructions, and
- allotment of dry and fallen trees will affect the value of production and not its volume.

The shortfall in production as compared to c.c.f. volume aggregated Rs. 1.75 crore

(ii) In determination of volume of trees for royalty purposes the c.c.f.[27] volume is adjusted by one/two thirds for 'unfit' and 'fit' categories. Thus the actual output should not be less than the c.c.f. volume but test check in audit revealed wide variation in actual production as compared to c.c.f. volume as per details in Annexure-34. The low recovery resulted in loss of production of 5960.9832 CuM valued at Rs. 1.75 crore during 1998-99 and 1999-2000.

It was stated in reply that production of firewood should also be considered in the actual production. The reply is not tenable in view of the fact that the c.c.f.

27 This refers to volume calculated for royalty purposes based on classification of trees into sound, fit and unfit as per factors prescribed by Chief Conservator of Forest.

volume is calculated for the main trunk only and neither is the volume of fire-wood calculated, nor is royalty paid for it.

(iii) It was revealed in Logging Division, Tanakpur (Lot no. 7, 36 and 37 of 1999-2000) that production against Sal trees was not obtained below 71 cm. girth though as per corporate directives, the logs up to 31 cm. were to be obtained. The loss of production on this account was not quantifiable due to non-availability of the exact nature/condition of the trees.

It was stated in reply that lot no. 7 was affected by fire. The reply is not tenable on the ground that no such remarks were made in Form no. 1.1 meant for recording the tree wise production.

(iv) The Logging Division, Tanakpur returned to Forest Department eucalyptus tree lot nos. 74 A, 75 and 80 of 1998-99 and 56,57,58,59,62,63 and 64 of 1999-2000 having c.c.f. volume of 965.810 CuM and 3247.889 CuM respectively due to non completion of felling within the allotted time (March 1999 and 2000), despite the fact that the allotment was made (September 1998 and 1999) i.e. well before the commencement of the season (October). This resulted in avoidable loss of production value of Rs. 87.80 lakh.

3A.6.1.1 (B) Production of charcoal

In the absence of norms, the shortfall in production of charcoal based on best achieved performance aggregated Rs. 0.27 crore

The Corporation has been converting tree roots into charcoal in two Logging Divisions at Haldwani (East and West). However, no norms of consumption of roots for out-turn of charcoal had been fixed. It was seen that production of charcoal as a percentage of roots consumed varied from 16.55 to 29.34 in Logging Division (West) and from 16.06 to 30.75 in Logging Division (East) during the five years up to 1999-2000 as detailed in Annexure-35. Considering the best performance achieved (30.75 *per cent*) in Logging Division, Haldwani (East) in 1999-2000 there was a shortfall in production of charcoal by 13477.56 quintals valuing Rs 26.59 lakh during the five years up to 1999-2000. The reasons for low recovery of coal were not analysed by Management.

It was stated in reply that norms of consumption of roots for out-turn of charcoal cannot be fixed as the roots were of different length, girth and weight. The reply is not tenable in view of the fact that the roots were issued for production of charcoal on weighment basis and not in number or volume.

3A.6.1.1 (C) Production of sawn timber

In the absence of norms, the shortfall in recovery of sawn timber based on best achieved performance aggregated Rs. 44.90 crore

No norms for recovery of sawn timber have been prescribed for effective control. Details of recovery of hand sawn timber in 13 Logging Divisions under two regions during the five years ending 1999-2000, as given in Annexure-36, shows that the percentage recovery of sawn timber to trees felled/issued for sawing, varied from 32.83 *per cent* to 87.83 *per cent*. Considering the highest recovery of 87.83 *per cent* (Logging Division, Chakrata 1995-96) the shortfall in production of sawn timber aggregated to 68101.5859 CuM valued at Rs 44.90 crore during the five years up to 1999-2000. The reasons for low recovery of sawn timber were not analysed by Management.

The reply of the Management that the recovery of sawn timber will be different for various species is vague as details of species-wise recovery had not been maintained.

3A.6.1.2 Agricultural Operation

A loss of Rs. 10.60 crore was incurred in agricultural operations due to lack of infrastructure, experience, poor working and delayed decision

With a view to putting a check on increasing terrorist activities due to infiltration of unwanted elements in the forest, the State Government entrusted (October 1992) the agriculture work to the Corporation in tarai areas of Nainital District. Accordingly the Corporation commenced agricultural activities from 1992-93 but it sustained losses aggregating Rs 10.60 crore up to 1999-2000 despite debiting the establishment expenses to logging operations.

Losses were mainly attributable to the following:

(i) The yield per hectare was far below the norms fixed by the Corporation in respect of major produce during the five years up to 1999-2000 as per details below:

Name of produce	Average production (Quintal per hectare)		Percentage of actual production to norm
	As per norm	Actual	
Wheat	27.66	17.69	63.96
Lahi	6.00	2.44	40.67
Masoor	6.00	1.81	30.16
Urad	7.00	2.40	34.28
Taramira	4.33	1.78	41.11

The low recovery resulted in loss of revenue aggregating Rs. 6.17 crore indicating Management's failure to take appropriate action in time.

(ii) The cost of production of major produce was always higher than the sale price during the five years up to 1999-2000 which is evident from the table below:

(Rupees per quintal)

Name of produce	Cost of production		Sales realisation	
	Minimum	Maximum	Minimum	Maximum
Wheat	441	4174	357	647
Lahi	1280	8153	948	1610
Masoor	824	31220	550	1593
Urad	2054	12825	661	2050
Taramira	2895	84078	480	1300

This resulted into loss aggregating Rs. 3.75 crore.

(iii) Test check by audit also revealed that lease rent of Rs 58.89 lakh had to be paid by 6 Logging Divisions without doing any agriculture on 11485 hectare of land during the five years up to 1999-2000.

The main reasons as analysed by audit for such poor performance in agricultural operations were as under:

- lack of experience of agricultural work ;
- lack of infra-structure like tractor, thresher, storage etc;
- delay in decision making at field level in matters like application of insecticides to safeguard the crop against diseases due to the formalities required for such decision;
- poor quality of ploughing, harrowing, seed etc despite incurring higher costs; and
- failure of main crop of soyabean due to disease from 1996-97 and other crop of Urad and Til for Kharif season was not profitable which resulted in lay off of 80 *per cent* land.

While admitting that the above reasons were responsible for losses, the management added that these factors were not controllable which is not correct as the above factors could have been controlled by better planning/diversification of crops.

3A.6.1.3 (A) Collection of Tendu Patta

Production of rain affected tendu patta increased from 0.79 *per cent* in 1995-96 to 13.38 *per cent* in 2000-2001

The table below indicates collection performance of tendu patta during the six years ending 2000-2001.

(In standard bags)[28]

Year	Budgeted Production	Actual production			Percentage of rain affected production to total production
		Good	Rain affected	Total	
1995-96	409100	431851	3448	435299	0.79
1996-97	400000	378028	8204	386232	2.12
1997-98	415000	323756	7516	331272	2.30
1998-99	410000	415208	3366	418574	0.80
1999-2000	430000	505680	12388	518068	2.39
2000-2001	450000	497081	76802	573883	13.38
Total	**2514100**	**2551604**	**111724**	**2663328**	

28 One standard bag consists of 1000 bundles of 50 leaves each.

It would be seen that the production consistently declined up to 1998-99 as compared to 1995-96.

The following facts deserve mention in this regard:

(i) The Corporation has not fixed any norms for losses due to rain affected production. However, in order to avoid loss due to rains, the directives issued by the Corporation for collection of tendu patta *inter-alia*, provide that no leaves should be purchased on any cloudy day prone to rains. 111724 standard bags were affected by rains during the six years up to 2000-2001 leading to a loss of Rs 3.14 crore. Though as per agreement entered with the Fud Munshis, appointed for collection of Tendu Patta, who were responsible for any damage after plucking of leaves to its delivery at the godown but these provisions could not be enforced as no security was realised by the Corporation from them and the losses could not be recovered in the absence of any enabling clause in the agreement.

It was stated in reply that losses due to rains could not be avoided as the tendu patta are spread in open for drying it and no security is recovered from the Fud Munshi because he comes from labour class. The reply is not tenable as these losses could have been minimised if not completely avoided. Norms for rain affected losses should have been prescribed even for control purposes.

(ii) It was seen that there were heavy losses due to rain affected production during 2000-2001 as per division wise details given below:

Tendu patta valuing Rs. 0.69 crore was affected by rains in 2000-2001 at Logging Division, Varanasi due to dereliction of duties by officers/officials

Sl. No.	Name of the Division	Percentage of rain affected production to total production
1.	Renukoot	8.43
2.	Dudhi	3.29
3.	Obra	14.69
4.	Mirzapur	13.06
5.	Varanasi	62.33
6.	Allahabad	21.52
7.	Karvi	20.53
8.	Lalitpur	4.83

Regarding heavy losses at Varanasi (62.33 *per cent*), it was observed that the damage of tendu leaves valuing Rs 68.99 lakh was due to dereliction of duties by the officers/officials in ensuring timely transportation of Tendu Patta to the godown. In addition, a shortage of 3221 standard bags (value Rs.24.16 lakh) representing the difference in the production as per 'Daily Progress Report' (22705 standard bags) and material received at the godown (19484 standard bags) was also observed.

While admitting the loss, the Management stated that disciplinary action against the officers/officials was in progress.

3A.6.1.3 (B) Hiring of godowns

An extra expenditure of Rs. 0.12 crore was incurred on hiring of excess capacity of godowns for storage of tendu patta

The tendu patta collected at the centres are stored in hired godowns (private) as well as own godowns. The norms for hiring of godowns were not prescribed by the Corporation. The table in Annexure-37 regarding hiring of godowns by Logging Division, Renukoot and Dudhi (test checked in audit) indicates that the percentage of capacity of hired godowns to production varied from 129.3 to 190.5 during the five years up to 1999-2000. Considering the minimum of 129.3 *per cent* by Dudhi division in 1999-2000 the extra expenditure on hiring of excess capacity worked out to Rs.12.23 lakh during the five years up to 1999-2000.

It was seen in this connection that the tenderers, had by and large, declared the capacity of their godowns in terms of standard bags without mentioning the dimensional details (length, breadth and height) and none of the officers had verified and certified the declared capacity.

It was stated in reply that excess capacity of godown was hired for storage of production in excess of targets. The reply is not tenable, as no ceiling for the hiring of excess capacity had been fixed with the result that the hiring of godown capacity widely varied from 129.3 *per cent* to 190.5 *per cent* of the requirement during the five years up to 1999-2000.

3A.6.1.4 Jari Buti collection

The Corporation commenced collection of Jari Buti from August 1997 on approval of Government but incurred a loss of Rs 5.28 lakh up to 1999-2000 as against the projected profit of Rs 21 lakh in the first year which was to rise to Rs 50 lakh p.a. in succeeding years. The losses were mainly attributable to higher cost of procurement, overheads, low production, lack of demand, quality deficiency and poor marketing. The following facts deserve mention in this regard:

- The production of Jari Buti dropped from 3.66 lakh kgs in 1997-98 to 1.02 lakh kgs in 1999-2000.
- The achievement of sales targets varied from 13.8 *per cent* to 43.6 *per cent* during the three years of operation up to 1999-2000 which indicated poor marketing efforts.
- An inventory of Rs 37.60 lakh had piled up by March 2000 out of which material valuing Rs 17.46 lakh was disposed off at Rs. 8.18 lakh in clearance sale held in December 2000 leading to a loss of Rs 9.28 lakh.

It was stated in reply that the losses mainly incurred in 1999-2000 as the Government permitted collection of Amla by public from March 1999 and due to low demand in the market. It was seen in this connection that despite the meagre sale of 4010 kg Amla during 1997-98, out of 54195 kg collected during the year, further collection of 32266 kg Amla was made in 1998-99 and no sale could be affected in 1998-99 and 1999-2000.

3A.7 Marketing

The percentage of retail sale to total sale (made at 120 *per cent* of floor prices) declined from 6 *per cent* in 1995-96 to 0.6 *per cent* in 1999-2000

The product disposal is generally made under four modes viz. by auction/tender, allotment to industries, supplies to Government/ private organisations against direct orders and retail sale. Timber (other than Khair, Eucalyptus & Poplar), Firewood and Tendu Patta are sold by auction through 110 auction depots spread all over the State. The khair, eucalyptus and poplar are sold through allotment by the Apex Committee of the Government as well as by auction. The table below summarises break up of sales during the five years up to 1999-2000 into the four modes:

(Rupees in crore)

Modes of sale	Sales				
	1995-96	1996-97	1997-98	1998-99	1999-2000
Auction/tender	136.04	142.23	102.38	118.94	172.54
Allotment	21.76	10.41	17.17	30.29	13.26
Order Supply	10.75	22.42	6.93	12.05	35.58
Retail	10.76	3.31	1.64	1.56	1.29
Total sale	179.31	178.37	128.12	162.84	222.67
Percentage of					
(i) retail sale to total sale	6.0	1.9	1.3	1.0	0.6
(ii)auction sale to total sale	75.8	79.3	79.9	73.0	77.5

It would be seen that bulk of the sale varying from 73 to 79.9 *per cent* was made by auction and the share of retail sale, which is made at floor price plus twenty *per cent*, consistently declined from 6 *per cent* to 0.6 *per cent* during the five years up to 1999-2000 mainly due to closure of saw mills in 1995-96.

It was stated in reply that the drop in retail sale was due to low availability of grade one timber on account of restriction on felling of green trees imposed by Hon'ble Supreme Court in December 1996. The reply is not tenable in view of the fact that the percentage of sale of grade one timber (sal, sheesham and sagaon) varied from 2 to 84 *per cent* of total sale during 1998-99 to 1999-2000 and the Corporation could have approached the Government for relocation of own saw mills as per relaxation permitted under Court orders besides hiring the services of private saw mills.

3A.7.1 Sale by auction

The sale by auction is made at depot level and the bids are accepted/rejected by the competent authorities with reference to the relative floor prices fixed by the head office and the physical condition of material included in the lots. The Corporation has not prescribed any procedure for fixation of floor prices. The Managing Director is vested with full powers for fixation of prices at sale depots from time to time but the matter is required to be brought to the notice of Board. However, it was seen that the revision in floor prices made during 1996-97 and 1997-98 were placed before the Board belatedly in September 2001 after being pointed out by Audit. A test check by audit revealed the following points:

Delayed/non revision of floor prices for 1995-96, 1998-99 and 1999-2000 resulted in loss of revenue of Rs. 10.09 crore

(i) The floor prices reviewed during 1998-99 and 1999-2000 disclosed that proposals were made for increasing the rates of various species on the basis of increase in actual price obtained over the floor price in previous year, prevailing market rate and rates published by the Forest Research Institute, Dehradun but these were not put up to the Managing Director for approval for reasons not on record. It was also seen that there was an increase in rates of royalty (in respect of these species) varying from 11.69 to 55.54 *per cent* in 1998-99 and 2.52 to 23.41 *per cent* in 1999-2000 which could not be compensated due to non revision of floor prices for these years. The non-revision of floor prices resulted in loss of potential revenue aggregating Rs 2.52 crore calculated on the actual sales realisation as per details in Annexure-38.

Likewise the proposal for revision of floor prices for 1995-96 was mooted belatedly in April 1996 instead of October 1995 but no decision could be taken for want of certain information/clarification like recommendation of Regional Managers, reasonability of proposal, details on market rates, floor prices and receipts in auction etc. The Managing Director decided (August 1996) to implement the revised rates from October 1996 (actually implemented from November 1996). Due to inordinate delay in making the proposal for 1995-96 the Corporation was deprived of additional potential revenue of Rs. 7.57 crore as per details in Annexure-39. No responsibility was fixed for the delay in revision of floor prices.

It was stated in reply that the floor prices for 1996-97 to 1999-2000 were not revised due to negative price trend in the market. This is not correct in view of the fact that:

- the floor prices for 1997-98 were increased vide circular of February 1998 as discussed in sub para 3A.7.1 (ii) *infra*.
- the proposal for increase in the rates for 1998-99 and 1999-2000 was made on the basis of bulletins of Forest Research Institute and market surveys.

(ii) The production year of the Corporation in the case of timber commences from October and therefore the exercise for revision of rates should have been completed by this time for ensuring its timely application. It was seen that the revision in rates for the year 1997-98 were circulated on 26 February 1998 thus depriving the Corporation of a potential revenue of Rs 92.26 lakh on sales made during October 1997 to February 1998 as per details in Annexure-40.

Application of incorrect conversion factor for conversion of volume into weight resulted in loss of Rs. 1.05 crore

(iii) In order to avoid losses in driage of roots, the Corporation decided to sell the roots on volumetric basis from September 1999 by converting the existing floor prices in quintal to CuM with application of the conversion factor of 1:3.5[29] on provisional basis. During review of floor prices in April 2000 for 1999-2000 the actual conversion factor was worked out to 1:6 instead of 1:3.5 considered earlier. However, since the proposal for revision of floor prices for 1999-2000 was not put up for approval, as pointed out under sub para (i) above, the necessary correction was not made. This correction was again omitted in the price revision for 2000-2001 also, which was approved by Managing Director in October 2000 and thus the floor price based on incorrect conversion factor of 1:3.5 was still being followed (March 2001) which resulted in loss of revenue of Rs 1.05 crore on 35968 CuM roots sold during April 2000 to January 2001.

It was stated in reply that the conversion factor was not revised as the proposal of conversion (1: 6) was received from one division only. The reply is not tenable on the ground that the conversion factor of 1 : 6 was based on actual measurement in respect of 10541 quintal roots. Further, the Corporation could have also called for similar information on actual weighment from other divisions.

(iv) A test check of auction sale made by three Sales Divisions (Ram Nagar, Kotdwar and Haldwani) for 1999-2000 revealed that loss of revenue of Rs. 6.69 crore (Annexure-41) was incurred in approval of bids below the floor prices which was mainly attributed to hole, bend, crack, knotehole, rotten etc. No exercise had been made by the Corporation to analyse the extent up to which the losses could be avoided with better preservation and marketing efforts.

It was stated in reply that the prices received should be viewed in totality. The reply is vague as it failed to analyse the extent to which the loss could be avoided with better marketing efforts/preservation of quality.

(v) There is no system with the field units to make themselves aware of the day to day prices being obtained in auction at various depots within and outside the region so as to maximise the sales realisation by transferring the inventory to depots fetching more remunerative prices. A test check of two Divisions (Nainital & Bahraich) revealed, that Corporation would have earned Rs. 15.23 core more as per details in Annexure-42 had there been a system of communication of rates amongst the field units.

29 1 CuM = 3.5 Quintals.

It was stated in reply that the quality of timber varied from place to place and the prices also varied accordingly. The reply is not tenable in view of the fact that in these cases, the prices of timber were higher when sold from other depots as compared to the division where it was produced which implies that better prices could be obtained by selling it through more competitive markets.

3A.7.2 Sale by Allotment

The allotment of timber as raw material to forest based industries located within the State is made on year to year basis by Government. The eucalyptus, up to 75 *per cent* of production, is allotted to Star Paper Mills, Saharanpur and Century Pulp and Paper Lalkuaon on 50:50 basis and balance 25 *per cent* is sold by auction. The entire production of khairwood was being allotted to eight Kaththa Factories and Khadi Units of the State up to May 2000 and thereafter 20 *per cent* quantity is sold by auction. All A grade softwood (Poplar, Ailanthus, Guntel, Semal, Haldu etc.) are allotted to match, plywood, sports goods, pencil, artificial limbs, packing box industries etc. Following points were noticed in this regard:

There was a huge blocking of inventory of Khair wood valuing Rs. 41.52 crore due to delayed permission of Government for its sale by auction /tender

(i) The Apex Committee of the State Government decided (January 1998) to allot 4400 CuM Khairwood to nine Kaththa factories/Khadi units of the State during 1998-99. Accordingly first allotment to nine parties was made for 1357.3824 CuM at Rs. 19113.00 per CuM. The prices were opposed by the U.P. Kaththa Factories Association (UPKFA) and at the instance of Government, the price was reduced to Rs 18317 per CuM although as per Government orders of January 1993 the Corporation was fully empowered to determine the prices of Khairwood. The first allotment was accordingly lifted by the allottees under protest for further reduction in rates. The second and third allotment of 3505.6326 CuM and 2116.2100 CuM respectively was made in July and August 1999 against which only 428 CuM (second allotment) was lifted due to dispute over the rates. In May 2000 the Government decided to sell 20 *per cent* quantity by auction and make allotment of 80 *per cent* Khairwood at the prices so obtained. Accordingly the auction was held in May/June 2000 in which the weighted average rate of Rs 21954 per CuM was obtained. Accordingly, the rates were finalised by Board in June 2000 but the balance quantity of 5193.8426 CuM against second and third allotment had not yet been lifted (March 2001) as these rates were higher than even the earlier rates of Rs 18317 per CuM. Consequently, 13720 CuM. production in 1999-2000 too was lying as such (March 2001). The Government permitted (March 2001) to sell the inventory lying with the Corporation by auction/tender. Thus, blocking of the huge inventory of 18913.8436 CuM valuing Rs 41.52 crore could have been avoided had the permission for sale by auction/ tender been given as a policy matter as is done in the case of eucalyptus and softwood.

In this connection, it is worth mentioning that the carrying cost of the inventory was Rs 132.33 and Rs 146.16 per CuM per month for 1998-99 and 1999-2000 respectively. Thus, the Corporation has incurred Rs 2.44 crore up to March 2001 on carrying the heavy inventory which otherwise would have been avoided if the Government had not intervened over pricing as the Corporation was fully empowered to determine the prices of Khairwood in terms of Government order of January 1993.

It was stated in reply that the accumulation of inventory was due to non-lifting of allotted quantity by the allottees and the system of determination of price of Khairwood had been challenged in the Hon'ble High Court whose decision was awaited. It may be mentioned in this connection that the Government, pending decision of the Court, permitted (March 2001) sale of Khairwood by auction/ tender. Had this permission been obtained earlier as a policy matter, as is done in the case of eucalyptus and softwood, the heavy blocking of inventory vis-a-vis its carrying cost could have been avoided.

Loss of Rs. 1.39crore due to default in lifting by the allottees could not be recovered in absence of any enabling clause in the allotment order

(ii) The rates of poplar for 1998-99 fixed by the Corporation in December 1998 at Rs 4390 and Rs 2460 per CuM for sizes above 45 cm. and below 45 cm. mid girth respectively were objected by Kumaon Chamber of Commerce and Industry and therefore the Government directed (January 1999) the Corporation to fix the rates at prevailing market rates to be determined by placing 20 *per cent* quantity to auction. Accordingly, the rate of Rs 4137 and Rs 2238 per CuM for the two sizes was finalised by the Corporation (March 1999) on the basis of tender opened in January 1999 after approval by the Government. It was seen that against the allotment of 18322 CuM and 4705 CuM, of below and above 45 cm. mid girth, the actual lifting was only 11663 CuM of below 45 cm girth and out of balance unlifted quantity 4700 CuM of below 45 cm and 4705 CuM of above 45 cm mid girth was sold by auction in 1999-2000 at much lower rates varying from Rs. 1474 to Rs. 1498 per CuM for below 45 cm and Rs. 2795 to 3236 per CuM for above 45 cm mid girth respectively. Thus, the Corporation suffered a loss of revenue of Rs 98.63 lakh due to default by the allottees in lifting the full quantity allotted to them for which no action even to blacklist them was taken.

Likewise, the unlifted quantity of 4447 CuM Poplar against allotment for 1999-2000 at the rate of Rs 3530 per CuM had to be sold in auction at an average rate of Rs. 2614 per CuM, thus resulting in loss of revenue of Rs 40.73 lakh at the differential rate of Rs 916 per CuM. In the absence of any enabling clause in the allotment order, the losses could not be recovered from the defaulting parties.

It was stated in reply that the lifting performance of the allottees was intimated to the Government who were competent to take necessary action. Reply is not tenable as no action had been taken to include an enabling clause in the terms of allotment to protect the interest of the Corporation in case of defaults in lifting of allotted quantity.

3A.8 Royalty

After allotment of trees by Forest Department, the Corporation has to pay the purchase price thereof by way of royalty to the State Government.

Following points were noticed in this regard:

(i) The Dy. Chief Conservator of Forest (Kumaon) issued instructions (July 1981) to his circle to reduce the volume of trees (by 3/4 for royalty purposes) which were broken/uprooted by storm. A claim for refund of royalty of Rs 18.62 lakh preferred in August 1999 by Logging Division, Ram Nagar in respect of allotment of trees broken/uprooted by storm during 1998-99 was not admitted by Director, Corbett Tiger Reserve Forest, Ram Nagar due to non issue of general instructions applicable to all circles. In addition to this no claim for refund/adjustment of royalty of Rs 26.73 lakh was preferred by Logging Division (East), Kaladhoongi in respect of allotment of broken/uprooted trees during 1998-99 and 1999-2000.

(ii) The allotment of sal to Logging Division, Dehradun during 1998-99 and 1999-2000 included 9788 CuM and 11396 CuM of timber infected by *'Hoplo'* disease which mainly produced grade III and IV material. A claim has been preferred (November 2000) for Rs. 72.38 lakh for 1998-99 for refund of royalty paid for trees categorised as sound and *'Hoplo'* effected, but no claim for Rs. 16.08 lakh, as pointed out by Audit, relating to the period 1999-2000 had so far been preferred.

3A.9 Inventory control

The position of inventory holding which mainly constitute timber and tendu patta, for five years up to 1999-2000 was as under:

(Rupees in crore)

Year	Value of closing inventory	Value of sale	Closing inventory in terms of months sales
1995-96	117.19	179.31	7.84
1996-97	67.92	178.37	4.57
1997-98	106.77	128.12	10.00
1998-99	147.68	162.84	10.88
1999-2000	167.93	222.67	9.05

The inventory holding in terms of value and months sales has increased considerably due to non-lifting of full allotted quantity of khair by the allottees from the year 1998-99 and inconsistency in lifting schedule of other species. The weakness in the inventory control system, as observed by audit, are discussed below:

The lifting schedule given to buyers was not commensurate with the production cycle

(i) Sales of timber of species like khair, eucalyptus and softwood (semal, haldu, kanju, gutal, ailenthus, poplar etc.) are made through allotment by the Apex Committee. An analysis of month to month production of these species revealed that lifting schedule given to allottees was not commensurate with the production cycle as detailed in Annexure-43. It would be seen that in the case of eucalyptus, production from October to March in the three years ending 1999-2000 were in the range of 87 to 93 *per cent* of total production in that year whereas the lifting varied from 20 to 40 *per cent* only. Lifting schedule in the case of softwood commenced only from the month of February during the three years ending 1999-2000 despite 46 to 68 *per cent* of total production achieved by that month. Similarly, in respect of khair, against the production of 71 *per cent* achieved up to March 98 the lifting was limited to 32.15 *per cent* only.

The delay in allotment/lifting in case of khair and eucalyptus was basically due to the time lag in finalisation of rates proposed by the Corporation which was to be determined on prices realised against auction of the requisite quantities of that years production. No alternative method was evolved to determine the prices at an early stage of commencement of production so as to enable itself to fix lifting schedule consistent with the production. Had the lifting schedule been advanced even by two month by initiating the process of ascertaining market rates right in the beginning of the season, the Corporation could have saved Rs 1.14 crore by avoiding the cost of inventory holding as detailed in Annexure-44.

The suggestions were accepted by Management (September 2001).

(ii) With a view to exercising control over production and payment of royalty, late fee etc, the Corporation prescribed (March 1998) maintenance of a 'Lot Ledger' giving details of lot wise actual production of timber vis-a-vis estimated production, payment of royalty, commencement and completion of felling etc. Lot ledgers were not being properly maintained in the divisions test checked by audit. No efforts were made by the Management to ensure proper maintenance of records.

It was stated in reply that strict instructions were being issued for proper maintenance of Lot Ledgers.

(iii) The Corporation has prescribed physical verification of stock in sales depots once in a year during the month of October. No verification is, however, prescribed/carried out in respect of raw material and semi finished material (standing tree and felled logs) lying in the forest. Further, quarterly inspection by the Regional Managers are not being carried out as prescribed (June 1994) by the Corporation. The shortages noticed during physical verification and other cases of material losses have not been dealt with promptly and pursued to finality as discussed in succeeding paragraphs.

It was stated in reply that a certificate is obtained at the time of finalisation of accounts to the effect that inventory of raw material and semi-finished stock was physically available at site. The reply is not acceptable as the certificate cannot be accepted as results of physical verification.

3A.9.1 Material losses

Cases of losses aggregating to Rs. 1.09 crore pertaining to 13 divisional offices were pending since more than 10 years

The material losses have consistently increased and the recoverable losses stood at Rs 10.07 crore as on 31 March 2000 registering 14 times increase over the level of 1995-96. The Corporation does not have the cause/year-wise break up of losses. The progress in conducting inquiries and submission of reports to the competent authority necessary for arriving at a final conclusion was very slow which is evident from the fact that cases aggregating Rs 1.09 crore relating to more than 10 years were pending in 13 Divisions.

Some of the cases of material loss highlighting the weaknesses in monitoring, slackness in duties etc. are given below:

(i) The material losses under Regional Office Tehri up to 1999-2000 aggregated Rs 1.22 crore which was largely contributed by Logging Division Purola (Rs 0.92 crore). No steps to take appropriate insurance cover have been initiated by the corporation.

(ii) The divisional officer Yamuna Logging Division, Uttarkashi reported (June 1998) that 2147.1464 CuM round and sawn timber valuing Rs. 48.16 lakh relating to 1991-92 to 1995-96 shown as semi-finished stock in the Balance Sheet was not available at site. While reporting the matter to the Government, the Managing Director apprehended (July 1998) that the losses could be due to fictitious production for claiming bogus payments. The preliminary investigations conducted (July 1998) by Regional Manager found Divisional Sales Managers guilty for forging the documents, non controlling production activities, carelessness, delayed river transportation, making excess payments etc. The loss was mainly due to system lapse which does not provide for physical verification of raw material and semi-finished goods (standing trees and felled logs lying at site) otherwise the non-availability of material at site would have been noticed in the initial stage itself.

It was stated in reply that the report of the inquiry officer appointed in April 2000 was awaited which would be forwarded to UVVN for necessary action.

(iii) The physical verification of raw material and semi finished material carried out on suspected loss of timber by Logging Manager, Varanasi revealed (November 1999) that 6280.8958 CuM timber valuing Rs 47.68 lakh relating to the period 1990-91 to 1997-98 as shown in the Balance Sheet was not available at site and as such it was accounted for as material losses recoverable in 1999-2000. This shows a clear failure of monitoring and control system. The General Manager (Plain) was directed (November 2000) to investigate into the shortages and report within 15 days which was still awaited (March 2001).

It was stated in reply that the inquiry against officials, found *prima facie* guilty was in progress.

(iv) During inspection of depot no. 4 on 17.12.1999, the Divisional Sales Manager, Haldwani apprehended shortages in stock and as such the dispatches of material (eucalyptus) were got witnessed by a Committee in which the dispatches made during 17 to 23 December 1999 disclosed an average weight of 7.43 quintals per CuM while the average weight of earlier dispatches was recorded at 8.17 quintals per CuM which indicated excess supplies to Star Paper Mill. In view of this, a physical verification of inventory was carried out on 31 December 1999 in which shortages of 664.9991 CuM of eucalyptus valuing Rs 14.34 lakh were noticed. No responsibility had been fixed by the Corporation in this regard so far (March 2001).

It was stated in reply that four officials were suspended and FIR had been lodged against them. However, no departmental inquiry had been set up to recover the loss.

(v) The physical verification of stock at Logging Division, Karvi carried out in December 1995 revealed shortages of 2370.333 bags of tendu patta valuing Rs 27.97 lakh. As a result, the services of depot manager, found responsible for fifty *per cent* of the loss, was terminated in February 2000 but neither any FIR was lodged nor any criminal proceedings were started to recover the loss despite the fact that the orders for imposition of penalty *inter-alia* directed (October 1998) to recover the loss from the dues of the depot manager or as arrears of land revenue. Regarding balance 50 *per cent* loss, three employees were held responsible but the loss could not be recovered as they had been terminated and neither any FIR was lodged nor criminal proceedings initiated against them.

3A.10 Fund management and control

With a view to ensuring a most rational utilisation of available funds from internal as well as external resources, the Corporation prepares annual budget showing the cash accruals and utilisation thereof for the various activities, but reasons for variation in budgeted and actual expenditure were not analysed and placed before the Board. Further, the Funds Flow Statement showing projected receipts and requirements, based on production planning on month to month basis was not prepared for ensuring better financial control.

Cases of financial irregularities/lapses caused due to lack of efficient fund management and financial control noticed during audit are discussed below:

3A.10.1 Forest developmental expenses

Against transfer of funds of Rs. 18.50 crore to Forest Department for developmental works, the utilisation certificates for Rs. 2.32 crore only had been received

The Corporation paid Rs 18.50 crore to Forest Department during 1995-96 to 1999-2000 towards expenses on forest developmental activities against which the vouchers and details of expenditure actually incurred were not furnished by the Forest Department to the Corporation as required under Appendix V of Financial Hand Book Vol.-VII. Following points deserve mention in this regard:

- Against the total transfer of funds aggregating Rs 18.50 crore up to March 2000, utilisation certificate for Rs 2.32 crore only had been received till August 2001 from Forest Department.

- The above included transfer of funds of Rs 2.78 crore towards special repair and maintenance of residential and non residential buildings which was not covered within the scope of activities defined in the Act and Government order of April 1991.

It was stated in reply that the expenditure on repair of residential/non-residential buildings were covered under para 14 (d) of the Act and point no. 7 of Government order of April 1991. The reply is not tenable in view of the fact para 14 (d) related to management, maintenance and development of forest, transferred by the Government and point no. 7 of Government order (April 1991) related to public welfare projects.

3A.10.2 Marking expenses

Despite the fact that marking of trees was the responsibility of Forest Department, the Corporation paid them Rs. 2.45 crore on this account

The trees due for felling are 'Marked' by the Forest Department and the sale list thereof is sent to the Corporation for felling during the year. Since marking activity is done by Forest Department the expenditure incurred on it was borne by them up to 1990-91 but during 1991-92, the Corporation paid Rs 25.82 lakh to Forest Department due to paucity of funds. *Ex-post facto* approval of this expenditure was made by Board in January 1993 with further instructions to bear it till the Government provided funds on this account despite the fact that it was a one time demand for 1991-92. This decision of the Board paved the way for bearing a liability in future aggregating Rs 2.45 crore till 1999-2000 which otherwise was the responsibility of Forest Department. On being pointed by audit a claim for refund/adjustment of marking expenses had been lodged with Government in September 2001.

3A.10.3 In addition to above, following points were also observed:

(i) The Corporation was awarded collection of tendu patta in 1983 as an agent of State Government under Section 4 of U.P. Tendu Patta (Vyapar Viniyaman) Adhiniyam 1972 and it was paying trade tax on the royalty paid to Government as per provisions of the U.P. Trade Tax Act 1948. In 1990, the Trade Tax authorities started assessing tax on the sale value considering the Corporation as manufacturer. Accordingly, the Corporation started paying the trade tax on its sale from January 1995. The Trade Tax Act 1948 was amended in November 1998 (effective from December 1998) according to which the point of taxation for tendu patta was declared to be at the time of sale by the Corporation.

The decision of the Corporation to start payment of trade tax from January 1995 was not in order in as much as the point of taxation was defined in the Act as 'Manufacturer or Importer' and the amendment shifting the taxation point to sale by the Corporation was effective from December 1998. Further, the manufacturer of tendu patta was Forest Department of Government as per definition of 'grower' given in the Adhiniyam which was also accepted by the Trade Tax Tribunal, Jhansi (November 1997). Thus the payment of trade tax on sale for the period from January 1995 to November 1998 was unwarranted and resulted in loss of Rs 17.01 crore representing the difference of trade tax paid on sale value and the tax payable on royalty which otherwise would have accrued to the Corporation.

It was stated in reply that the Corporation had not sustained any loss on this account as the trade tax paid during January 1995 to November 1998 had been recovered from the purchasers. The reply is not tenable as from January 1995, the procurement cost of bidders of tendu patta increased as now they had also to pay trade tax and in order to absorb the additional cost due to trade tax, the bidders now quoted lesser bids so that composite landed cost of tendu patta did not exceed the total cost which in turn reduced the margin of the Corporation.

(ii) Although only 0.95 lakh roots were marked for uprooting in the sale list of 1997-98 (12 lots) and 1998-99 (6 lots) which were also delivered at the depot, the Logging Division, Kashipur made payment for uprooting charges for 3.48 lakh roots. Thus fraudulent expenditure of Rs. 25.86 lakh on uprooting of 2.53 lakh roots was made by the Division for which the accountant was held responsible and an inquiry officer was appointed in March 2001. The fraud could have been avoided, had the payment been released after reconciliation of depot receipts with the sale list.

It was stated in reply that the officials responsible for the loss had been suspended and inquiry was under progress by UVVN.

(iii) The Corporation released a loan of Rs 91.52 lakh in September 1998 to Forest Department for completion of their residential colony at Lucknow as per directives of State Government. The Government further directed (October 1999) that the loan may be treated as contribution of the Corporation for self financing for allotment of quarters for the Corporation. Pending finalisation of the value of assets, 12 quarters have been allotted to the Corporation till March 2001, out of which only two quarters were occupied so far (March 2001). Thus the forced investment remained largely unutilised.

It was stated in reply that 12 quarters had been allotted to employees. It was, however, seen that only two quarters had been actually occupied.

(iv) The Corporation incurred an expenditure of Rs 17.92 lakh during January 1996 to March 2001 on running and maintenance of vehicles provided to Minister & Secretaries (Forest) as per Annexure-45. Following points were noticed in this regard:

- The vehicles were allotted without ascertaining that no vehicle was allotted to the officers by the Estate Department/other Government companies as per requirement of Government order of April 1991.

- An expenditure of Rs 8.04 lakh and Rs 1.15 lakh related to vehicle allotted to Special Secretary (Forest) and camp office of Principal Secretary (Forest) respectively in spite of the restriction imposed under para 4 of the Government order of April 1991.

It was stated in reply that no vehicle had been provided by the Estate Department of Government to Principal Secretary and Special Secretary, Forest. The reply is not acceptable as certificate regarding non-allotment of vehicle from the Government had not been obtained by the Corporation.

Conclusion

Though the Corporation had been earning profits, its operations were marked by cases of shortfall in production of timber, under recovery of sawn timber, poor yield in agricultural operations, rain affected production of tendu patta, material losses and cases of inadequate control of funds besides loss of revenue due to non/delayed revision of floor prices for sale of timber. The system of production control was weak in as much as the total c.c.f. and solid volume was not available with the headquarters.

The Corporation needs to exercise effective control for maximisation of production, taking prompt action in cases of material losses and also exercising a sound financial management so as to ensure a most rational utilisation of available funds.

The matter was reported to the Government (May 2001); the reply is awaited (August 2001).

Uttar Pradesh Avas Evam Vikas Parishad

3B. Working of Uttar Pradesh Avas Evam Vikas Parishad

Highlights

The Uttar Pradesh Avas Evam Vikas Parishad (Parishad) was established in April 1966 with the objective of implementing policies of State and Central Government towards solving the housing problems by providing ready built houses and developed plots at reasonable prices.

(Paragraphs 3B.1 & 3B.2)

The financial activities of the Parishad were marked by mismanagement of available funds. Parishad failed to encash fixed deposit receipts (FDR) of Rs. 6.50 crore on maturity from its bank. Instead of pressing for encashment of the earlier FDR, it availed loans against it and incurred loss of Rs. 2.36 crore.

(Paragraph 3B.8.1.1)

Lack of monitoring and control over transfer of fund by the bank and bank drafts by the Estate Management Officers resulted in loss of Rs. 3.03 crore.

(Paragraph 3B.8.1.3)

Substantial claims for additional stamp duty amounting Rs. 12.05 crore could not be lodged with the Inspector General (Stamps and Registration) for want of quarterly statements from District Authorities.

(Paragraph 3B.8.1.4)

The activities of acquisition of land suffered from deficiencies that included non-achievement of targets besides excess and avoidable payments. Justification for demand for further compensation by Special Land Acquisition Officers (SLAO) could not be examined by the Parishad due to non completion of accounts and non reconciliation thereof with the SLAOs. This entailed unadjusted outstanding of Rs. 3.51 crore, payment of Rs. 3.99 crore without acquisition of land and payment of excess compensation of Rs. 22.74 crore. Parishad also paid penal interest of Rs. 4.55 crore due to delayed payment of compensation to SLAOs.

(Paragraphs 3B.9.1, 3B.9.2, 3B.9.2.1, 3B.9.2.2, 3B.9.2.3 & 3B.9.2.4)

Developed land valuing Rs. 42.80 crore was lying unutilized at the close of March 2001. Services of developed colonies could not be handed over to local authorities leading to avoidable expenditure of Rs. 14.32 crore on their maintenance.

{Paragraphs 3B.10.1(a) & 3B.10.1.(b)}

Due to deviation from guidelines of costing the Parishad suffered a loss of Rs. 1.51 crore at Ghaziabad.

{Paragraph 3B.11 (A)}

On sale of plot to an educational institution at Lucknow, Parishad suffered loss of Rs. 1.24 crore due to non-compliance of revised provisions.

(Paragraph 3B.14.3)

In cancellation of a plot at Lucknow at the request of the allottee, the Parishad instead of recovering interest of Rs. 0.29 crore, refunded Rs. 0.61 crore in contravention of the norms resulting in loss of Rs. 0.90 crore.

(Paragraph 3B.14.4)

3B.1 Introduction

The Uttar Pradesh Avas Evam Vikas Parishad (Parishad) was established in April 1966 under Uttar Pradesh Avas Evam Vikas Parishad Adhiniyam, 1965 (Act). Its jurisdiction extends to the whole of the State of Uttar Pradesh (extended in 130 towns/cities in 70 districts as on 31 March 2001) excluding the cantonment areas.

3B.2 Objectives

The Parishad was established with the main objective of implementation of the policies of the State and Central Government towards solving the housing problems being faced by the different sections of the society by way of providing ready built houses and developed plots at reasonable prices.

3B.3 Organisational set up

The Parishad headed by a Chairman, comprises six non-official members and seven ex-officio members including the Housing Commissioner (Commissioner). The Commissioner, appointed by the State Government, is the Chief Executive of the Parishad. He is assisted by an Additional Housing Commissioner cum Secretary, a Finance Controller, a Chief Engineer, a Chief Architect, a Planner and a Legal Advisor. The construction/development activities are being managed by 46 construction divisions each headed by an Executive Engineer. The sale of properties is being managed by 30 Estate Management Offices each headed by a Estate Management Officer (EMO) under the supervision of six Joint Housing Commissioners.

3B.4 Scope of audit

The audit of the Parishad is conducted under section 19 (3) of the Comptroller and Auditor General's (Duties, Power and Conditions of Services) Act, 1971. The review conducted, during the period from January 2001 to April 2001, covers Parishad's head office, seventeen Construction Divisions (out of 46) and seven Estate Management Offices (out of 30) for the period from 1995-96 to 2000-2001. The findings, thereof, are detailed in the succeeding paragraphs.

3B.5 Preparation of accounts

As per provisions of Section 63 (2) and 94(bb) of the Act, the Parishad is required to maintain accounts in the manner and proformae to be prescribed by the Government. The proformae of accounts have, however, not yet (March 2001) been prescribed by the Government. The Parishad has also not framed accounting manual of its own. The accounts of the Parishad were maintained on single entry system up to 1986-87, thereafter it shifted to double entry system on accrual basis. The Parishad has prepared its accounts up to the year 1998-99 only.

3B.6 Financial position and working results

The table (A) at Annexure-46 exhibits the financial position of the Parishad for the five years up to 1998-99.

Excess of income over expenditure (accumulated profit) increased from Rs. 27.28 crore at the end of the year 1994-95 to Rs. 71.57 crore at the end of 1998-99 which was overstated as Parishad has neither paid nor provided for a liability of Rs. 10.58 crore on account of unpaid contribution towards Contributory Provident Fund (CPF) as discussed in paragraph 3B.8.1.2 *infra*.

Since the Parishad is not systematically preparing the bank reconciliation statements and also failed to lodge the claims with the banks, a sum of Rs. 7.62 crore shown under money-in-transit at the end of March 1999 could not be credited to Parishad's account. This adversely affected ways and means position of the Parishad, as money was not available for use, besides loss of interest at the borrowing rate of 16 *per cent* per annum[30]

30 Loss of interest on blocked fund or delayed/non-transfers etc. have been worked out at the rate of 16 *per cent* throughout the review.

3B.7 Working results

The table (B) at Annexure-46 summarises the working results of the Parishad for five years up to 1998-99. As can be seen the profit during five years up to 1998-99 ranged between Rs. 0.84 crore and Rs. 17.26 crore. It was noticed that:

(i) Other expenses represent avoidable expenditure of Rs. 14.32 crore incurred by the Parishad in maintenance of public utility services in 44 colonies due to non/belated transfer of public utility services. It also includes repairs and maintenance of unalloted properties (Rs. 2.37 crore) during 1994-95 to 1998-1999 as discussed in paragraph 3B.10.1 (b) and 3B.14.2 *infra.*

(ii) The excess of income over expenditure during the years 1994-95 to 1996-97 was mainly due to penal interest accrued during these years. The Parishad would have suffered loss to the tune of Rs. 6.93 crore, Rs. 7.35 crore and Rs. 0.42 crore during 1994-95, 1995-96 and 1996-97 respectively if the income from penal interest is excluded.

3B.8 Financial management

The main sources of finances are loan from the Government, Housing and Urban Development Corporation (HUDCO), deposits from public as registration charges and amount received against deposit works. Other sources are revenue receipts from sale of properties, development/compounding charges, additional stamp duty and interest on investments etc.

The table given below indicates outstanding borrowings at the close of five years from 1994-95 to 1998-99.

(Rupees in crore)

Particulars	1994-95	1995-96	1996-97	1997-98	1998-99
Liabilities					
Borrowings:					
Government	63.42	67.73	65.81	65.81	73.31
Other institutions	183.36	125.76	91.22	62.65	45.87
Loan from CPF account	3.00	2.00	--	--	--
Deposits	117.09	124.76	124.76	132.99	133.52
Fund of deposit works	38.90	39.38	46.82	76.59	111.83
Total	**405.77**	**359.63**	**328.61**	**338.04**	**364.53**

Despite having sufficient fund, Parishad did not repay Government loans and lost rebate of Rs. 1.59 crore

Following points deserve mention in this connection:

(i) The loans from the State Government carried interest rates ranging from 6.5 *per cent* to 18 *per cent* with the rebate of 3.5 *per cent* in case of repayments as per schedule. The Parishad despite having cash and bank balances ranging from Rs. 65.11 crore to Rs. 248.92 crore did not repay loans regularly since 1992-93. The Parishad's failure, to repay the loans regularly, as per schedule, resulted in a loss of rebate amounting to Rs. 1.59 crore up to March 1999.

Parishad, in reply stated (August 2001) that the main reason for not paying the Government loan was that 70 *per cent* of its properties were constructed for weaker sections on which it had to provide rebate of 20 *per cent* and the discount amounted to Rs. 44.00 crore which could not be compensated from external sources. The reply is not tenable as the Parishad did not draw fund flow statements and in the absence of these statements it coud not be conclusively established that the Parishad did not have the funds when the payments were due.

(ii) An expenditure of Rs. 45.57 crore was incurred by the Parishad on deposit works which were completed by March 2001. Against this expenditure, Parishad could receive only Rs. 44.04 crore leaving a balance of Rs. 1.53 crore unrealised so far (March 2001) as discussed in paragraph 3B.12 *infra*.

3B.8.1 The financial activities of the Parishad were marked by mismanagement of available funds and non-availability of financial resources due to poor monitoring and control, leading to a loss of Rs. 5.39 crore as discussed in succeeding paragraphs :

3B.8.1.1 Loss in investments

Parishad invested Rs. 6.50 crore in fixed deposits with Indian Mercantile Co-operative Bank, Lucknow during September 1994 and May 1996 for two years at 12 *per cent* interest with maturity value of Rs. 8.82 crore. The bank failed to repay the amount on due dates and without taking Parishad's consent reinvested the same during September 1996 to May 1998 at 10.5 to 11 *per cent* interest with maturity value of Rs. 11.04 crore. In addition the Parishad, ignoring bank's failure to encash fixed deposits on maturity earlier, further invested Rs. 8.02 crore in December 1997 in fixed deposits for four years at 12 *per cent* with maturity value of Rs. 11.55 crore. Thus up to May 1998 Parishad's fund to the tune of Rs. 16.84 crore was invested in fixed deposit. On being pressed, the bank offered to give loan on the above at 13.5 *per cent* to which the Parishad agreed. The bank released loan of Rs. 15.16 crore in March 1999. As per terms and conditions of the loan, maturity amount of fixed deposits was to be adjusted against loan and interest on the date of maturity. The loan was repaid on 20 January 2001 when the balance lying in the credit of the Parishad was Rs. 5.08 crore after adjusting loan with interest. Thus Parishad received Rs. 20.24 crore only (Rs. 15.16 crore plus Rs. 5.08 crore) against maturity value of Rs. 22.60 crore thereby suffering a loss of Rs. 2.36 crore.

3B.8.1.2 CPF contribution

As per provisions of CPF rules, the Parishad has to pay its own share of CPF at the rate of 10 *per cent* of total emoluments annually but it has not paid a sum of Rs. 10.58 crore during the period from 1994-95 to 1999-2000. It was further, seen that the cash book relating to CPF account has not been closed daily/monthly under the signature of the competent authority and the opening balances have not been carried over since long. Bank reconciliation statements also have not been prepared since long. In the absence of proper maintenance of cash book, it could not be ascertained whether contribution of Parishad prior to 1993-94 have been properly accounted for.

3B.8.1.3 Loss due to lack of monitoring and control over remittances

The Parishad does not have proper system to watch timely transfer of funds by banks from field collection account to the main account at the headquarters of the Parishad. The banks are required to remit funds on 5th, 15th and 25th of each month leaving balance of Rs. 3000 only either through money transfers or through bank drafts. It was, however, seen that most of the banks are not remitting money in time. As the bank reconciliation statements were not furnished to audit, the extent of loss of interest due to delay in transfer/non-transfer of funds could not be ascertained. However, test check of the accounts of 59 banks revealed , loss of interest aggregating Rs. 2.71 crore on account of delayed transfer ranging from 1 to 320 days on amount ranging from Rs. 0.10 lakh to Rs. 9.70 crore between December 1998 and March 2001.

Belated transfer of fund by banks and bank drafts by EMOs resulted in loss of interest of Rs. 3.03 crore

Further, the bank drafts got prepared by EMOs for remittances to the main account at Lucknow during April 1998 to March 2001 were belatedly deposited after 1 to 123 days resulting in loss of interest of Rs. 19.28 lakh. At Kamla Nagar Yojna, Agra, the closing balance (as on 31 October 2000) was shown less by Rs. 2.22 lakh in the collection account by Indian Overseas Bank, Rambagh. The shortage in closing balance was not investigated (August 2001); the collection account of the Parishad at Central Bank of India, Nawabjang, Kanpur became inoperative consequent to the directives (October 1996) of the District and Sessions Judge-VII of Kanpur (Urban) for its seizure. The Parishad filed an appeal against above order in the Hon'ble High Court who stayed (February 1997) the order. The order of the High Court, however, was made available to the EMO by the concerned division in August 1999 i.e. after two and a half years. Due to this delay the amount of Rs. 81.40 lakh lying in the collection account at the end of March 2000 could not be transferred (March 2001) resulting in loss of interest amounting to Rs. 13.02 lakh during 2000-2001.

3B.8.1.4 Non-realisation of additional stamp duty

As per section 39A of the Act ibid, additional stamp duty was realizable from

Failure to process and submit claims resulted in non-reimbursement of Rs. 15.98 crore in a few cases

Inspector General, Stamps and Registration (IGSR) at 0.66 *per cent* of (out of 2 *per cent* realised on transfer/registration of immovable properties) by the Parishad. For this purpose, Parishad was required to collect the quarterly statements from District Revenue Authorities and submit the claim to the IGSR after obtaining countersignature from the Housing Secretary.

It was noticed by audit that at the end of March 2000, claims for Rs. 15.98 crore could not be forwarded to IGSR for want of countersignature from Housing Secretary. It was also noticed that due to lack of monitoring on the part of the Parishad, quarterly statements could not be collected which resulted in non-claiming of Rs. 12.05 crore. Further, such claims for 1977-2000[31] (1696 quarters) against 70 districts could not be processed at all due to failure in collection of quarterly statements. The amount of claim could not be worked out by audit for want of details.

It was stated (August 2001) that the countersigned claims of Rs. 15.98 crore, received in March 2001, were submitted to IGSR.

3B.8.1.5 Non-realisation of betterment fees

During the course of acquisition of land, Parishad exempts some area of the scheme from acquisition under Section 50 of the Act ibid. The Parishad levies betterment fees on such areas, required to be paid by the land owners. Demand notices are issued by the field offices for its recovery. In the event of failure to recover, recovery certificates are required to be issued.

Audit observed that failure to issue demand notices in many cases (details not made available) followed by recovery certificates, rendered Rs. 29.58 crore (Annexure-47) unrecoverable at the end of March 2001.

It was stated in reply (August 2001) that instructions were again issued in June and July 2001 leading to realisation of Rs. 16.01 crore. Further, recovery certificates for the balance amount of Rs. 13.57 crore were being issued.

3B.8.1.6 Shortfall in recovery of dues

Parishad allots constructed properties either under self finance schemes or hire purchase or on cash down basis. Under hire purchase schemes, installments are paid on monthly basis through designated banks. For recovery of installments due from allottees, Parishad is required to issue demand notices and recovery certificates as per Section 91 of the Act *ibid.*

As the Parishad did not furnish records (including a consolidated position) relating to issue of demand notice, recovery certificate or other actions, it was not possible

31 Up to December 2000.

to vouchsafe the transactions in audit. A review of demand and recovery during four years up to 2000-2001 revealed that despite increase in demand which was mainly due to allotment of new properties and overdues, there was a general shortfall in percentage of recovery to demand issued (ranging from 79.8 *per cent* in 1997-98 to 74.8 *per cent* in 2000-2001) as shown below:

Year	Demand	Recovery	Shortfall	Percentage of recovery
	(Rupees in crore)			
1997-98	188.49	150.56	37.93	79.88
1998-99	279.94 (48.5)	211.81 (40.7)	68.13	75.66
1999-2000	343.42 (82.2)	270.71 (79.8)	72.71	78.83
2000-2001	307.01 (62.8)	229.75 (52.6)	77.26	74.83

Note: Figures in bracket indicate increase in percentage with reference to base year of 1997-98.

The above table reveals that compared to 1997-98, demand registered an increase of 48.5 *per cent*, 82.2 *per cent* and 62.8 *per cent*, while the recovery registered a declining trend except for 1999-2000.

The Parishad stated (August 2001) that on being pointed out by audit it issued directives in July 2001 to the field offices to maximise recoveries to arrest the trend of shortfall.

3B.8.1.7 Inadmissible expenditure on telephone and vehicles

(a) Telephone (Rs. 6.67 lakh)

The State Government did not approve (July 1997) the proposal (May 1997) of Commissioner to provide mobile phones for the office of the Minister (Housing and Urban Development), non-official Chairman of the Parishad and Secretary, Housing. Despite this, the Parishad decided (November 1997) to pay the bills of mobile phone of the Minister, Chairman, Secretary Housing and Housing Commissioner. This resulted in an inadmissible expenditure of Rs. 4.06 lakh during 8 May 1997 to 5 February 2001. In addition, reimbursement of an expenditure of Rs. 0.63 lakh was also made from October 1997 to March 2001 (at the monthly limit of Rs. 500.00) to Deputy Housing Commissioner and Secretary, Chief Engineer and Chief Architect and Planning for their personal mobile connections on the plea that the same were being used for Parishad's work. The Parishad further incurred an expenditure of Rs. 1.98 lakh during September 1997 to February 2001 for residential telephones of Minister and Secretary/Deputy Secretary/Joint Secretary (Housing) in addition to telephones provided by the State Government in contravention of Government order of August 1998.

(b) Vehicles (Rs. 23.79 lakh)

Government orders (April 1991 and August 1998) provide that Principal Secretary/Secretary of all the departments of the Government shall use only one vehicle. Further, if vehicle is provided by any department of the Government, no separate vehicle is to be provided to them as Chairman/Managing Director of one or more Undertakings/ Corporations/ Authorities/Boards. However, in violation of the Government orders, Commissioner allotted one vehicle to Principal Secretary, Housing (not a member of the Board), on which it incurred an inadmissible expenditure of Rs. 9.05 lakh during June 1995 to March 2001 (including salary of the driver[32]). Parishad also attached one vehicle with the Minister of State (Housing) without any order and incurred an inadmissible expenditure of Rs. 14.74 lakh[33] during June 1996 to March 2001.

The Parishad stated (August 2001) that it was competent to provide such facilities. The reply was not conforming to the Government directives.

3B.9 Acquisition of land

The Parishad acquires land for implementation of its schemes/projects, either through SLAOs or through direct negotiations. The SLAOs after considering objections declare award through separate notifications for payment of compensation to the land owners. After payment of compensation, the possession of land is handed over to the Parishad. For this purpose, Parishad pays 80 *per cent* of the approximate amount to the SLAOs for payment of compensation in advance. Balance 20 *per cent* is paid as and when required by SLAOs. It was observed in audit that Parishad framed 164 schemes since its inception to March 2001 and for implementation of its schemes, proposals to acquire 7219.98 hectares of land were sent to the Government. The Parishad released Rs. 231.26 crore to SLAOs for payment of compensation. However, only 5569.89 hectares of land i.e. 77.15 *per cent* could be acquired up to March 2001.

The activities of acquisition of land suffered from deficiencies that include non-achievement of targets, non-completion of accounts, excess and avoidable payments and unfruitful expenditure leading to a loss of Rs. 23.30 crore.

3B.9.1 Shortfall in achievement of targets

Undue pressure from allottees and lack of co-ordination resulted in shortfall in achievement of targets

The Parishad fixes targets of acquisition of land on the basis of assessment of requirement of houses/plots in a particular scheme. It was noticed by audit that achievement of targets ranged between 9.3 and 76.6 *per cent* since inception to 2000-2001 as indicated on the next page :

32 Calculated with reference to the minimum of the scale in the absence of details being made available to audit.

33 Including driver's salary at the minimum of the scale.

Year	Target	Land acquired	Shortfall	Percentage of achievement to target
	(In Acres)			
(1)	(2)	(3)	(4)	(5)
Since inception to 1993-94	--	11842.36	--	--
1994-95	569.67	52.82	516.85	9.27
1995-96	565.00	149.05	415.95	26.38
1996-97	400.00	306.23	93.77	76.56
1997-98	1465.85	148.80	1317.05	10.15
1998-99	1723.13	643.89	1079.24	37.37
1999-2000	706.28	369.69	336.59	52.34
2000-2001	1035.90	250.36	785.54	24.17

Management attributed (August 2001) shortfall to undue pressure (including physical, political, administrative and judicial) from land owners and lack of co-ordination with SLAOs not under direct control of the Parishad. Further, the achievement of targets was hampered due to exemption from acquisition of land (4 to 5 *per cent*) and encroachments.

3B.9.2 Non-completion of accounts of land acquisition

Land Acquisition Officers (SLAO) do not maintain proper books of accounts for actual compensation paid for land acquired nor submit details of payments made but on demand by them, for further advance, compensation payments are being released. Instances also came to notice (May 1997) of the Parishad that SLAOs paid compensation and interest even in respect of such lands where the courts had rejected or stayed the acquisition proceedings, refund of which would become difficult. With a view to have a correct and complete picture to examine justification of further demands by SLAOs, Parishad decided (May 1997) to obtain photocopies of documents from the SLAOs and bring out a correct position of its own after due reconciliation of accounts. Parishad informed the Government in the meeting of May 1997 that the process of reconciliation and completion of accounts was in the process of computerization. However, the Parishad could not succeed (August 2001) even after more than four years of its decision in this deficient and weak area resulting in non-emergence of a correct picture.

Scrutiny by Audit of the haphazard and incomplete records furnished to it revealed heavy outstanding with SLAOs, non-availability of land for which compensation has been paid, excess payment of compensation etc. that are discussed below:

Amount of Rs. 3.51 crore was lying with SLAOs in respect of schemes where acquisition proceedings were completed

3B.9.2.1 Heavy outstanding against SLAOs

In case of four schemes (records for other schemes not made available) where the acquisition proceedings have been completed, a sum of Rs. 3.51 crore[34] out

34 Details of payment and age-wise analysis of the outstandings were not made available.

of Rs. 69.07 crore paid to SLAOs for distribution of compensation to the land owners was recoverable at the close of March 2001. The details are given in the table below:

(Rupees in crore)

Schemes	Amount paid	Amount transferred from other schemes	Amount transferred to other schemes	Compensation paid	Balance (2+3-4-5)
(1)	(2)	(3)	(4)	(5)	(6)
Vasundhara Yojna, Ghaziabad	47.56	2.03	3.04	45.32	1.23
Scheme-I & 7, Meerut and Scheme-7, Baraut	5.51	--	--	5.49	0.02
Shceme-2, 4 & 7, Meerut	5.24	0.68	1.20	4.17	0.55
Sikandara Yojna, Agra	10.76	--	0.49	8.56	1.71
Total	**69.07**	**2.71**	**4.73**	**63.54**	**3.51**

The annual loss of interest on the blocked fund worked out to Rs. 56.16 lakh.

3B.9.2.2 Payment of compensation without acquisition of land

A test check in audit revealed that in 10 schemes (Annexure-48), a sum of Rs. 3.99 crore was paid on account of compensation for 112.34 hectare of land possession of which, however, could not be obtained so far (March 2001). Reasons for not taking possession were, however, not on record.

3B.9.2.3 Payment of excess compensation

Lack of monitoring and control resulted in excess payment of compensation of Rs. 22.74 crore

A test check in audit revealed that in 25 schemes (Annexure-49), a sum of Rs. 37.18 crore was paid as compensation as against due compensation of Rs. 14.44 crore as reported to the Government. Thus a sum of Rs. 22.74 crore was paid in excess. Records showing name of the parties to whom compensation was paid were not made available to audit. The Parishad is not maintaining records to co-relate the process of acquisition and deposit made to the SLAOs.

On being pointed out by audit, Management informed (August 2001) that funds were made available to the SLAOs for payment of compensation in accordance with the demand raised by them from time to time.

The payment of excess compensation has adversely affected liquidity position of the Parishad.

3B.9.2.4 Avoidable payment of interest

Lack of co-ordination resulted in avoidable payment of interest of Rs. 4.55 crore

As per provisions of Land Acquisition Act, if the compensation is not paid on due date, interest for a period of one year at the rate of 9 *per cent* (15 *per cent* beyond one year) is to be paid. In the absence of any arrangement between the

SLAOs and the Parishad, timely payment of compensation could not be ensured that entailed payment of interest for delays by the Parishad. In a test check in audit, it was noticed that interest amounting to Rs. 4.45 crore was paid in Vasundhara Yojna, Ghaziabad (Rs. 0.54 crore), Yojna No.6, Meerut (Rs. 2.20 crore) and Sikandara Scheme, Agra (Rs. 1.71 crore). The following further points were noticed:

(i) The Parishad paid Rs. 9.05 crore to SLAO, Agra between May 1981 and August 1992 for acquisition of land for Sikandara Housing Scheme. The SLAO declared award amounting to Rs. 7.57 crore during August 1984 to December 1988 leaving a balance of Rs. 1.48 crore. Later in April 1998 the SLAO raised the demand for Rs. 11.06 crore which included Rs. 3.49 crore as interest due to delay in payment of compensation. Out of amount of Rs. 3.49 crore, the Parishad paid Rs. 1.71 crore in July 1999 without ascertaining causes for delay in payment of compensation, effecting payment of interest on the Parishad although a surplus of Rs. 1.48 crore was available with the SLAO.

(ii) At Meerut, the Parishad paid (up to March 2001) Rs. 3.96 crore for acquisition of 528.33 acre of land. The SLAO failed to pay the compensation to the owners in time despite the availability of the fund with them. The delay in payment resulted in payment of interest amounting to Rs. 1.06 crore which the Parishad had to bear for no fault of their own. The Parishad has not taken any effective steps with the SLAOs/Revenue Department to avoid such payment of interest (March 2001).

It was stated (August 2001) that the Parishad has taken up the issue with the Government.

3B.9.3 Loss due to unauthorised constructions

Unauthorised constructions affected 86.290 acres of land valuing Rs. 23.34 crore

Scrutiny of records revealed that unauthorised constructions by Government organisation/private parties/individuals on Parishad's land were noticed (actual date of unauthorised construction was not available on record) during 1976-77 to 1992-93 on 86.290 acre of land valuing Rs. 23.34 crore, acquired by the Parishad in three circles as detailed below:

Circle	Area of land affected by unauthorised constructions (in acres)	Value (Rupees in crore)
Circle-II, Meerut	56.698	11.96
Circle-III, Lucknow	5.102	4.77
Circle-IV, Kanpur	24.490	6.61
Total	**86.290**	**23.34**

Thus, the Parishad is not able to utilise 86.290 acre of land valuing Rs. 23.34 crore which resulted in blocking of Parishad's fund to that extent.

The following further points were noticed in test check in audit:

⇒ At Meerut 14.67 acre of land valuing Rs. 0.91 crore is under encroachment since 1980-81. Due to dense population it is not possible to remove the encroachment. Further, 15.23 acres of land valuing 0.90 crore is under encroachment by RTO Office (2.73 acres) and Ambedkar Vidyalaya (12.50 acre) since 1983-84. The matter regarding vacation of encroachment from RTO was under consideration of Government. As regards Ambedakar Vidyalaya, case to vacate the encroachment was initiated in 1989 i.e. after six years which was pending in Court of Law till date (March 2001).

⇒ At Madhavpuram Yojna-10, Meerut 1.8834 hectares of land valuing Rs. 0.57 crore was found encroached (1987) at the time of taking possession. Although possession was passed on to the Parishad on paper in August 1987 but physical possession could not be taken due to dense population and religious structures. As such Parishad's fund to the tune of Rs. 0.57 crore has gone waste.

⇒ The Parishad took possession (September 1984) of 504.54 sq. mtr. of land against Khasara No. 473 in Kalyanpur and compensation amounting to Rs. 8.95 lakh was paid to the land owners. However, the land was encroached and unauthorised construction took place thereafter. The fact of encroachment and unauthorised construction could only come to the notice of the Parishad in July 1998 when the person using the land applied for sewer connection. The case was referred to the Parishad's headquarters who instructed removal of unauthorised possession (September 1999). Action to remove the possession has, however, not been taken so far (March 2001).

⇒ In Transport Nagar, Meerut, Scheme No.-2, 1.07 acre of land on which 69 commercial plots, valued at Rs. 0.98 crore at current rate were developed were under encroachment by Police Department since March 1983. The land could not be got vacated so far (March 2001).

The unauthorised encroachment/construction on the Parishad's land was indicative of the fact that adequate measures for security were not taken. Parishad also failed to identify the officers/officials who were responsible for ensuring that encroachment does not take place and take action against them.

3B.10 Development and construction activities

The development and construction activities were trailing behind the targets and the objective of providing residential accommodation at cheaper rates could not be fulfilled due to delays and lack of proper assessment of demand for constructed houses.

3B.10.1 Development

(a) Unutilised developed land

Developed land valuing Rs. 42.80 crore was lying unutilised

The Parishad acquired 5569.89 hectares of land since its inception till March 2001. Out of this, 3930.76 hectares land (70.6 *per cent* of land acquired) was developed by the Parishad up to March 2001 leaving 1639.13 hectares unutilised so far (March 2001). Reasons for non-utlisation were not on record.

Scrutiny of records revealed that in 25 schemes (Annexure-50) 272147.604 sq.mtr. of developed land valuing Rs. 42.80 crore was lying unutilised since long with a consequential interest liability of Rs. 6.85 crore per annum. The non-utlisation of developed land indicates lack of planning on the part of the Parishad.

(b) Services of developed colonies not handed over to local authorities

As per provisions of Section 41 of the Act, the Parishad may transfer public utility services of colonies developed by it as soon as they are completed, after giving one months notice to the concerned local authority. In case the area of the scheme does not fall under the jurisdiction of the local authority, the State Government is to be addressed to extend the area of jurisdiction to facilitate the transfer of services. After receiving notice, the local authorities may file objections, if any within a stipulated time. The disputes are referred to the State Government for decision. The Parishad has to incur expenditure on maintenance and operation of public utility services until they are transferred to local authorities. As per information made available to audit, the Parishad has no source for reimbursement of such expenditure in view of the fact that the Parishad has no authority to recover the cost of maintenance of the services from the residents of the colony.

Non-transfer of services to local authorities resulted in incurring of avoidable expenditure of Rs. 14.32 crore

It was noticed that in case of 35 colonies (out of 44) the public utility services could not be transferred to local authorities due to dispute/incomplete works although the colonies were developed during 1984-85 to 1994-95. The cases of dispute were not referred to the State Government and incomplete works have not been completed so far (March 2001). Similarly, in case of 9 colonies which were completed during 1984-85 to 1994-95, the Parishad failed to get the jurisdiction of the local authorities extended.

Due to non-transfer of services to the local authorities, the Pasrishad had to incur expenditure of Rs. 14.32 crore during 1994-95 to 1998-1999.

It was stated (August 2001) that the Parishad is taking steps to request the State Government to authorise it to recover maintenance charges from the allottees on the lines of instructions contained in Government Order of January 2000 authorising development authorities to recover maintenance charges from allottees of their colonies, untill such colonies stand transferred to local authorities.

(c) Avoidable expenditure on delayed handing over of developed colonies

Services of Yojna No.-1 and 3 (except Sector-E) of Kanpur, developed between 1984 and 1988, were decided to be transferred to Nagar Nigam in June 1993 (after more than five years) on the conditions of payment of Rs. 0.84 crore for pending repair works by the Parishad. However, due to non payment of the fund for repairs, the services could not be transferred even up to August 1995 when it was decided to carry out the repair works by Parishad itself before the transfer. The estimate of Rs. 0.91 crore for the purpose was not approved by the Parishad which decided in August 1997 to pay Rs. 1.20 crore in lieu of pending repairs. Consequently a sum of Rs. 0.40 crore was paid by the Parishad as first installment in July 1998 with the condition that further amount would be released after receiving details of expenditure of Rs. 0.40 crore.

Thus, Parishad had to incur a liability of Rs. 1.20 crore against the originally agreed amount of Rs. 0.84 crore resulting in avoidable liabilities of Rs. 0.36 crore due to its lackluster approach in taking decision on transfer of services.

3B.10.2 Construction of properties

The Parishad undertakes construction of properties of various categories for economically weaker sections (EWS), lower income groups, middle income groups and higher income groups and for community as a whole. The Parishad also constructs properties under self financing schemes wherein properties are constructed out of funds provided by allottees.

The Parishad constructed 206319 number of houses and plots of various categories since inception to December 2000. However, year wise position of targets and achievements for construction of properties from 1996-97 to December 2000 is indicated in the table below:

Category of property	1996-97		1997-98		1998-99		1999-2000		2000-2001	
	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
Site and services plots	NA	785 (--)[35]	40	45 (113)	40	93 (233)	--	435 (--)	NA	-- (--)
EWS	100	115 (115)	245	953 (389)	265	158 (60)	--	51 (NA)	NA	5 (NA)
Lower Income Group (LIG)	110	500 (455)	665	508 (76)	249	364 (146)	--	133 (--)	200	NIL (--)
Middle Income Group (MIG)	472	418 (89)	45	170 (378)	235	151 (64)	348	529 (152)	170	NIL (--)
Higher Income Group	180	163 (91)	56	43 (77)	25	25 (100)	50	201 (402)	NA	2 (--)
Self Financing Scheme (SFS)	811	488 (60)	2150	2184 (102)	1572	4108 (261)	1437	1237 (86)	2225	456 (20)
Others (Shops etc.)	27	1 (4)	74	38 (51)	101	174 (172)	76	89 (117)	11	NIL (--)
Bhao Rao Devras Scheme (BRD)	NA	NA (--)	NA	NA (--)	2000	NIL (--)	4305	3004 (70)	3082	970 (31)
Ashray	NA	NA (--)	NA	NA (--)	2000	NIL (--)	5179	353 (7)	2500	9 (0.4)

35 Figures in bracket indicate percentage of achievement.

The following observations are made in this regard:

⇒ One of the object of the Parishad is to help in solving the acute housing problems of the society particularly low income groups and economically weaker section by providing them properties at reasonable rates. It would be seen from above that the construction activities of the Parishad gradually shifted from construction of houses for weaker sections to Self Financing Scheme. As such, the target fixed were not in accordance with spirit of the objects of the Parishad.

⇒ Bhau Rao Devras Scheme was framed by the State Government in 1998-99 to provide houses of Mini-MIG category at lower rates. Against the targets fixed by the Government, Parishad during 1998-99 planned for construction of 2000 houses but no house was constructed. Against the target of 4305 houses in 1999-2000 and 3082 houses in 2000-2001 only 3004 houses and 970 houses were constructed respectively. Under the scheme, land owned by local authorities was to be transferred at concessional rates but Parishad failed to get the land transferred which resulted in non-achievement of targets.

Targets to the extent of 0.36 to 6.8 *per cent* only were achieved in construction activities

⇒ Ashrya Scheme was framed by the State Government to provide houses at a payment of Rs. 5.00, Rs. 10.00 or Rs. 15.00 per day to down trodden class who do not own any house and are living in polluted area in jhuggis. Under this scheme the State Government had allocated the target for construction of 10000, 20000 and 10000 houses during 1998-99, 1999-2000 and 2000-2001 respectively. However, the Parishad fixed the target of 2000, 5179 and 2500 houses respectively against which achievement was only nil, 6.8 *per cent* and 0.36 *per cent*. The main reason for non-achievement of targets was Parishad's failure to get the land transferred by local authorities at concessional rates.

3B.10.3 Construction of mini-stadium at Rajajipuram

The Government directed the Parishad (March 1997) to construct a mini-stadium at Rajajipuram (Lucknow) on 19960 sqm land, to be provided by the Parishad. It also sanctioned in March 1997 a grant of Rs. 2.75 crore. The Parishad undertook the work in May 1999 before receipt of any fund; full grant was received in March 2001. The Chief Minister, while inaugurating the foundation laying ceremony in May 1999, announced a further grant of Rs. 50.00 lakh. The amount has, however, not been sanctioned and released to the Parishad so far (August 2001). The stadium was constructed (1999-2000) at a total cost of Rs. 5.77 crore on the land acquired for Rs. 1.43 crore but earmarked for allotment to Degree Colleges. While expenditure of Rs. 2.75 crore was incurred out of the grant received, Rs. 3.02 crore was incurred by the Parishad out of its own resources. Maintenance and operation of the stadium was to be done by the Parishad as per the terms and conditions to be issued by the Government. Need and justification for construction of the stadium could not be assessed by Audit as the file containing directives of the Government, project report, administrative and financial sanction from the appropriate authority in the State Government etc. were not made available by the Parishad.

It was noticed by Audit that the Parishad constructed the stadium on behalf of the State Government pursuant to the objectives contained in section 15 (2) (b) of the Act *ibid* but did not demand additional fund of Rs. 4.45 crore (Rs. 3.02 crore incurred on construction and Rs. 1.43 crore being the cost of land).

Further, commercial properties on 2114.46 sqm of covered area valuing Rs. 3.24 crore along with the stadium were constructed for allotment to outside agencies. However, due to lack of demand, the properties could not be sold (August 2001) resulting in blocking of fund to that extent.

It was stated (August 2001) in reply that efforts were on to get the stadium declared as a research centre for sports and that the commercial constructions could be utilized for stay of the sportsmen and marketing of sports goods.

3B.11 Loss due to delay in construction

(A) As per guidelines for costing, the interest for the entire period of construction was to be added in the cost of houses. It was observed that administrative and technical sanction for Rs. 14.00 crore for construction of 1750 nos. F-31 type houses in sector-17 of Vasundhara Yojna, Ghaziabad was accorded in March 1990. However, without assessing demand, construction of 1740 houses was started (June 1990). Subsequently, the Parishad directed (January 1994) to complete only 230 houses and to stop construction of 1510 houses. By that time (January 1994), an expenditure of Rs. 4.33 crore was incurred on these 1510 incomplete houses. As there was no demand for these types of houses, the Parishad changed the design of 820 houses to F-62 type by joining two flats in one and 690 houses to F-66 type by joining two houses and providing one additional toilet to make them saleable. The construction of these houses were undertaken in April 1997 and completed in December 1999. Due to modification in design/specification carried out in order to make these house saleable the construction of these houses could be completed belatedly in December 1999.

Deviations from guidelines of costing resulted in loss of Rs. 1.51 crore in sale of houses

In contravention to the guidelines the Parishad decided (December 1999) to exclude interest for the period from November 1992 to March 1997 amounting to Rs. 1.51 crore on the ground that it would abnormally increase the cost of the houses and directed to compensate 0.51 crore only by loading the same on other saleable properties of the scheme. In reply, it was stated that no such loading is permissible in other schemes as per guidelines. Thus, deviation from the guidelines of costing resulted in loss of Rs 1.51 crore.

(B) Administrative and financial approval for Rs. 5.33 crore for construction of 550 F - 51 type four storied houses in Sector -17 of Vasundhra Yojna, Ghaziabad was accorded in September 1989, which was revised to Rs. 6.36 crore in October 1990. According to technical sanction 550 houses (350 type A and 200 type B) were to be constructed. Out of these construction of 176 houses (type A - 112 nos and type B - 64 nos.) was started in October 1990. Construction of balance 374 houses (238 Type A and 136 Type B) whose proportionate technical sanction was for Rs. 4.32 crore was started in January 1991 without assessing demand. As there was no demand, the construction of these houses were stopped in November 1993 after incurring an expenditure of Rs. 67.41 lakh.

It was observed in audit that due to lack of demand the Parishad changed the scheme and design of houses. The houses were completed under self financing scheme in November 1998 at a total expenditure of Rs. 8.15 crore resulting in a cost over run of Rs. 3.83 crore (Rs. 8.15 crore minus Rs. 4.32 crore) against estimated cost of Rs. 4.32 crore due to delay in construction, thus, Parishad lost an opportunity of maximising profit.

Thus, execution of work without proper designing and assessment of demand resulted in increased cost of houses which defeated the social objective of the Parishad to provide properties at reasonable rates.

(C) Administrative approval for Rs. 39.43 lakh and technical sanction for Rs. 39.25 lakh was accorded (February 1990 and July 1992 respectively) for construction of 52 nos 68/142 type semi-finished houses in Sector-G and H of Yojna-1, Kanpur. Even before receipt of technical sanction, the construction of 44 houses was undertaken on contract basis in October 1990. These houses were to be completed by July 1991. It was observed in audit that due to failure of the Parishad to supply material as per schedule-C of the agreement in time, the contractors left the work unfinished during July 1991 and February 1992. By that time an expenditure of Rs. 11.38 lakh was incurred. Later the work was completed departmentally in January 2000 at a total expenditure of Rs. 67.05 lakh. Thus, due to delay in construction, the Parishad had to incur an extra expenditure of Rs. 27.80 lakh on increased cost of material and labour. This expenditure could have been avoided had material as per schedule-C of the agreement been provided to the contractors well in time. The Parishad neither enquired reasons nor fixed responsibility for non-provision of material in time (March 2001).

3B.12 Excess expenditure on deposit works (Rs. 1.54 crore)

Failure to submit claims for excessive expenditure over sanctioned cost resulted in non-receipt of Rs. 1.04 crore

In addition to the construction activities in achieving its main objective, Parishad also undertakes deposit work on behalf of Government Departments, Autonomous Bodies etc. They are required to deposit money on the basis of estimates prepared by the Parishad. During execution if the expenditure is expected to increase by 5 *per cent* or more, a revised estimate is required to be prepared and sent for technical sanction and accordingly excess amount is claimed from the clients. It was, however seen in audit that in case of nine works, out of 17, although the expenditure exceeded 5 *per cent* (ranging from 8.2 to 65.5 *per cent*) no revised estimates were prepared so far (August 2001). In the absence of revised technical and administrative approval, the Parishad failed to claim excess expenditure amounting to Rs. 1.04 crore incurred on these works. These works have since been handed over to the clients.

Similarly, in case of seven works where expenditure exceeded by Rs. 49.81 lakh, revised administrative and technical sanction was not obtained before handing over.

Besides this, the Parishad incurred an expenditure of Rs. 18.60 lakh in compliance to the instructions of District Magistrate, Bhadohi for construction of temporary sheds in the collectorate compound in anticipation of the formal award of the work. However, the work was finally awarded to Uttar Pradesh Rajkiya Nirman Nigam Limited. Thus, the expenditure incurred by the Parishad remained unrecovered (August 2001).

3B.13 Undue favour to contractors

The Parishad executes construction of buildings and roads through contractors. The works were awarded to the lowest tenderers under agreements executed with them. The rates provided in the agreements include all material, labour and tools and plants. Cement and steel are however issued by the Parishad, the cost of which is recovered from the bills of the contractors at the rate provided in the schedule C of the agreements (bond rate). Bond rates are generally higher than issue rate (procurement cost) in order to prevent contractors from misuse of materials. During test check it was seen that in some of the cases, the issue rate of cement and steel was higher than the bond rate with the result that the difference in the rate had to be borne by the Parishad. This could have been avoided had schedule C provided that the recovery for the cost of cement and steel at issue rate or bond rate whichever was higher. Thus, defective clause has gone in favour of the contractor and the Parishad had to incur extra expenditure amounting to Rs. 21.92 lakh as detailed below:

Sl. No.	Name of the division	Period of issue	Item and quantity	Difference (in lakh)
1.	CD-7, Meerut	12/2000 to 3/2001	Cement 24244 bags Steel 14.28 MT	3.86
2.	CD-1, Ghaziabad	4/95 to 3/2001	Cement 29854 bags Steel 1151.965 MT	13.48
3.	CD-35, Allahabad	1996-97, 1998-99 and 2000-2001	Cement 18849 bags Steel 30.549 MT	2.82
4.	CD-32, Ghaziabad	2000-2001	Cement 11473 bags Steel 2.536 MT	0.86
5.	CD-14, Fatehgarh	1997-98 to 2000-2001	Cement 1765 bags Steel 22.434 MT	0.90
	Total			**21.92**

3B.14 Sale of properties

Parishad sells properties constructed by it on the basis of draw among the registered applicants in a particular scheme. The properties are sold on cash basis, hire purchase or under self financing scheme. Big plots are sold on the basis of bulk sale or otherwise on demand of a particular institution/ organisation.

3B.14.1 Costing of properties

The costing of properties constructed by the Parishad is done as per provisions of the guidelines issued in May 1992. As per guidelines, the cost of land is fixed by adding to the cost of acquisition, expenditure incurred on survey, advertisement and legal expenses. To this sum, interest on loans at the rate of 17.5 *per cent*, cost of development of land and supervision/interest charges at 12 *per cent* are added. Two *per cent* of the total cost so arrived is further added for maintenance of land. The cost of land is revised at the end of each financial year by enhancing it by 16 *per cent*.

Similarly, the cost of constructed properties is fixed by adding to the actual cost of construction, centage at the rate of 12 *per cent* and interest on loan at the rate of 10 to 17.5 *per cent* for the period of construction. To this sum is added 2 *per cent* of the total cost so arrived for maintenance charges. Further, collection charges etc. at the rate of 6 *per cent* of cost in case of self financing scheme (excluding the cost of land) and at the rate of 8 *per cent* of the total cost for others is also added. The properties so constructed are passed on to the Estate Management Office at the cost arrived at as above. Estate Management Office allots the properties and further adds interest at the prescribed rates for the period between the date of completion and date of allotment.

Thus it is seen that interest is loaded at two points (a) for the period of construction and (b) for the period between the date of completion and the date of allotment. It is thus evident that the prospective allottee has to bear increase in cost due to delay in construction and delay in allotment. The costing procedure is thus against the objective of the Parishad to provide properties at reasonable rates and allottees being charged for delays in construction and allotment of properties.

3B.14.2 Loss due to not offering properties for allotment

Constructed properties valuing Rs. 72.55 crore were lying unalloted leading to unauthorised occupation of some properties

The Parishad constructed/developed 206319 properties since inception to January 2001. Out of these, 10029 properties (4.9 *per cent*) valuing Rs. 820.25 crore could not be offered for allotment as detailed in Annexure-51. It was noticed in audit that in eight schemes detailed in Annexure-52, 1216 properties valuing Rs. 72.55 crore were constructed without proper assessment of demand resulting in these properties unallotted for a period ranging from 1 month to 17 years and leading to unauthorized occupation of some of them.

The Parishad is incurring interest liability of Rs. 131.24 crore per annum which would be added to the cost. This would increase the cost to the prospective allottees and would defeat the social objective of offering properties at reasonable rates. It was also incurring expenditure on their repairs and maintenance that worked out to Rs. 2.37 crore during five years (1994-1999).

3B.14.3 Sale of plot to City Montessori School, Rajajipuram

Guidelines of November 1986 issued by the State Government for sale of plots to educational institutions at concessional rates were replaced by guidelines issued in March 1996 according to which the land to Degree Colleges was to be allotted at 50 *per cent* of the prevailing rate in that scheme.

It was noticed in audit that 32000 sq. mtr of land in Sector-8 in Rajajipuram Yojna, Lucknow was allotted to City Montessori School in February 1999 for opening Degree College. On the request of the institute, 20294 sq. mtr. of land was allotted (December 1999) to the institute in Sector-6 of the Yojna in place of land in Sector-8. The Parishad in its meeting held in December 1999 decided to allot the land in accordance with the provisions of Government order of November 1986 without noticing that the order was already replaced by a fresh order issued in March 1996.

Non-compliance of the fresh guidelines resulted in loss of Rs. 1.24 crore

It was further observed that the cost of the land as per guidelines under reference worked out to Rs. 1.77 crore (20294 sq. mtr x Rs. 1740/2) while the land was allotted at Rs. 0.53 crore (2000 sq. mtr. x Rs. 235 + 2000 sq. mtr x Rs. 188 + 2000 sq. mtr x Rs. 117.50 + 14294 sq. mtr x Rs. 70.50 + interest at the rate of 17.5 *per cent* for the period March 1991 to January 2000 on the above amount). This resulted in a loss of Rs. 1.24 crore to the Parishad due to ignorance of fact of issue of fresh guidelines.

In reply (August 2001) it was stated that the Parishad allotted the land as per provisions of Government's order of November 1986 with instructions that it will not be quoted for other cases. The reply is not acceptable as Government's order of 1986 was already cancelled vide order of March 1996 i.e. much before the date of allotment of land to the institute.

3B.14.4 Allotment of land to Rashtriya Avas Bank

In violation of provisions, Parishad instead of recovering Rs. 0.29 crore refunded Rs. 0.61 crore

The Parishad allotted (1992) 5233.19 sq. mtr. of plot valuing Rs. 1.35 crore in Indira Nagar Extension Scheme to Rashtriya Avas Bank. As per terms of payment 10 *per cent* discount was to be given for timely payment of the cost of the land. The bank paid Rs. 1.21 crore in time after availing 10 *per cent* discount. Later in 1997 the bank refused to take the plot and proposed that the Parishad may sell the plot as per rules and pass on the sale proceeds to the bank after deducting Rs. 5.00 lakh as service charges. The Parishad accepted the proposal and auctioned the plot in March 1999. However, the highest bidder did not pay the amount and in May 2000 the bank proposed that the Parishad may return the money deposited by the bank with an interest of 6 *per cent*. The proposal was accepted by the Parishad in its meeting of June 2000. Accordingly, the amount deposited by the bank was refunded with an interest of Rs. 0.61 crore (total amount Rs. 1.82 crore) in July 2000.

It was observed in audit that as per rules of allotment if an allottee requests for the cancellation of allotment after one month of allotment, the amount deposited would be returned after deducting interest at the rate of 6 *per cent* for the period from the date of payment to the date of request for cancellation. However, in this case no such deduction was made, instead the Parishad paid interest amounting to Rs. 0.61 crore which was not covered by any rule of the Parishad. Thus, the decision to refund the amount without charging interest, resulted in a loss of interest amounting to Rs. 0.29 crore (calculated at 6 *per cent* for the period from 1992-93 to 1996-97) besides inadmissible payment of interest amounting to Rs. 0.61 crore which also accounted for the loss to the Parishad.

In reply it was stated (August 2001) that as per rules the amount deposited by an allottee is refunded without interest but in this case this rule was relaxed in view of the fact that Rashtriya Avas Bank provides loan to the Parishad. The reply is not tenable in view of the fact that rules do not permit such relaxation.

Conclusion

The working of the Parishad was characterised by its failure to properly manage the financial resources leading to losses due to delayed transfer of funds and non-realisation of claims. It was further compounded by Parishad's failure to recover substantial amount due from the allottees.

Parishad was trailing behind in achievement of targets of land acquisition and construction activities. Justification for compensation demanded by SLAOs could not be examined by it for want of reconciliation and completion of accounts thereof. As a result, it paid excessive compensation and compensation without acquisition of land.

Substantial part of developed land was lying unutilised. The developed colonies were either not transferred to Nagar Nigam or were transferred late leading to avoidable expenditure on their maintenance. Incidence of such expenditure could not be recovered from the user of services in the absence of Government's approval.

Parishad needs to improve its working by meticulous monitoring and control of various activities.

The matter was reported to the Government in June 2001; the reply was awaited (August 2001).

CHAPTER-IV

4. Miscellaneous topics of interest relating to Government companies and Statutory corporations

4A. Government companies

Uttar Pradesh Projects and Tubewell Corporation Limited

4A.1 Extra expenditure

Failure to obtain permission of the Irrigation Department for incurring expenditure over and above the estimate resulted in loss of Rs. 1.41 crore.

The State Government decided (March 1996) that the work of Irrigation Department financed by NABARD would be done by the Company with the condition that the Company would execute the work with the written consent at the rates indicated in the estimates of projects. The funds were to be released by the Irrigation Department.

It was noticed (December 2000) in audit that the Company gave written consent (October 1996) and took up the project for reconstruction of 100 nos. of tubewells of the Irrigation Department. The Company executed the works relating to drilling and development of 137 tubewells and installation of pump sets at different tubewells and other works financed by NABARD Phase-I, Phase-II and under State Plan. No centage charges were allowed for this work. The cost of these works as per sanctioned estimate of the Irrigation Department was Rs. 23.26 crore. The Company completed the works after incurring expenditure of Rs. 24.66 crore and handed over the works (March 1999) to the client. The Company assessed that excess expenditure of Rs. 1.41 crore attributable to (i) installation of pump sets of higher capacity (Rs. 55.72 lakh), (ii) non-receipt of dismantled material (Rs. 82.20 lakh) and (iii) construction of extra outlets (Rs. 3.02 lakh).

The Company neither sought permission of the Irrigation Department for incurring expenditure over and above the estimates nor claimed it from Irrigation Department. This resulted in a loss of Rs. 1.41 crore to the Company.

The Management stated (June 2001) that due to technical reasons and for satisfactory completion of project, the expenditure over and above estimates was incurred on account of change in capacity of motors, construction of extra outlets and deduction of Rs. 60,000 per tubewell for old pump sets, doors, windows and pump assembly.

The reply of the Company is not tenable as at the time of giving written consent for firm rates for taking up the project, the Company did not make an effort to understand the technicality of the project. The Company also did not make any effort to take possession of the dismantled material.

The matter was reported to Government (May 2001); reply had not been received (September 2001).

Uttar Pradesh Matsya Vikas Nigam Limited

4A.2 Nugatory expenditure due to unsuitable site selection

Failure of the Company in selecting the suitable site for hatchery resulted in nugatory expenditure of Rs. 0.47 crore.

With a view to supply fish breed in western area of the State, the Company under the 'Integrated Rural Development Scheme', financed by the State Government, constructed (December 1985) a hatchery at a cost of Rs. 46.60 lakh in 15 hectare land comprising 21 ponds having 10 hectare water area at Kolahar village in Mathura District. For water feeding arrangement, two deep tubewells were also constructed.

Since beginning, the hatchery did not give desired results as the fish did not survive in hard water. An effort was made in 1987 to lease out the hatchery which did not materialise for reasons not on records. Thereafter, the Government had also released fund of Rs. 16.50 lakh in August 1990 for improving the hatchery to give satisfactory results but this was not introduced due to problem of hard water. The Company arranged testing of water and soil in February 1995 by the Central Institute of Fisheries, Mumbai and Bhubaneshwar. The institute concluded that hatchery was not suitable for fish breeding, rearing and culture due to presence of very high value/range of salt and chlorides in water and sand in soil of the hatchery.

To overcome the problem of hard water, the Company tried (November 1996 and March 2000) to get supply of fresh water from nearby canals of Irrigation Department but this was not found viable, as such arrangement was expensive. Ultimately, decision was taken (February 2001) to dispose off the land and assets of the hatchery. However, the hatchery could not be disposed off as of date (June 2001).

The Company selected the site for hatchery without testing the water and soil of the site

It was observed in audit (March 2001) that the Company, at the time of proposal for site selection for the project did not take step for testing of water and soil of the site before execution of the project, though these two ingredients were the basic requirement for survival of fisheries. This rendered the expenditure of Rs. 46.60 lakh nugatory.

The Government and Management both accepted (June 2001) the facts and informed that they have written to Rural Development Department for seeking permission to dispose of land and assets of the hatchery as the funds were received from Integrated Rural Development Programme (IRDP) for construction of hatchery.

Uttar Pradesh State Bridge Corporation Limited

4A.3 Blockade of funds in construction of Song Bridge

Incurring of the expenditure by the Company without prior approval of client resulted in blocking of funds to the extent of Rs. 1.26 crore.

The State Government accorded (March 1996) administrative and financial sanction of Rs. 1.58 crore for construction of a 188.10 meter RCC bridge including approach road over the Song river at Moradabad-Dehradun Marg. Construction of bridge portion only was awarded to the Company at an estimated cost of Rs. 95.40 lakh. The length of the bridge was enhanced to 209.37 metre due to technical reasons. The Company completed the bridge in March 1998 at an expenditure of Rs. 2.22 crore (Rs. 1.26 crore incurred by diversion from other units).

The Company did not obtain prior approval of the Government for increase in length and cost of the bridge

Despite increase in cost from 95.40 lakh to Rs. 2.22 crore, the Company did not obtain prior approval of the client (Government) as per the Government directives of March 1996. It sent the finally revised estimate in July 2000; sanction of the client was awaited (August 2001). The Government also directed (September 2000) to fix responsibility on officers who did not obtain approval before incurring expenditure in excess of sanctioned cost.

Thus, failure of the Company to obtain prior sanction for additional expenditure resulted in blockade of fund to the extent of Rs. 1.26 crore. With the creation of Uttaranchal State, to which the bridge now belongs, release of fund by the new State has been jeopardised.

The Company and the Government both stated (August 2001) in reply that the length of the bridge was increased keeping into consideration the necessity of work site. The revised financial sanction is awaited due to separation of Uttaranchal State (August 2001). The reply is not tenable as the Company failed to obtain prior sanction as per the prescribed procedure leading to blockade of fund.

4A. 4 Extra expenditure on purchase of stone grit

The Company incurred an extra expenditure of Rs. 0.23 crore on purchase of stone grit at much higher rates on the basis of market survey instead of inviting tenders.

According to purchase policy of the Company, the consumables are being purchased by the unit incharge according to the provisions in the sanctioned estimates of work. It has been laid down that the purchases exceeding Rs. one lakh are to be made after inviting tenders with 21 days clear notice and below Rs. one lakh on the basis of sealed quotations.

The Company purchased stone grit on the basis of market survey instead of inviting tenders

It was noticed (January 2001) in audit that the Sonbhadra Unit of the Company purchased 10208.48 cubic meter (M^3) stone grit of different sizes (20mm and 40mm) for consumption in the bridge construction on the basis of direct market survey in piece meal during January 1999 to March 2000 instead of inviting tenders. The rates allowed to the suppliers on the basis of market survey ranged from Rs. 465.40 to Rs. 487.40 per M^3 for 20mm size and from Rs. 428.40 to Rs. 450.40 per M^3 for 40mm size. Subsequently, the unit invited tenders in March 2000 and finalised in favour of P.N. Enterprises, Chopan (Sonbhadra) at the lowest rates which were Rs. 105, Rs. 305 and Rs. 205 per M^3 for 12mm, 20mm and 40mm stone grit respectively. An agreement was executed with P.N. Enterprises on 28 April 2000 for supply of 11700 M^3 stone grit of different sizes during April 2000 to March 2001.

Thus the Company incurred an extra expenditure of Rs. 23.37 lakh on purchase of 10208.48 M^3 stone grit at much higher rates on the basis of market survey instead of inviting tenders.

The Management and the Government stated (August 2001) that the rates of stone grits were higher during 1999-2000 due to ban on mining operation by the High Court during 1998-99 and stone grit was purchased at lowest rates on the basis of market survey by a committee and after collecting quotations and P.N. Enterprises submitted tenders quoting lower rates than the market rates due to local reasons and so the firm failed to supply the whole quantity and the Company had to forfeit the earnest money. The reply is not tenable as the Company could not furnish any order of High Court or District Magistrate in support of ban on mining operation. Further P.N. Enterprises supplied the stone grits continuously from April 2000 to March 2001 and were paid for at the agreed rates.

Uttar Pradesh State Sugar Corporation Limited

4A.5 Loss due to improper storage of sugar

Failure to pay adequate attention to control/prevent moisture resulted in moistening of huge quantity of sugar and consequent loss of Rs. 0.83 crore.

During the course of audit of Sakoti Tanda and Amroha units of U.P. State Sugar Corporation Limited (in April and July 2000 respectively) it was noticed that location of sugar godowns of these units were not at appropriate place and sugar was stored at old dilapidated godowns (Amroha unit). As a result, persistent moisture remained inside godown. The Management failed to pay adequate attention to control/prevent the moisture with the result a huge quantity of sugar was affected and the Management had to sell the moist/semi moist sugar at reduced rates resulting in avoidable loss of Rs. 83.09 lakh as detailed below during 1995-96 to 1999-2000:

Name of Unit	Period of sale	Qty. sold	Average sale rates of normal sugar	Average sales rate of Moist sugar	Difference of rates (4-5)	Amount of Loss
		(Qtls)	(Rs. per Qtl)			(Rs. in lakh)
Sakoti Tanda	1997-1998	10651	1280.80	1262.57	18.23	1.94
	1998-1999	20306	1351.23	1267.40	83.83	17.02
	1999-2000	8519	1387.17	1330.30	56.79	4.84
	Total	39476				23.80
Amroha	1996-1997	1343	1092.67	1072.79	19.88	0.27
	1997-1998	33281	1305.59	1235.84	69.75	23.21
	1998-1999	23431	1326.42	1260.31	66.11	15.49
	1999-2000	18381	1264.60	1154.05	110.55	20.32
	Total	76436				59.29
	G. Total					**83.09**

The local Management of Sakoti Tanda unit stated that rainy water remains collected around the factory and outside field remains fully water logged. The moisture is then certain to enter the godown. Amaroha unit stated (July 2000) that godowns are very old and do not conform to the standard norms of Sugar Godown.

Management failed to take any remedial measure

The reply of the local Management confirms the audit contention that the Management at corporate level has failed to take any remedial measures to avoid moisturing of sugar due to which the Company had to suffer the avoidable heavy loss of Rs. 83.09 lakh on sale of moist sugar.

The matter was reported to the Company and the Government in June 2001; replies were awaited (September 2001).

4A.6 Non-recovery of damages from agents on account of conversion of unlifted free sale sugar into levy quota

The failure of the Company in imposing timely damages against the agents whose agreements were terminated resulted in loss of Rs. 2.08 crore.

The Central Government, under the provisions of the Sugar (control) order, 1966, releases quota for free sale sugar every month. The conditions laid down in release order, inter-alia envisaged that failure in the sale and despatch of entire released quantity amounts to violation of the above mentioned order and the undespatched free sale sugar at the end of its validity period would be converted into levy quota.

The sale of 'free sale sugar' is effected through agents to whom quantity of free sale sugar is allotted by sales offices of the Company. According to the terms and conditions laid down in the agreements entered into with agents, whole quantity allotted to them was to be lifted within the validity period mentioned in Sale Advice failing which they were liable to make good the loss recouping the difference between the sale price mentioned in the sale advice and the levy price fixed by the Government of India relating to that sugar production year.

The Company failed to levy damages against the agents during currency of the contract

It was observed (January 2001) in audit that 226645 quintal free sale sugar pertaining to production of 1992-93 to 1996-97 were converted by the Central Government to levy sugar vide its order issued during June 1996 to September 1998, out of which conversion of 168250 quintal was due to non-lifting of sugar by the agents appointed by the Company. The Management however, failed to impose damages against the agents as per terms and conditions of the agreements soon after the receipt of orders of Central Government. However, after being persistently pointed out by audit, the Company initiated action for levy of damages against the agents in 2000 and worked out damages of Rs. 3.05 crore. By this time, agreements in respect of 21 agents had been terminated and the damages against these agents aggregating Rs. 2.08 crore could not be levied. Thus, due to failure of Management in imposing timely damages against the agents whose agreements were terminated the Company was put to a loss of Rs. 2.08 crore.

The matter was reported to the Company in May 2001and to the Government in June 2001; the replies were awaited (August 2001).

Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited

4A.7 Extra expenditure due to non-placing of orders within validity period

Work had to be awarded to second lowest offerer due to delay in finalisation of tender by Project Tender Committee (PTC).

Project Tender Committee approved the rates after expiry of validity period of the offer

The Coal Handling Division-II of Parichcha Thermal Power Station invited (15 November 1997) tenders for the work of coal handling for a period of one year. The tenders were opened on 19 December 1997. Out of four tenders, the tender of M/s Emrat Singh & Sons, Parichcha, Jhansi for Rs. 24.95 lakh with the validity of rates up to 18 March 1998 was found lowest.

The Project Tender Committee approved the rate of lowest tenderer on 27 March 1998 i.e after expiry of validity period of the offer (18 March 1998). The contractor in the meantime requested (26 March 1998) for refund of their earnest money (Rs. 0.60 lakh) on the grounds of non acceptance of tender within the validity period. In view of above it was decided (April 1998) by the Project Tender Committee (PTC) that the work may be awarded to 2nd lowest tenderer at a cost of Rs. 31.98 lakh for a period of one year from 15.04.1998. The contractor executed the work during April 1998 to August 1999 at total cost of Rs. 39.11 lakh.

Thus, due to non-finalisation of tender within validity period by the PTC, the work had to be awarded to 2nd lowest tenderer at higher rate which resulted in extra expenditure of Rs. 9.93 lakh worked out on the basis of difference of rate of each item of work between 1st and 2nd lowest tenderer for the total work done by lowest tenderer.

In reply, the Management stated (June 2001) that the lowest tenderer did not start the work even after awarding Letter of Intent (LOI) in their favour, as such, the work had to be awarded to 2nd lowest tenderer.

The reply is not tenable in view of the fact that LOI itself was awarded in favour of the contractor after expiry of validity period of offer of 1st lowest tenderer, as such, the party was not under any obligation to accept it.

The matter was reported to Government in May 2001; their reply was awaited (September 2001).

Uttar Pradesh Power Corporation Limited

4A.8 Belated assessment of revenue

Delay in raising assessment for energy consumption resulted in delayed realisation with consequent effect on ways and means position.

The Company had been working on borrowed funds including withdrawal of funds from cash credit account from bank at varying rates of interest ranging from 15 to 18 *per cent* per annum. Delay in raising demand for initial security and assessment for energy consumption against the consumer resulted in delayed realisation with consequent effect on ways and means position of the Company.

During test check in audit (March 2000 to September2000), it was noticed that 12 Distribution Divisions of the Company did not raise assessment of Rs. 4.69 crore as per prescribed billing schedule which were raised subsequently at the instance of audit as detailed given on the next page:

	Name of the Divisions	Assessment proposed by audit			Amount realised	Remarks
		Nature of assessment	Month	Amount (Rupees in lakh)	(Rupees in lakh)	
1.	EDD, Sajahanpur	Initial security	Nov. 1999	23.05	--	Bills have been raised but recovery was awaited.
2.	EDD-III, Mathura	Initial security	June 2000	5.47	--	Bills have been raised but recovery was awaited.
3.	EDD, Dehradun (Rural)	Initial security	April 2000	8.94	4.37	Bills have been raised but recovery was awaited.
4.	EUDD-V, Agra	Initial security	July 2000	15.41	--	Bills have been raised but recovery was awaited.
5.	KESCO, Kanpur	Short assessment against theft of energy	March 2000	16.05	--	The division made short assessment due to taking the factor as 0.5 instead of 0.75. The bills have been raised at the instance of audit but recovery was awaited.
6.	EUDD South, Dehradun	Short assessment due to defective meters	June 2000	56.92	--	The bill has been raised, the recovery was awaited.
7.	EDD-I, Varansai	Additional surcharge	Nov. 2000	20.85	20.85	The division raised and realised the additional surcharge at the instance of audit.
8.	EDD, Hamirpur	System loading charges, late payment surcharge and security	June 2000	253.16	154.30	The division raised the bill and realised at the instance of audit. The recovery of balance was awaited.
9.	EDD, Kashipur	Short levy of energy charge	December 2000	5.48	--	The Division advised to computer centre in July 2001 for issue of both.
10.	EDD, Barabanki	Incorrect application of tariff	May 2000	9.31	--	The Division raised the bills in June 2001. the recovery was awaited.
11.	EUDD, Kalyani Devi, Allahabad	Electricity duty	February 2000	49.24	--	Assessment was made but the recovery was awaited.
12.	EDD, Mainpuri	Electricity duty	June 2000	5.43	--	--- do ---
	Total			**469.31**	**179.52**	

As against assessment of Rs. 4.69 crore as pointed out by audit, the Divisions raised bills during the period from March 2000 to December 2000, out of which a sum amounting Rs. 1.80 crore was realised. The recovery of the remaining amount of Rs. 2.90 crore was pending (June 2001).

The matter was reported to Company and Government in June 2001; the replies had not been received (September 2001).

4A.9 Imprudent rejection of highest offer

Failure of the Company in accepting offer for disposal of assets of closed Power House led to non-realisation of Rs. 1.92 crore.

One 15 MW Power House (PH) at Mau district was permanently closed during 1982. The erstwhile UPSEB issued (July 1991) order for disposal of above PH within six months. However, the valuation of assets of PH was got done belatedly (December 1996) through an approved valuer at Rs. 1.44 crore. The Chief

Engineer (CE), Rural Engineering Secondary System Planning Organisation (RESPO) invited tenders in September 1998 on as is where is basis.

According to the terms of the tender, the goods were to be removed by the contractor within six months and lot-wise full payment was to be made before lifting the lot. The highest tenderer M/s Uttam Traders, Kanpur offered Rs. 1.92 crore with the additional condition that all the machines, plants, materials, transformers, OCB's etc shown on 17 September 1998 would be given to them and in case of shortage of any material it would be on Company's account. Further, all the material was to be divided into 15 equal parts (to be lifted in 15 months) and the payment was to be made accordingly.

The CE, RESPO forwarded (February 1999) to Central Stores Purchase Committee (CSPC) the case with the recommendation that disposal be made at highest tendered rate after holding the negotiation in respect of additional terms and conditions. CSPC in its meeting held on 21 April 1999 approved the rate of highest bidder but did not approve the additional terms and conditions and directed to put up the matter again before CSPC for reconsideration, if the purchaser was not ready to accept the terms and conditions of the tender notice. However, the case was not put up again to CSPC for negotiation.

The CSPC, however, before rejecting the additional conditions of highest bidder did not consider the deviation in the basic condition that the entire lot of material was to be lifted 'as is where is' basis. In view of above and also due to the fact that the highest offer was above the approved value of assets, the assets of PH could not be disposed off and Company could not realise the value of PH viz. Rs. 1.92 crore.

In reply the Corporation stated (September 2001) that a letter of intent was issued to highest bidder and was asked to deposit security of 10 per cent value of their offer but the firm did not accept the same on the grounds that the letter of intent issued was not as per terms of their offer. The action is being taken to invite the fresh tender.

The reply was not tenable as the terms and conditions of highest bidder did not contain any significant variation to the general terms and conditions of tender notice. By exercising commercial prudence the terms of highest bidder should have been accepted but the same was not done which resulted in non-realisation of value of assets.

The matter was reported to the Government in May 2001; their replies were awaited (September 2001).

4A.10 Short realisation of revenue

The consumers were short billed due to incorrect application of tariff and short billing of minimum charges Rs. 1.44 crore.

(I) Incorrect application of tariff

(a) According to the Uttar Pradesh Power Corporation Limited tariff effective from 25 January 1999, the Kutir Jyoti and Janta Service Consumers were to be billed under rate schedule LMV-1 (the erstwhile rate schedule LMV-4 for these consumers was deleted). LMV-1 provides that energy consumed shall be charged @ Rs. 52/- per connection per month for load up to 2 KW whereas LMV-4 provides for energy charges at the rate of Rs. 10/- per connection in respect of Kutir Jyoti and Rs. 15/- per connection per month for 3 points in respect of Janta Service Connection.

Consumers were either billed at lesser rate or not billed

During test check in audit (April to November 2000) it was observed that Kutir Jyoti and Janta Service Consumers were either billed under rate schedule LMV-4 at lesser rate instead of under LMV-1 at higher rate in Electricity Distribution Division, Mathura, Mainpuri, Sultanpur or not billed in Gorakhpur and Dehradun during the period of February 1999 to July 2000.

This resulted in short billing of Rs. 1.24 crore due to incorrect application of tariff as detailed below:

Sl. No.	Name of the Division	Numbers of consumers	Period	Amount of short billing (Rs. in lakh)
1.	E.D.D-III, Mathura	1824	2/1999 to 5/2000	11.79
2.	E.D.D, Mainpuri	2483	2/1999 to 5/2000	16.92
3.	E.D.D., Sultanpur	5165	2/1999 to 7/2000	39.54
4.	E.D.D (R), Dehradun	2981	2/1999 to 4/2000	29.44
5.	E.D.D, Gorakhpur	2617	2/1999 to 7/2000	25.85
			Total	123.54

The cold storage consumers exempted from peak load restrictions were billed at rates applicable to non-continuous process consumers

(b) According to erstwhile Uttar Pradesh State Electricity Board order (April 1986) the non-continuous process consumers who had been granted exemption by State Government from peak hours restriction shall be billed as per tariff applicable to continuous process consumers. These consumers inter-alia included Cold storages, Ice factories, Sugar Mills, Textile Mills, Spinning Mills and Jute Mills.

During test check in audit (November 2000) of the records of EDD, Sultanpur it was noticed that two cold storages viz. M/s K.B. Cold Storage and M/s Gurdayal Singh Cold Storage though exempted from peak hour restrictions were billed under non-continuous process category instead of under continuous process under LMV-6 during January 1997 to February 2001. This had resulted in short billing for Rs. 7.80 lakh during January 1997 to February 2001.

(c) According to the tariff applicable with effect from 25 January 1999, consumers in villages/towns having population of more than 10000 as per 1991 census are billable for the metered consumption at normal rates stipulated in the rate-schedule LMV-1. A test check in audit revealed that 412 consumers in two villages and 2044 consumers in three villages having population of more than 10000 as per 1991 census were billed at flat rates by EDD, Kanpur (Rs. 18.76 lakh) and EDD-I, Aligarh (Rs. 3.78 lakh). This resulted in undercharge of Rs. 22.54 lakh during February 1999 to July 2000.

(II) Minimum charges

Para 4(a) of rate schedule LMV-1 effective from 25.01.1999 stipulates billing of electricity charges at flat rate of Rs. 52 per connection per month for load upto 2 KW each in villages/town areas having population upto 10000 as per 1991 census. Cases not covered under para 4(a) were to be billed under para 4(e) for which minimum charges in case of unmetered supply was Rs. 110 per KW per month for load upto 2 KW. The minimum charges of such consumers were reduced to Rs. 100 per KW per month w.e.f. 25 June 1999 and subsequently abolished w.e.f. August 2000.

726 connections with contracted load of 726 KW were billed at Rs. 52 per KW instead of at Rs. 110 and Rs. 100 per KW

Test check (June 2000) of the records of Electricity Distribution Division, Mainpuri revealed that 726 unmetered connections of LMV-1 category with contracted load of 726 KW in Saman and Nouner villages having population of 10353 and 11593 as per 1991 census were billed at Rs. 52 per KW per month instead of at Rs. 110 per month w.e.f. 25.01.99 and at Rs. 100 per month w.e.f. 25.6.99 during the period from February 1999 to July 2000. This resulted in short billing of Rs. 6.64 lakh.

(III) Line charges

Erstwhile UPSEB vide its order of December 1999 imposed ban on the electrification of Private Tubewells (PTW) in view of financial crunch and shortages of internal resources. However, this restriction was not applicable to PTW proposed for energisation under full deposit scheme. Test check of the records of Electricity Distribution Division, Rudrapur (May 2000) revealed that 22 nos. PTW consumers were given connection during 1999-2000. These consumers were charged the cost of line charges Rs. 1.23 lakh instead of Rs. 7.57 lakh. This resulted in undue benefit to the consumers by short realisation of line charges of Rs. 6.34 lakh.

In reply, the Divisional Officer stated (May 2000) that the said order was received late in the Division. Moreover, the connections to PTW consumers were given to fulfill the target of 20 points programme.

The reply was not tenable as belated receipt of the orders is no excuse for non compliance of orders and the consumers should have been charged for balance estimated cost but the same had not been done so far (September 2001).

The matter was reported to Company and to the Government in May 2001; their reply was awaited (September 2001).

4A.11 Loss due to non-encashment of bank guarantee

Undue favour to purchaser by deferring encashment of bank guarantee at his request resulted in loss of Rs. 85.14 lakh.

A sale order was issued (July 1996) to M/s Bindal Alloys Private Limited, Ghaziabad for sale of unserviceable plant and equipment of River Side Power House at Kanpur at Rs. 8.51 crore. The whole material was divided in 20 lots which were to be lifted within 20 months (one lot in each month starting from July 1996 and ending in February 1998) failing which penalty at half per cent per week subject to a maximum of 10 per cent of total value of order was to be levied against purchaser. For successful completion of order, a security amounting to Rs. 85.14 lakh was obtained from the purchaser in shape of two bank guarantee for Rs. 42.57 lakh each of State bank of Patiala valid up to 19 February 1999.

Test check in audit (February 2001) revealed that the purchaser failed to fullfill contractual obligations and lifted only six lots valued at Rs. 2.63 crore up to April 1998. This made him liable for levy of penalty amounting to Rs. 85.14 lakh. Although the bank guarantee had been handed over to Bank on 26 December 1998 for encashement, on the request (4 January 1999) of purchaser, the bank was approached on 8 January 1999 to defer encashement till further instructions.

Further on instruction of the Company to Bank for encashment of bank guarantee after one month (9 February 1999), bank declined to remit the amount on the ground that the party has filed (January 1999) a writ in District Court, Ghaziabad and the matter had become sub-judice.

Thus, undue favour to purchaser by deferring encashment on his request resulted in loss of Rs. 85.14 lakh. Besides the funds to the extent of value of un-lifted materials worth Rs. 5.88 crore remained locked up.

Management in it's reply (July 2001) stated that as the writ petition at District Court, Ghaziabad was outside the Jurisdiction as per provisions of the contract agreement for sale of Power House at Kanpur, it filed (November 2000) a writ petition at High Court, Lucknow which in it's decision of December 2000 asked the Bank to encash the said bank guarantee. The Bank, however, filed (December 2000) a revision petition against decision which was pending as on date (July 2001).

The matter was reported to the Government in April 2001; the reply was awaited (September 2001).

4A.12 Avoidable loss due to damage of power transformer

Due to poor maintenance of sub-station, the protective equipment did not work, as a result equipment valued at Rs. 49.84 lakh got damaged.

According to provisions of guidelines for maintenance of 132 and 220 KV sub-stations of the erstwhile UPSEB, adopted by the Corporation, the routine preventive maintenance (inspection) of all equipment was to be done by the officer/staff posted for the job at the sub-station.

Fire occurred due to poor maintenance of sub-station equipment

During test check of records of Electricity Transmission Division, Meerut (March 2001), it was noticed that one 40 MVA BBL make power transformer installed at 220 KV Sub-station, Modipuram on 20 March 1997 caught fire on 7 July 2000 in which the transformer and other equipment valued at Rs. 49.84 lakh were damaged. The fire occurred due to poor maintenance of sub-station and non-operation of protective equipment as evident from the report of engineer concerned which stated *"the accident occurred due to non-operation of Oil Circuit Breaker (OCB) No. 7 installed at sub-station due to non-charging of battery because of improper connection at charger terminal on negative terminal. Further, the earthing of different relays/feeders were also suppressed by dead three phase fault which led to damage of equipment".*

Thus, due to improper connection of battery and poor maintenance of transformers as well as other equipments at sub-station, the transformer and other sub-station equipment valued at Rs. 49.84 lakh got damaged resulting in loss to Corporation.

The Divisional Officer stated (September 2001) that an enquiry committee was formed (12 July 2000) by Director (Transmission) to examine the reasons of damage of transformers and to recommend measures to prevent occurrence of such mishap in future and also to fix the responsibility . The committee in its report (August 2000) observed that Junior Engineer, Assistant Engineer and Executive Engineer posted at 220 KV Modipuram sub-station did not give due importance to DC supply which is the main reason for the damage of transformers and recommended for a suitable action against them. However, no action was taken against officer/official to recover the loss so far (September 2001).

The matter was reported to Company and to the Government in June 2001; their replies were awaited (September 2001).

4A.13 Mounting of arrears due to undue favour to consumers

Restoration of connection without depositing the terms and conditions charges and electricity dues resulted in mounting of arrears-Rs. 0.42 crore.

According to clause 19(vi) of Electricity Supply (Consumers) Regulation 1984, if the payment of electricity bill is not made by the consumer within the due date, the connection will be liable for disconnection seven days after due date as mentioned in the bill. Further the para XII also provided that the dues will be recovered as arrear of land revenue under Uttar Pradesh Electrical Undertaking (Dues recovery) Act, 1958.

During test check in audit (July 2000) of the records of Electricity Distribution Division-I, Ballia, it was noticed that the line of M/s Sahkari Cold Storage having contracted load of 95 HP was disconnected during 1992 due to non-payment of dues (the amount of dues not available on records). In July 1999 a term and condition (TC) for reconnection was issued to consumer. According to TC the consumer was required to deposit Rs. 2.09 lakh (service connection charges Rs. 1.12 lakh, system loading charges Rs. 0.69 lakh and security Rs. 0.28 lakh). However, the consumer did not deposit the same but the line of consumer was reconnected on 10 March 1999 at the direction of district authorities. The consumer, however, did not pay their monthly bills since March 1999 (the date of reconnection) as a result the dues against them mounted to Rs. 17.84 lakh in March 2001. In March 2001, the line of the consumer was disconnected but no action was taken to recover the TC amount Rs. 2.09 lakh and dues of Rs. 17.84 lakh.

Similarly, M/s R.N. Cold Storage having contracted load of 110 KVA did not deposit their monthly bills since January 1999, as a result the dues against the consumer mounted to Rs. 21.83 lakh in March 2001. Neither the line of the consumer was disconnected nor any recovery action initiated against the consumer so far (September 2001).

Thus, undue favour to consumers resulted in non-recovery of dues amounting to Rs. 41.76 lakh (September 2001).

The matter was reported to Company and to the Government in June 2001; their replies were awaited (September 2001).

4A.14 Unrealised cheques

Division's failure to prepare monthly bank reconciliation statement and collect original unencashed cheques of consumers resulted in non-realisation of dues Rs. 0.33 crore.

(a) The provisions of para 6.8 read with para 1.5 of Chapter 8 of Commercial and Revenue Manual of erstwhile Uttar Pradesh State Electricity Board inter-alia provided that the cheques against the electricity dues were to be accepted only if it had been drawn on the Bank located at the headquarters of the Divisional Office and should be sent to Bank at once. For this, co-ordination with the Bank should be done three times a month. In case, the cheque is not encahsed within seven days and is dishonoured, supplier will forfeit rebate and levy surcharge.

19 cheques amounting to Rs. 22.86 lakh deposited by consumers were shown as uncashed cheques

It was noticed in audit (July 2000) that in Electricity Urban Distribution Division (South), Dehradun, 19 cheques amounting to Rs. 22.86 lakh deposited by the consumer during March 1994 to December 1995 were shown as uncashed cheques in the Bank Reconciliation Statement of January 2000. Although the amount of these cheaques had been debited by the banks in respective consumers account but the same were not credited in the Corporation's account so far (May 2000). As a result, these amount remained unrealised from the consumers so far (May 2001). Thus, failure in compliance of relevant provisions regarding remittance of cheques to bank and their ultimate credit to Company's account and monthly reconciliation of balance with bank, resulted in belated detection of non-realisation of Rs. 22.86 lakh since December 1995.

In reply, the divisional officer stated (March/May 2001) that the matter is under correspondence with bank and the bank has referred the matter to Central Bureau of Investigation (CBI), the report of which was awaited (May 2001).

(b) According to erstwhile Uttar Pradesh State Electricity Board's order of November 1970 and September 1995 all the dishonoured cheques will be entered in a register and Divisional Accountant (R) and Assistant Engineer (Revenue) will ensure that necessary adjustments/entry had been made in the ledger account of consumer whose cheques were dishonoured. Besides, they were responsible for receipt of revenue and its remittance into bank and prepare monthly bank reconciliation statement for ensuring that all the transactions were entered into Company's accounts by the bank.

Monthly reconciliation with the bank had not been regularly done

During test check of records of EDD, Bijnore (March 2001) it was noticed that the monthly reconciliation with bank balance was not regularly done during June 1999 to November 1999. In November 1999, when the reconciliation of the remittances of cash/cheques with the bank was made by the division, it was found that 10 cheques amounting to Rs. 10.10 lakh deposited by U.P. Lime Chem. (Pvt.) Limited, Bijnore during June to October 1999 were not deposited by revenue cashier into bank and the entry in the revenue cash book was made by him through a false bank scroll. The cashier, however, deposited these cheques into bank on 25.11.1999 but the same were dishonoured by the bank due to insufficient fund in consumer's account. Although, the FIR was lodged (May 2000) and criminal proceedings were pending in District Court against cashier, responsibility for failure in reconciling balances with bank regularly every month by other officers/officials viz. DA(R), AE(R) etc. was not fixed. A Recovery Certificate under Uttar Pradesh Electrical Undertaking (Dues Recovery) Act, 1958 for Rs. 15.42 lakh (including late payment surcharge, additional security bill amount and collection charges) was issued on 25.01.2000 which was stayed by District Court, Bijnore (7.2.2000). Against the order of the District Court, the divisional officer moved (march 2001) an application in High Court at Allahabad, the decision of which was pending till date (May 2001).

R.C. was stayed by DM, Bijnore

Thus, due to non-reconciliation of monthly transaction with bank the electricity dues of Rs. 10.10 lakh remained unrealised from consumer since June 1999.

The matter was reported to Company and the Government during August 2000 to May 2001; their replies were awaited (September 2001).

4A.15 Non-transfer of balance of GP Fund to Trust

The Company could not transfer the balance of GP Fund of employees of erstwhile UPSEB to Trust - Rs.1355.56 crore.

The Uttar Pradesh State Electricity Board (UPSEB) was trifurcated into three Government companies with effect from 14 January 2000 viz. Uttar Pradesh Power Corporation Limited (UPPCL), Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited (UPRVUNL) and Uttar Pradseh Jal Vidyut Nigam Limited (UPJVNL). The scheme of trifurcation interalia, provided that the funds available under General Provident Fund (GPF), Gratuity Fund and Pension Fund of staff would be maintained by a Trust. Accordingly a Trust was created through a trust deed executed by the three corporations on 29 April 2000. The Trust started functioning from October 2000. Further, the para 4b of the trust deed also provided that the accumulated employees GPF balance till 14 January 2000 would be provided to the trust through issue of bonds by the Corporation or through any other mechanism which the Corporation may decide with the prior approval of State Government.

Balance of Rs. 1355.56 crore had not been transferred to the Trust

Accordingly, Rs. 1480.24 crore being the opening balance of General Provident Fund at the time of trifurcation and Rs. 218.90 crore being amount of the G.P. Fund contribution deducted from the pay (for the period 14 January 2000 to 31 March 2001) was to be transferred to trust. The Corporation, however, during 2000-2001 could transfer to the Trust only Rs. 343.58 crore. The balance of Rs. 1355.56 crore has not been transferred to the Trust so far (September 2001) for which no reasons were on record. Thus, non transfer of balance of fund to the trust was in contravention of the provisions of the trust deed.

In reply, the Corporation stated (August 2001) that neither it had the resources nor had been provided with the funds to transfer the accumulated balance to Trust. However, it may issue bonds/raise loans. The reply was not tenable as no effort has been made so far (September 2001)

The matter was reported to the Government in July 2001; their replies were awaited (September 2001).

4A.16 Excess rebate for 33 KV supply allowed to consumers

Rebate for 33 KV supply was allowed to four consumers of Bundelkhand region without reducing the development rebate from their demand charges.

The rate schedule HV-1 applicable to Arc/Induction Furnaces/Rolling Mills/

Mini Steel Plants, inter alia provided for 5 per cent rebate on demand and energy charges of the consumer for supply of energy on 33 KV. It also provided a development rebate to consumers of Bundelkhand region at 25 per cent of demand charges only with effect from 18 June 1998. Accordingly, 5 per cent rebate was to be allowed to consumer on the net amount of demand charges (after deducting the amount of development rebate) and energy charges.

It was, however, noticed in Audit (June 2000) that EDD, Hamirpur of Bundelkhand region allowed to four consumers (given supply at 33 KV) 5 per cent rebate on their demand and energy charges without deducting the amount of development rebate from the amount of demand charges. This had resulted in excess rebate allowed to consumers for Rs. 26.50 lakh during June 1998 to February 2000 as detailed below:

(Rupees in lakh)

Sl. No.	Name of the consumer and load	Period	Energy and demand charges under item 4 of rate schedule	Development rebate allowed on demand charges	Rebate at the rate of 5 per cent allowed	Rebate admissible	Excess rebate allowed
1.	M/s Venus Loha Udyog Ltd., 3800 KVA	6/98 to 2/2000	722.27	232.56	36.11	24.49	11.62
2.	M/s U.P. Alloys (P) Ltd., 2400 KVA	6/98 to 2/2000	208.45	58.55	10.43	7.50	2.93
3.	M/s Rimjhim Ispat, 6000 KVA	7/98 to 2/2000	597.62	168.75	29.88	21.44	8.44
4.	M/s Vaibhav Casting, 1800 KVA	7/98 to 2/2000	280.82	70.20	14.04	10.53	3.51
	Total			**530.06**	**90.46**	**63.96**	**26.50**

The Divisional Officer in his reply stated (October 2000) that the rebate allowed to consumers by the division was correct and as per provisions of the tariff.

The reply is not tenable as the rebate was given to consumer without deducting the amount of development rebate from their demand charges as per provisions of tariff.

The mater was reported to Company and to the Government in May 2001; their replies were awaited (September 2001).

4A.17 Non-recovery of system loading charges

Transfer of load without recovering system loading charges deprived the Company of revenue amounting to Rs. 11.70 lakh.

According to erstwhile Uttar Pradesh State Electricity Board's order of December 1993, industrial units having load above 100 KVA shall pay System Loading Charges (SLC) at the rate of Rs. 650 per KVA. Further, the orders of April 1995 provided that if sick/closed and permanently disconnected units desire reconnection on its old or new names in the same premises, they shall be exempted from paying SLC if already paid by them.

Load to Shawak Steels and Alloys could not be released for want of non-deposit of cost of construction of line

Test check of records of Electricity Distribution Division-II, Jaunpur (September 2000) revealed that M/s Shawak Steels and Alloys (P) Limited was sanctioned (October 1988) a load of 1410 KVA for their induction furnace which could not be released as the consumer did not deposit the cost of construction of line amounting to Rs. 10.44 lakh.

The unit (consumer) became sick and the possession of the unit was taken over by the Pradeshiya Industrial and Investment Corporation of Uttar Pradesh (PICUP) in March 1995. The ownership of the unit was transferred (July 1996) to M/s Chaudharana Steel Private Limited. According to Board's procedure, the load of M/s Shawak Steels and Alloys (Pvt.) Limited, could not be transferred unless they pay SLC. However, the Chairman on request of the firm ordered (January 1997) transfer of sanctioned load on the same term and conditions as were applicable in case of M/s Shawak Steel and Alloys (Pvt.) Limited, and directed to release the load by executing fresh agreement.

The Divisional Officer, without recovering SLC amounting to Rs. 11.70 lakh released the load after increasing it to 1800 KVA in February 1997.

This resulted in undue favour to the consumer as the corporation was deprived of Rs. 11.70 lakh in the form of SLC.

The matter was reported to Company and to the Government in May 2001; their reply were awaited (September 2001).

4A.18 Purchase of sub-standard materials

Company purchased sub-standard cables for Rs. 0.11 crore.

Deputy General Manager, Electricity Stores Procurement Circle-II, Lucknow placed (June 2000) an order on M/s Crystal Cables Industries Limited, Calcutta for supply of 3 Km. 11 KV 3 X 300 sq. mm. XLPE cable at unit ex-works rate of Rs. 9.31 lakh per Km. to be supplied up to September 2000. The quantity of cable was increased (July 2000) from 3 Kms. to 10 Kms. with extension of delivery period up to October, 2000.

Scrutiny of records of Electricity Stores Division, Ghaziabad (February 2001) revealed that according to clause 12 and 15 of Guaranteed Technical Particulars (GTP) of the order, the weight of cable was to be 8400 kg/km and gross weight of drum including cable was to be 2800kg. The firm, however, supplied (September 2000) only four drum cable with actual weight of 7400 kg/km instead of 8400kg/km with gross weight of drum 2386 kg as against 2800 kgs. and the outer sheath of the cable 1.38 mm. instead of 2.68 mm. In view of the above, a Committee headed by Deputy General Manager, Electricity Stores Circle, Meerut (December 2000) observed that the cable was sub-standard and firm should be blacklisted in case they failed to replace the material. The cost of the cable (Rs. 10.85 lakh) was however, paid by the Division on the basis of recommendations of another Committee constituted in January 2001 by the Chief General Manager (Material Management), Lucknow under the Chairmanship of Deputy General Manager, Ghaziabad which observed (May 2001) that the cable was usable. Accordingly, the Deputy General Manager, ESPC-II, Lucknow had amended the order (February 2001) by reducing the gross weight of cable from 8400 kg/km to 7400kg/km. The constitution of other committee to examine the quality of cable and its recommendation was against the principles of financial propriety in view of the fact that the Company in January 1997 and in November 2000 i.e. before and after placing the order (June 2000) placed the orders on Uniflex Cables Limited, Bombay and the same firm M/s Crystal Cable Industries, Calcutta for supply of cables with weight of 8400 kg/km. This had resulted in purchase of sub-standard cables valued at Rs. 10.85 lakh.

In reply the Management stated (July 2001) that as the thickness of the insulation of cable was correct and the weight of the cable per km. had not been mentioned in the Indian Standard Specification, the cable was usable.

The reply is not tenable in view of the facts that when the weight of cable was less by 414 kg. per drum and the outer sheath of the cable was 1.38 mm. instead of 2.68 mm., the possibility of its poor quality causing early damage could not be ruled out as its damage was unascertainable.

The matter was reported to the Government in May 2001; their reply was awaited (September 2001).

4A.19 Avoidable loss of materials

Lack of planning and watch & ward of in-complete work resulted in theft of material.

The Corporation did not prescribe any system for watch & ward of in-complete transmission lines constructed departmentally.

An estimate for construction of 29.2 Km 132 KV Azamgarah Koelsa line was sanctioned (June 1982) for Rs. 42.60 lakh. The work was to be completed in June 1985.

The work was stopped after stub setting of 95 foundations and erection of 65 towers at a cost of Rs. 20.24 lakh

Scrutiny of the records of Electricity Transmission line Erection Unit Varanasi, in January 2001, revealed that after stub setting of 98 nos. foundation and erection of 65 nos. towers at a cost of Rs. 20.24 lakh the work was stopped in March 1986 as the construction of related 132 KV sub-station at Koelsa was deferred due to non-availability of funds. On patrolling of the line by an Assistant Engineer of the division in March 2000, it was found that 27 nos. foundation and 19 nos.

towers only were available at site. The material of 71 nos. foundations and 46 nos. towers valued at Rs. 11.40 lakh were lost due to theft and storm. But neither any FIR was lodged for theft nor was any departmental enquiry conducted (March 2001).

Thus, due to lack of arrangement for watch & ward of its incomplete works, the Company suffered a loss of materials valued at Rs. 11.40 lakh.

The matter was reported to Company and to the Government in May 2001; their reply was awaited (September 2001).

4A.20 Loss of revenue due to incorrect billing

Incorrect billing of consumption resulted in short levy of fuel and establishment surcharge amounting to Rs. 0.09 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 recorded during the last three days of each calendar month and the bill to be issued on 1st of each month.

Consumption recorded during 1 April to 21 April was billed alongwith consumption of March 1997

Scrutiny of the records of Electricity Distribution Division-II, Jhansi revealed (June 2000) that meter readings for March 1997 in respect of 8 large and heavy power consumers were not taken during the last three days of month. The meter readings for the consumption during 1st March to 21st April 1997 were taken during 8th to 21st April 1997 with the result that consumption of energy recorded during 1st April to 21st April 1997 were also billed alongwith the consumption of March 1997. However, the rates of fuel surcharge and establishment surcharge were increased from paise 27.399 to paise 68.106 and paise 7.002 to paise 21.166 per KWH respectively with effect from 1 April 1997. Thus raising the bill for consumption during April 1997 alongwith consumption of March 1997 resulted in short levy of fuel and establishment surcharge aggregating Rs. 9.12 lakh on proportionate consumption of energy during April 1997 as detailed below:

Sl. No.	Name of consumer	Contracted load (KVA)	Recorded period	Consumption in KW	Period covered in April 1997	Proportionate consumption in April 1997 in KWH
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1.	Diamond Cement	5530	14.3.97 to 14.4.97 (32 days)	1829290	1.4.97 to 14.4.97 (14 days)	800314
2.	BHM Jhansi	2500	9.3.97 to 8.4.97 (31 days)	520800	1.4.97 to 8.4.97 (8 days)	134400
3.	Sarvodaya Steels	2050	13.3.97 to 14.4.97 (33 days)	282100	1.4.97 to 14.4.97 (14 days)	119678
4.	Chaturvasi Steels	750	14.3.97 to 21.4.97 (39 days)	59316	1.4.97 to 21.4.97 (21 days)	31939

(1)	(2)	(3)	(4)	(5)	(6)	(7)
5.	Laxmi Steels	599	14.3.97 to 14.4.97 (32 days)	44613	1.4.97 to 14.4.97 (14 days)	19518
6.	Inder Steels	1800	13.3.97 to 14.4.97 (33 days)	383940	1.4.97 to 14.4.97 (14 days)	162884
7.	Minakshi Steels	5050	13.3.97 to 12.4.97 (31 days)	506850	1.4.97 to 12.4.97 (12 days)	196200
8.	Shivanji Steels	5100	1.3.97 to 14.4.97 (45 days)	631630	1.4.97 to 14.4.97 (14 days)	196507
	Total					**1661440**

Thus, delayed meter reading and billing of proportionate consumption of 1661440 units during 1st April to 21st April 1997 at the rate applicable in March 1997 led to short levy of revenue amounting Rs. 9.12 lakh (1661440 X Rs. 0.5487).

The matter was reported to the Company and to the Government in June 2001; their replies were awaited (September 2001).

4A.21 Unauthorised and irregular re-employment of retired officers

The Company, in contravention of directives issued by Government re-employed retired officers.

The State Government's order of February 1996 provided that re-employment of retired officers/officials on daily wages basis or otherwise should be done only with the concurrence of the Government. The erstwhile Board's office memorandum of December 1997 also provided for obtaining Government's approval for cases of re-employment, if necessary in rare and unavoidable circumstances. Necessity of obtaining Government's approval was emphasised in subsequent Government's orders of June 1999, August 1999 and September 2000.

The Company employed the retired officers without prescribing any specialised job requirement and eligibility criteria

Scrutiny of records of the Company revealed (June/July 2001) that the Company re-employed its 17 retired officers during July 1996 to October 2001 for different periods varying from one month to 51 months without any approval of the Government. Further the Company did not invite open offers and re-employed these retired officers on pick and choose basis without prescribing any specialised job requirements and eligibility criteria. They were entrusted with the job of routine nature done earlier by them in their regular service period. Thus, the re-employment of these retired officers was not only irregular and unauthorised for want of Government's approval but also resulted in extra expenditure of Rs. 18.82 lakh on the remuneration of 10 officers alone (the details of remuneration paid to other 7 officers were not made available).

In reply, the Management stated (September 2001) that the Implementation Task Force headed by the Secretary (Energy), Government of Uttar Pradesh, had decided (October 1999) that the consultants may be appointed by the erstwhile Board/Company without any approval of the Government. Further, the officers in question were re-employed in view of their academic/technical qualifications and experience of the Board's/Company's functions.

The reply is not tenable as the decision of the Implementation Task Force was applicable to appointment of consultants after inviting open offers and was not applicable to the re-employment of retired persons for which Government's approval was mandatory even in the latest Government's orders of September 2000. Moreover, the jobs entrusted to them were of routine nature which could have been done by their successors and other regular officers of the Board/Company.

The matter was reported to Company and the Government in September 2001; the replies had not been received (September 2001).

Kanpur Electric Supply Company Limited
(Subsidiary of Uttar Pradesh Power Corporation Limited)

4A.22 Loss of revenue on account of undue favour to a consumer

The consumer was allowed to make payment of monthly bills in installment without late payment surcharge leading to undue favour to consumer amounting Rs. 2.80 crore.

According to para 19 (vii) of Condition of supply 1984, the due date for the payment of bills will generally be within seven days from the date of its issue. Clause 8 (b) of Rate Schedule HV-2 applicable to all consumers having contracted load of more than 75 KW for industrial and or processing purpose, provides that in the event of non payment by the due date specified therein, the consumer shall pay an additional charge per day at the rate of seven paise per hundred rupees or part thereof on the unpaid amount of the bill beyond the due date specified in the bill. Further orders dated 30 June 1982 and 18 October 1986 of erstwhile UPSEB as adopted by the Company prohibit making payments in instalments of current bills and extension in payment of due dates of current bills except in genuine circumstances.

Scrutiny of records of Kanpur Electric Supply Company (erstwhile KESA) revealed (March 2000) that M/s I.E.L Limited (renamed M/s Dunkans Industries Limited) having contracted load of 81000 KVA were regularly allowed to pay their monthly bills in two installments on 10th and 25th in each month during April 1998 to January 2001 without late payment surcharge by the Chief Engineer (Commercial) of the Company. The Chief Engineer's action in allowing payment of bills in installments without levy of late payment surcharge was irregular, as he was not competent to overrule the provisions of condition of supply, tariff and relevant orders of the Board without specific approval of the Board of the Company. This resulted in undue favour to a consumer by non-levy and non-realisation of late payment surcharge amounting to Rs. 2.80 crore during the period from April 1998 to January 2001. However, the facility was withdrawn with effect from February 2001 by Managing Director, KESCO.

The matter was reported to the Company and to the Government in May 2001; their replies were awaited (September 2001).

The Pradeshiya Industrial and Investment Corporation of Uttar Pradesh Limited

4A. 23 Misuse of Company's fund

Company incurred Rs. 0.09 crore on publicity in contravention of Government orders.

In order to economise administrative cost, the Government order of December 1991 prohibits expenditure on publicity/advertisement not meant for business promotion.

The Company incurred expenditure on publicity/ advertisement, not meant for business promotion

In contravention of these provisions, the Company incurred in August and September 1997 an expenditure of Rs. 8.77 lakh on publicity/advertisement in the leading newspapers of the country in the shape of congratulatory message to the then Chief Minister of Uttar Pradesh on the eve of completion of 100 days of the Government.

The Management and the Government stated (September 2001) that the advertisement not at all intended towards any direct or indirect contribution to the then political parties constituting the Government and this was purely an advertisement for the promotion of its business and promotion of industrialisation in the State. The reply is not tenable as the advertisement depicted the praise of the then Chief Minister and achievements of the Company in only one of such advertisement out of four. This also can not be considered purely a business advertisement and it was in contravention of the Statute/Government order/ Memorandum of Association. Further, the Management did not elaborate reasons for incurring expenditure on a banned activity.

4A.24 Loss due to disbursement of loan without ensuring infrastructure facilities

Company suffered loss due to disbursement of loan without ensuring infrastructure facilities critical for success of the unit.

The Company sanctioned (September 1986) term loan of Rs. 90.00 lakh (including conversion of foreign currency loan) to Compact Circuit and Systems Limited, Udhamsingh Nagar for setting up a project for manufacturing professional grade single sided (SS) and double sided (DS) printed Circuit Boards at Bajpur, Nainital. As per special terms and conditions, the first installment of loan was to be disbursed after sanction letter for 330 KVA power sanction from UPSEB was obtained. However, the loan was disbursed between January 1987 and May 1988 without ensuring fulfillment of this condition. The power supply was delayed due to non-construction of sub-station and was provided in early 1991. Repayment was due in 14 half yearly installments starting from August 1988 to February 1995. Agreement and bond of personal guarantees were executed in May 1987. The unit after making payment of Rs. 2.40 lakh in September 1988 did not make further payments and the overdues as per the latest (January 2001) accounts position worked out to Rs. 6.38 crore (including principal of Rs. 87.60 lakh). Efforts of the Company to sell the unit could not succeed (August 2001) as no buyers were forthcoming.

Efforts of the Company to sell the unit could not succeed

While notice under Section 29 of State Financial Corporation Act was issued in March 1991, demand notice for realisation of overdues from the personal assets of the borrowers have not been issued (August 2001). Physical possession of the unit has also not been taken (August 2001). The Company attached the unit in October 1991.

It was noticed by Audit that besides isolation of the unit from users market, unbalanced machine groups, inexperience of promoters and unskilled manpower, the unit failed due to adverse cost factor on account of commencement of production by diesel generating sets and erratic power supply subsequently.

The Management stated (June 2001) that location of the project was chosen by the promoter in view of the various incentives available for the said industrial area during that period. Personal guarantee was not invoked as the land and building was still to be sold. The reply is not tenable as the loan was disbursed without ensuring availability of infrastructure essential for running this kind of industry. This resulted into an amount of Rs. 6.39 crore becoming overdue.

The matter was reported to the Government in June 2001; the reply had not been received (August 2001).

Uttar Pradesh Alp Sankhyak Vitta Evam Vikas Nigam Limited

4A.25 Loss due to sanction of margin money loan on forged documents

Absence of proper procedure and failure to independently verify genuineness of beneficiaries and their documents resulted in loss of Rs. 0.11 crore.

The Company, under the 'Margin Money Loan Scheme' sponsored by the State Government, provides financial assistance to the members of minorities of the

State for setting up their own industrial units in the service sector.

According to the laid down procedure, loan applications were required to be sent to the banks through District Minorities Welfare Officers/ex-officio District Managers/ Additional District Development Officers of Samaj Kalyan Department of the State Government. After ensuring sanction of loan by the banks, nominated District Managers (not under direct control of the Company) sanction margin money loans and forward the case file to the Headquarters of the Company for disbursement. The Company can inspect the industrial units of the beneficiaries subsequent to the disbursement of the loan. However, the procedures do not stipulate independent identification of beneficiaries, verification of the genuineness of sanction/signatures/documents etc. despite the fact that none of the authorities involved in the process of processing loan applications, sanctioning of the loan etc. are under the direct control of the Company.

Procedures do not stipulate independent identification of beneficiaries

It was observed in audit (November 2000) that the Company disbursed (October 1996 to April 2000) margin money loan of Rs. 11.23 lakh to 25 beneficiaries of Ghazipur and Mau Nath Bhanjan Districts on documents that were found forged on subsequent inspection by the Company. It was found that the names and addresses of the beneficiaries were forged and signatures of the applicants, affidavits, agreements, guarantee bonds etc. were not genuine. Further, either the loans were not sanctioned by the banks or sanction letters of the banks were found forged.

Thus, in the absence of proper procedures and failure to independently verify the genuineness of the beneficiaries and their documents, the Company suffered loss of Rs. 11.23 lakh.

The Management stated (June 2001) that the Company after detailed enquiry lodged FIR against the defaulting beneficiaries and action is being taken after suspending the concerned Accounts Assistant.

The matter was reported to Government in May 2001; reply had not been received (September 2001).

4A.26 Doubtful recovery

An expenditure of Rs. 0.25 crore incurred on repair of vehicles and POL remained un-reimbursed as Government sanctions thereof was not forth coming.

The Company, on receipt of request (September 1997) from Minorities Welfare Director who was ex-officio Managing Director of the Company to incur the expenditure for repair, maintenance and petrol (POL) on 6 vehicles belonging to Directorate till receipt of budget allocation, decided (September 1997) that request

Unit regularly paid the bills forwarded by the Directorate

of the Directorate, could be considered under special circumstances with the condition that the expenditure incurred on POL and repair/maintenance of these vehicles would be reimbursed to the Company.

It was observed (November 2000) in audit that the Company, instead of extending financial help under special circumstances, regularly paid the bills forwarded by the Directorate relating to repair of vehicles and POL to the extent of Rs. 26.20 lakh during 1998-99 to 2000-2001 as per the following table:

Year	Amount (Rupees in lakh)
1998-99	6.62
1999-2000	9.68
2000-2001	9.90
Total	**26.20**

Out of this, only Rs. 1.43 lakh was reimbursed by the Directorate during 1998-99. The balance of Rs. 24.77 lakh was lying un-reimbursed. The recovery of the amount is doubtful as the Government sanction was only for Rs. 0.80 lakh for the whole year for the vehicle attached with the Directorate.

The Management stated (June 2001) that the Company is making possible efforts for receipt of the amount from the Minorities Welfare Directorate. However, the result of management's effort were doubtful as sanction of the Government for excess expenditure was not forthcoming for more than three years.

The matter was reported to the Government in May 2001; the reply was awaited (September 2001).

4B. Statutory corporations

Uttar Pradesh State Road Transport Corporation

4B.1 Avoidable liability of interest on belated deposit of trade tax

Belated/non-deposit of trade tax recovered resulted in levy of interest of Rs. 0.14 crore.

Section 8 of Uttar Pradesh Trade Tax Act, 1946 provides that the trade tax recovered in a month by the dealer should be deposited in the next month in Government Treasury, failing which he will be liable for payment of interest at the rate of 2 per cent per month.

It was noticed in audit (October 2000) that Lucknow Regional office had recovered trade tax of Rs. 47.37 lakh but deposited only Rs. 39.57 lakh from July 1997 to October 1999 with a delay ranging from 1 to 29 months on the sale of scraps and obsolete vehicles and stores during the year 1997-98. The balance of Rs. 7.80 lakh was not deposited. The Trade Tax Authority in December 1999 held that the Regional office had committed an act of tax evasion and assessed the tax of Rs. 52.95 lakh on sale of scrap valued at Rs. 10.82 crore. The Trade Tax Authority also demanded interest of Rs. 13.87 lakh on account of delay in depositing tax collected by the Corporation and Rs. 13.38 lakh towards the balance of tax assessed. The Corporation appealed before the Dy. Commissioner (Appeal)-III, Trade Tax, Lucknow for waival of interest on delayed payment which was rejected (September 2000).

Thus, the failure to make complete disclosure and also to remit the whole amount of trade tax collected resulted in:

(a) liability towards interest on delayed remittance amounting to Rs. 13.87 lakh;

(b) liability devolving on the Corporation to pay interest at Rs. 0.27 lakh per month since February 2000 on balance tax of Rs. 13.38 lakh; and

(c) besides above, liability to pay the tax short recovered by Rs. 5.58 lakh.

The responsibility for the lapses has not been fixed so far (May 2001).

The matter was reported to the Corporation in May 2001 and to the Government in July 2001; their replies were awaited (September 2001).

4B.2 Avoidable payment of damages on belated deposit of Employees Provident Fund

The failure of the Corporation in paying the Employees Provident Fund contribution timely resulted in avoidable payment of damages of Rs. 0.27 crore.

The Corporation did not pay the EPF contribution in time

Under the Employees' Provident Fund and Miscellaneous Provisions Act 1952, an employer is required to deposit with the Regional Provident Fund Commissioner (RPFC), employees' monthly contributions alongwith employers' shares to the Provident Fund within 15 days of the close of each month, failing which damages are leviable by the RPFC.

The Central Workshop, Kanpur of the Corporation deposited the employees contribution and its share pertaining to period from October 1995 to March 1999 after a delay of 6 to 349 days. Consequently, the RPFC, levied (September 2000) damages of Rs. 40.05 lakh on defaulted payments. The Management's requests (October 2000/March 2001) for waiver of the damages on the grounds of financial constraints were not accepted by the RPFC and the Corporation paid Rs. 26.50 lakh during October and November 2000 leaving liability of Rs. 13.55 lakh which the Corporation will have to pay as the EPF Commissioner has no power to waive off such penalty under the Act.. The payment of damages could have been avoided had the Corporation paid the EPF contribution within the prescribed time.

The Management stated (July 2001) that payment of EPF was not made timely due to financial crises and huge losses. Reply was not tenable as EPF being a statutory requirement, arrangements should have been made to remit the same to avoid damages which ranged at the rate of 17 to 37 per cent.

The matter was reported to the Government in July 2001; the reply was awaited (September 2001).

Uttar Pradesh Financial Corporation

4B.3 Loss due to disbursement of loan on forged documents

Disbursement of loan on fake letter of bank and fake security documents resulted in loss of Rs. 4.44 crore.

The Corporation sold (July 1992) a sick unit (Narain Fabrications and Engineers Private Limited) to NR Steel (Pvt.) Limited, Naraina, New Delhi for a sale consideration of Rs. 8 lakh on deferred liability basis and also sanctioned (August 1992) a term loan of Rs. 78.40 lakh for setting up a unit at Industrial area, Jagdishpur in Sultanpur district for manufacturing galvanised steel wire.

Disbursement of Rs. 74.64 lakh was made during December 1992 to December 1993.

In the absence of a prescribed procedure, the Corporation did not independently confirm credit worthiness from the bankers and genuineness of the assets disclosed by the promoters in the guarantee with reference to the original title deeds and other details before disbursing the loan.

The repayments of loan were not coming from the party and it was discovered that the promoters left the project in partially completed condition. The Corporation issued notices in April and August 1994 for repayments but the notices were returned undelivered as the promoters were not traceable. Physical possession of the unit was taken over in November 1995 and FIR was lodged (November 1995) with police for missing machines valuing Rs. 11.86 lakh. The buyer of left over plant and machinery valuing Rs. 19.25 lakh refused (July 1997) to take physical possession stating them to be deficient.

Subsequent enquiries made by the Corporation between July and August 1999 revealed that the letter issued by the Allahabad Bank regarding sanction of working capital loan was fake, properties hypothecated as guarantee were not in existence, houses which they stated to own did not belong to them, some other properties were sold by them earlier and the addresses thereof could not be located in New Delhi.

The promoters succeeded in obtaining loan on fake letter of their bankers and security documents

As a result, the promoters succeeded in obtaining loan on fake letter of their bankers and security documents. This resulted in loss of Rs. 4.44 crore (principal: Rs. 72.90 lakh and interest & expenses: Rs. 3.71 crore up to June 2000) including interest and other expenses as of July 2001. Action taken, if any, against erring employees facilitating fraudulent withdrawal of money has not been intimated to Audit.

The reply of the Corporation that no specific guidelines to verify credit worthiness and personal assets not mortgaged were indicative of absence of proper procedures to safeguard its financial interest.

The matter was reported to the Government in May 2001; the reply had not been received (September 2001).

4B.4 Loss due to failure in taking physical possession of the unit

The failure of the Corporation to take physical possession of the unit immediately after noticing delay in repayment resulted in loss of Rs. 0.74 crore.

The Corporation sanctioned (May 1992) a term loan of Rs. 18.80 lakh to Bachhrawan Rice Mills (Pvt.) Limited, Raibareli for setting up a rice mill and disbursed Rs. 15.32 lakh during March to December 1993 against the prime security (existing fixed assets) of Rs. 18.48 lakh created by the promoters in the unit. Bond of guarantees, indicating details of movable and immovable properties were obtained in October 1992. However, in the absence of a prescribed procedure, genuineness of the title deeds and identity of guarantors were not independently verified.

The unit made defaults in repayments since the very beginning and on piling up overdues to the extent of Rs. 20.80 lakh (June 1995), the Corporation issued notice under section 29 of SFC Act, 1951 in July 1995 to takeover the unit within 15 days. However, physical possession of the same could not be taken over so far (August 2001) as no structure was available at site as reported subsequently. The plant and machinery were sold (January 1998) for Rs. 2.00 lakh. In response to the recovery certificate (March 2000), the Revenue Authority of Raibareli district also intimated (May 2000) that the land where the rice mill had been shown established, only mounds having dilapidated walls with no roofs and doors were available. Recovery certificates were again issued in April 2001. No recovery could be effected from the assets of guarantors, due to defective title deeds. Thus, failure of the Corporation to take physical possession of the unit immediately after noticing delay in repayment and defects in title deeds of the assets of guarantor resulted in loss of Rs. 74.13 lakh (March 2001).

The Corporation failed to take physical possession of the unit despite non-payment of dues by loanee

The reply of the Management (August 2001) that physical possession of the unit was not taken over to avoid expenditure on security guards was not acceptable as it facilitated removal of the structure turning a running factory into a mound.

The matter was reported to the Government in May 2001; their reply had not been received (September 2001).

4B.5 Loss due to disbursement of loan on fake documents of collateral security

Disbursal of loan without verifying the identity of the mortgager and the title deeds resulted in loss of Rs. 0.97 crore.

The Corporation sold (March 1997) the assets of Industrial packers, Ghaziabad (a unit taken over under section 29 of SFC Act) to Grover Sons, Ghaziabad for a sale consideration of Rs. 24.10 lakh on a cash down payment of Rs. 9.46 lakh and balance Rs. 14.64 lakh payable in three years in equal instalments. It also disbursed Rs. 55 lakh toward a Fixed Assets Term Loan (FATL) of Rs. 20 lakh and Working Capital Term Loan (WCTL) of Rs. 35 lakh during July/August 1997 for manufacturing PVC Cooler body. The loan was secured by mortgage of the assets created in the unit and collateral security of promoters/guarantors and also by hypothecation of raw materials and finished stocks of the unit. However, the corporation disbursed the loan without verifying identity of the guarantors and title deeds of hypothecated personal assets at the time of legal documentation.

The unit made defaults in repayments since beginning. Therefore, the Corporation issued notice (August 1998) under section 29 of SFC Act, 1951 to takeover the unit but returned undelivered with the remarks that no responsible person was available. The physical possession of the unit was, however, belatedly taken over in September 1998. At the time of takeover of the unit, it was found that the raw material and finished products valuing Rs. 96.86 lakh, hypothecated against WCTL, were missing. Personal Guarantee of the promoters/guarantors was invoked in October 1998 but invocation letter was received back undelivered with the remark that there was no such premises or that the premises was found locked all along.

The title deeds and other documents available in the appraisal report were found incorrect, false and fraudulent

On an inquiry, the officers of the Corporation reported (September 1999) that title deeds and other documents including identification of the guarantors available in the appraisal report were incorrect, false and fraudulent. The property was not in the name of borrowers/guarantors. The Corporation lodged FIR (September 1999) with Police, the outcome of which was awaited (October 2000). As a result, recovery of its dues aggregating Rs. 97.17 lakh as of April 2001 could not be made.

The Corporation has not standardised systems for documentation and non-standardisation of procedures resulted in loss of Rs. 97.17 lakh (principal: Rs. 37.06 lakh and interest & expenses: Rs. 60.11 lakh up to April 2001).

The Management stated (September 2001) that so called guarantors/ mortgagors appear to have committed fraud by submitting forged identification and sale deeds which were not genuine documents. The reply of the Management was indicative of absence of a system to independently verify the identity of the mortgagor and the title deeds to safeguard the financial interests of the Company.

The matter was reported to the Government in May 2001; the reply had not been received (September 2001).

4B.6 Disbursement of loan against inadequate security and forged documents

Disbursement of loan on the basis of proforma invoice of a non-established firm, inadequate security, verbal confirmation of credit worthiness from bankers, forgery in hypothecation of title deeds of collateral security resulted in loss of Rs. 0.62 crore.

The Corporation sold (December 1995) a sick unit viz. Kwality Plastics, Dehradun to Rush Foods, Dehradun for a sale consideration of Rs. 5 lakh with a cash down payment of Rs. 1.50 lakh and balance payable in three years in half yearly installments and also sanctioned (December 1995) Fixed Assets term loan (FATL) of Rs. 30 lakh to it for setting up a "Toffee" manufacturing unit against the prime security of the assets created in the unit and on a collateral security of Rs. 18.80 lakh.

The Corporation disbursed loan on the basis of proforma invoice of non-established plant supplier

It was observed (October 2000) in audit that in contravention of the provisions of the Disbursement Manual to release loan only on the basis of proforma invoice of established suppliers, it disbursed Rs. 37.87 lakh in January 1996 on the basis of proforma invoice of plant suppliers without verifying their credibility, that was found not existing subsequently. Further, no letter confirming the credit worthiness of the unit was obtained, instead it was based on a remark of the Appraisal Officer that he visited the bankers who stated that the banker have good opinion about him. After disbursement of the loan, the Regional Manager observed (February 1997) that the real prime security was worth only Rs. 26.13 lakh and accordingly only Rs. 16.98 lakh was payable, allowing a margin of 35 per cent. The unit did not repay the excess disbursement amount of Rs. 5.07 lakh. The Corporation further sanctioned (March 1997) and disbursed working capital term loan of Rs. 10 lakh from which the excess disbursed amount was adjusted. The unit defaulted in repayment of loan thereafter.

Further, the State Bank of India, Roorki intimated (May 1997) that the promoters of Rush Foods were partners in N & G Industries, Roorkie. They were the loanee of the bank and recently shifted the entire plant and machinery of N & G Industries to their unit at Dehradun including such machines that were pledged as security for various credit arrangements made available by the bank. Despite this, the Corporation rescheduled (September 1997) repayment of loans instead of initiating action for recovery. As the unit did not repay the loan (except for initial payment of Rs. 0.70 lakh), notice under section 29 of SFC Act, 1951 were issued (March 1998). Recovery certificate was issued in December 1999. According to a fax message (June 2000) from Dehradun Region to the head office of the Corporation, the co-mortgager of the collateral security (at Roorkie) had lodged an FIR for cheating and forgery by the borrowing firm as they neither mortgaged their properties nor were they present at the time of mortgage. The progress of police investigation was not intimated to Audit (August 2001).

The Corporation failed to verify the forgery in hypothecation of title deeds of collateral security

Action to invite bids for auction of the unit was under process (August 2001).

Thus, disbursement of loan on the basis of proforma invoice of a non- established firm, inadequate security, verbal confirmation of credit worthiness from bankers, forgery in hypothecation of title deeds of collateral security resulted in loss of Rs. 61.71 lakh, including principal, interest and other expenses.

Management stated (August 2001) that they disbursed loan on the basis of proforma invoice, certificate of Chartered Accountant, verification of bankers and on the basis of collateral security. Reply of the Management was silent on why it did not insist for proforma invoice from an established supplier, written confirmation from the bankers and verify the genuineness of the collateral security holder at the time of hypothecation.

The matter was reported to the Government in May 2001; the reply had not been received (September 2001).

Uttar Pradesh Jal Nigam

4B.7 Non-completion of work within stipulated time

The Company suffered a loss of Rs. 0.34 crore due to non-completion of work within the stipulated time.

During the local audit (September 2000) of Project Manager, Construction and Design Services Unit 38, Uttar Pradesh Jal Nigam, Sonbhadra (Unit), it was noticed that the unit entered into an agreement (January 1997) for construction of 48 nos. B type quarters at Nigahi Project for Rs. 1.22 crore with Northern Coal Fields Limited (NCL), Singrauli, Sidhi, Madhya Pradesh. Under the terms of agreement as also as per Letter of Intent (LOI) dated 7 November 1996, the construction was to commence on 09.12.1996 and completed by 08.03.1998. The unit failed to complete the work within the stipulated time after executing only 35 per cent work. The request (March 1998) for extension of time on the grounds of NCL's failure to provide bricks and stone grits and revision of rates of certain items was not accepted by the NCL. Thus, the total expenditure incurred up to April 1998 amounted to Rs. 53.25 lakh as stated by the unit, against total receipt of Rs. 30.16 lakh from NCL; involving an extra expenditure of Rs. 23.09 lakh.

The work was abandoned as the overall loss on the project was assessed to be more than Rs. 30.00 lakh and the security of Rs. 10.94 lakh was forfeited by NCL. Thus, the Company suffered a total loss of Rs. 34.03 lakh due to non-completion of construction work within the stipulated time.

The matter was reported to Nigam and to the Government in June 2001; their replies were awaited (September 2001).

4B.8 Unfruitful expenditure

The project which was to be completed at a cost of Rs. 1.13 crore remained incomplete even after incurring expenditure of Rs. 2.34 crore.

Jal Sansthan, Jhansi framed in 1978-79 a sewerage scheme to dispose off the sewage and remove insanitation in densely populated portion of Banda city at an estimated cost of Rs. 90.88 lakh which was revised to Rs. 1.13 crore in 1982-83.

Technical and financial sanctions were accorded in December 1979 and September 1981 respectively.

The scheme was to be financed by a loan of Rs. 90.88 lakh from Life Insurance Corporation of India and grant for balance amount by the State Government. The date of start and completion of the scheme was envisaged as April 1983 and June 1984 respectively.

Test audit (December 2000) of the Executive Engineer, XVI Division, Uttar Pradesh Jal Nigam, Banda, revealed that the main items of works envisaged and completed up to October 2000 were as under:

Sl. No.	Items of works envisaged	Quantity	Items of work completed	Incomplete works
1.	Trunk sewer	2594 m	1814 m	780 m
2.	Branch sewer	19774 m	11662 m	8112 m
3.	Pumping station	1 no.	1 no.	Nil
4.	Pumping plants	5 nos.	5 nos.	Nil
5.	Transmission line	Job	Job	Nil
6.	Rising main	4000 m	4000 m	Testing not done
7.	Treatment plant	3 oxidation ponds	Nil	3 oxidation ponds
8.	Sewage farm channel	7800 m	Nil	7800 m

It is evident from above that the work of trunk sewer, branch sewer could not be completed and the work of treatment plant including three oxidation ponds and the sewage farm channel could not even be taken up due to non-completion of works timely by contracting firms, land dispute for treatment plant and insufficient release and irregular flow of funds although an expenditure of Rs. 2.34 crore was incurred up to March 2000.

The construction of rising main was completed (July 1987) but its testing could not be done by contractor (January 1998) due to theft of conductor. However, rising main was tested departmentally in February 1998 wherein large number of leakage were noticed which remained un-repaired till date.

To complete all the remaining works of the project, an estimate of Rs. 1.89 crore was prepared and submitted to the Chief Engineer, Kanpur in February 2000, the sanction of which is awaited (May 2001).

The Executive Engineer stated that due to cost overrun on account of project being under construction for quite long period and paucity of funds, work could not be completed.

Thus, the project which was to be completed at a cost of Rs. 1.13 crore and commissioned by 1987 could not be completed by December 2000 although an expenditure of Rs. 2.34 crore was already incurred by March 2000. Besides, very purpose of the scheme was defeated as sewage clearance remained as it is even after lapse of 17 years.

The matter was reported to Nigam and to the Government in July 2001; their replies were awaited (September 2001).

Satyawadi

Allahabad,
The 7 March 2002

(Y. C. SATYAWADI)
Principal Accountant General
Uttar Pradesh

Countersigned

V. K. Shunglu

New Delhi,
The 13 March 2002

(V. K. SHUNGLU)
Comptroller and Auditor General of India

Annexure-1

(Referred to in paragraph 1.2.1.1, 1.2.1.2, 1.2.2 and 1.3.2)

Statement showing particulars of up-to-date paid-up capital, budgetary outgo, loans given out of budget and loans outstanding as on 31 March 2001 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[36]	Loans[37] outstanding at the close of 2000-2001			Debt equity ratio for 2000-2001 (Previous year) 4 (f)/3(e)
		State Government	Central Government	Holding Companies	Others	Total	Equity	Loans		Government	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.	**Working Government Companies**												
	Agriculture and allied												
1.	Uttar Pradesh State Agro Industrial Corporation Limited	3667.17	332.83	-	-	4000.00	-	-	-	750.00	-	750.00	0.19:1 (0.25:1)
2.	Uttar Pradesh Poultry and Livestock Specialties Limited	44.00 (121.75)	6.00 (121.75)	-	-	50.00 (243.50)	-	-	-	109.75	-	109.75	0.37:1 (0.37:1)
3.	Uttar Pradesh (Rohelkhand-Tarai) Ganna Beej Evam Vikas Nigam Limited	38.25	-	-	32.86 (0.19)	71.11 (0.19)	-	-	675.40	-	675.40	675.40	9.47:1 (-)
4.	Uttar Pradesh (Paschim) Ganna Beej Evam Vikas Nigam Limited	50.50	-	-	10.82 (0.27)	61.32 (0.27)	-	-	-	-	-	-	- (-)
5.	Uttar Pradesh (Poorva) Ganna Beej Evam Vikas Nigam Limited	22.73	-	-	8.11 (0.22)	30.84 (0.22)	-	-	-	-	-	-	- (-)
6.	Uttar Pradesh (Madhya) Ganna Beej Evam Vikas Nigam Limited	15.30	-	-	8.00 (1.94)	23.30 (1.94)	1.94	-	-	-	-	-	- (5.06:1)

36 Includes bonds, debentures, inter-corporate deposits etc.

37 Loans outstanding at the close of 2000-2001 represents long-term loans only.

(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
7.	Uttar Pradesh Projects & Tubewells Corporation Limited	540.00 (447.00)	100.00	-	-	640.00 (447.00)	-	-	-	-	-	-	- (-)
8.	Uttar Pradesh Bhumi Sudhar Nigam	150.00	-	-	-	150.00	-	-	-	-	-	-	- (-)
9.	Uttar Pradesh Matsya Vikas Nigam Limited	107.00	-	-	-	107.00	-	-	-	-	-		- (-)
	Sector wise total	**4634.95** **(568.75)**	**438.83** **(121.75)**	**-**	**59.79** **(2.62)**	**5133.57** **(693.12)**	**1.94**		**675.40**	**859.75**	**675.40**	**1535.15**	**0.26:1** **(0.24:1)**
	Industry												
10.	Uttar Pradesh Small Industries Corporation Limited	596.05	-	-	-	596.05	-	125.00	-	756.41	-	756.41	1.27:1 (1.06:1)
11.	Trans Cables Limited (Subsidiary of Kumaon Mandal Vikas Nigam Limited)	-	-	162.80	0.44	163.24	-	-	-	-	250.00	250.00	1.53:1 (1.53:1)
12.	Uttar Pradesh State Leather Development and Marketing Corporation Limited	573.94	-	-	-	573.94	-	-	-	191.40	-	191.40	0.33:1 (0.33:1)
13.	UPSIC Potteries Limited (Subsidiary of Uttar Pradesh Small Industries Corporation Limited)	-	-	76.25	-	76.25	-	-	-	82.50	40.00	122.50	1.61:1 (1.60:1)
14.	Uttar Pradesh Digitals Limited (Subsidiary of Uttar Pradesh State Industrial Development Corporation Limited)	-	-	35.20	-	35.20	-	-	-	-	467.66	467.66	13.29:1 (13.29:1)
	Sector wise total	**1169.99**	**-**	**274.25**	**0.44**	**1444.68**	**-**	**125.00**	**-**	**1030.31**	**757.66**	**1787.97**	**1.24:1** **(1.72:1)**
	Electronics												
15.	Uttar Pradesh Electronics Corporation Limited	7751.31 (700.20)	-	-	-	7751.31 (700.20)	557.00	1775.00	-	5319.00	-	5319.00	0.63:1 (0.45:1)
16.	Uptron Powertronics Limited (Subsidiary of Uttar Pradesh Electronics Corporation Limited)	-	-	117.00	-	117.00	-	-	-	-	20.00	20.00	0.17:1 (0.17:1)
17.	Shreetron India Limited (Subsidiary of Uttar Pradesh Electronics Corporation Limited)	-	-	124.08	50.63	174.71	-	-	-	-	324.00	324.00	1.85:1 (1.85:1)

(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
18.	Uptron India Limited (Subsidiary of Uttar Pradesh Electronics Corporation Limited)	-	-	5792.51	-	5792.51	476.92	-	1775.00	-	970.00	970.00	0.17:1 (1.60:1)
19.	Uttar Pradesh Hill Electronics Corporation Limited	894.53	-	-	-	894.53	-	-	-	-	-	-	- (-)
	Sector wise total	**8645.84** **(700.20)**	**-**	**6033.59**	**50.63**	**14730.06** **(700.20)**	**1033.92**	**1775.00**	**1775.00**	**5319.00**	**1314.00**	**6633.00**	**0.43:1** **(0.87:1)**
	Textiles												
20.	Uttar Pradesh State Yarn Company Limited (Subsidiary of Uttar Pradesh State Textile Corporation Limited)	- (2176.00)	-	3190.52	-	3190.52 (2176.00)	-	-	-	-	1392.83	1392.83	0.26:1 (0.69:1)
21.	Uttar Pradesh State Spinning Company Limited	8864.84	-	-	-	8864.84	-	1758.00	-	1758.00	-	1758.00	0.20:1 (0.20:1)
	Sector wise total	**8864.84** **(2176.00)**	**-**	**3190.52**	**-**	**12055.36** **(2176.00)**	**-**	**1758.00**	**-**	**1758.00**	**1392.83**	**3150.83**	**0.22:1** **(0.17:1)**
	Handloom and Handicrafts												
22.	Uttar Pradesh State Handloom Development Corporation Limited	3644.49	1062.95	-	-	4707.44	-	812.07	-	2677.78	-	2677.78	0.57:1 (0.40:1)
	Sector wise total	**3644.49**	**1062.95**	**-**	**-**	**4707.44**	**-**	**812.07**	**-**	**2677.78**	**-**	**2677.78**	**0.57:1** **(0.401)**
	Construction												
23.	Uttar Pradesh State Bridge Corporation Limited	1000.00	-	-	-	1000.00	-	700.00	1435.34	700.00	1435.34	2135.34	2.14:1- (-)
24.	Uttar Pradesh Rajkiya Nirman Nigam Limited	100.00	-	-	-	100.00	-	-	-	-	-	-	- (-)
25.	Uttar Pradesh Police Avas Nigam Limited	300.00	-	-	-	300.00	-	-	-	-	-	-	- (-)
	Sector wise total	**1400.00**	**-**	**-**	**-**	**1400.00**	**-**	**700.00**	**1435.34**	**700.00**	**1435.34**	**2135.34**	**1.52:1** **(-)**
	Area Development												
26.	Kumaon Mandal Vikas Nigam limited	1466.00	-	-	-	1466.00	124.12	907.24	-	1199.74	-	1199.74	0.82:1 (0.22:1)

(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
27.	Garhwal Mandal Vikas Nigam Limited	646.00	-	-	-	646.00	-	-	-	957.42	-	957.42	1.48:1 (1.48:1)
	Sector wise total	**2112.00**	**-**	**-**	**-**	**2112.00**	**124.12**	**907.24**	**-**	**2157.16**	**-**	**2157.16**	**1.02:1 (0.63:1)**
	Development of Economically Weaker Section												
28.	Uttar Pradesh Scheduled Castes Finance and Development Corporation Limited	6689.31	6011.94	-	-	12701.25	300.00	-	1660.02	-	2559.07	2559.07	0.20:1 (0.27:1)
29.	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)
30.	Kumaon Anusuchit Janjati Vikas Nigam Limited (Subsidiary of Kumaon Mandal Vikas Nigam Limited)	22.00	-	28.00	-	50.00	-	-	-	-	-	-	- (-)
31.	Uttar Pradesh Samaj Kalyan Nirman Nigam Limited	15.00	-	-	-	15.00	-	-	-	-	37.83	37.83	2.52:1 (2.52:1)
32.	Uttar Pradesh Pichhara Varg Vitta Evam Vikas Nigam Limited (Formerly Uttar Pradesh Pichhari Jati Vitta Evam Vikas Nigam Limited)	810.00 (237.82)	-	-	-	810.00 (237.82)	50.00	-	1357.42	-	2364.44	2364.44	2.26:1 (1.32:1)
	Sector wise total	**7556.31 (237.82)**	**6011.94**	**58.00**	**-**	**13626.25 (237.82)**	**350.00**	**-**	**3017.44**	**17.48**	**4961.34**	**4978.82**	**0.36:1 (0.37:1)**
	Public Distribution												
33.	Uttar Pradesh Food and Essential Commodities Corporation Limited	500.00 (50.39)	- (-)	- (-)	- (-)	500.00 (50.39)	-	-	-	1557.10	-	1557.10	2.83:1 (3.21:1)
	Sector wise total	**500.00 (50.39)**	**-**	**-**	**-**	**500.00 (50.39)**	**-**	**-**	**-**	**1557.10**	**-**	**1557.10**	**2.83:1 (3.21:1)**
	Sugar												
34.	Uttar Pradesh State Sugar Corporation Limited	47616.12	-	-	-	47616.12	-	10027.44	2307.46	10027.44	20665.48	30692.92	0.64:1 (0.38:1)
35.	Kichha Sugar Company Limited (Subsidiary of Uttar Pradesh State Sugar Corporation Limited)	32.59	-	1620.99	45.06	1698.64	-	-	-	-	-	-	- (-)

(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
36.	Chhata Sugar Company Limited (Subsidiary of Uttar Pradesh State Sugar Corporation Limited)	-	-	2407.29	-	2407.29	-	400.00	1487.46	400.00	1908.60	2308.60	0.96:1 (0.17:1)
37.	Nandganj-Sihori Sugar Company Limited (Subsidiary of Uttar Pradesh State Sugar Corporation Limited)	-	-	3404.05	-	3404.05	-	-	3494.78	-	4258.35	4258.35	1.25:1 (0.22:1)
38.	Ghatampur Sugar Company Limited (Subsidiary of Uttar Pradesh State Sugar Corporation Limited)	-	-	879.85	15.00	894.85	-	-	1598.11	-	1792.61	1792.61	2.00:1 (0.22:1)
	Sector wise total	**47648.71**	**-**	**8312.18**	**60.06**	**56020.95**	**-**	**10427.44**	**8887.81**	**10427.44**	**28625.04**	**39052.48**	**0.70:1 (0.35:1)**
	Tourism												
39.	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)**
	Drugs, Chemicals & Pharmaceuticals												
40.	The Indian Turpentine and Rosin Company Limited	18.75	-	-	3.27	22.02	-	-	-	283.00	-	283.00	12.85:1 (12.85:1)
	Sector wise total	**18.75**	**-**	**-**	**3.27**	**22.02**	**-**	**-**	**-**	**283.00**	**-**	**283.00**	**12.85:1 (12.85:1)**
	Power												
41.	Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited	176425.00[38]	-	-	-	176425.00	45773.50	11600.00	-	18700.00	90202.00	108902.00	0.62:1 (2.58:1)
42.	Uttar Pradesh Jal Vidyut Nigam Limited	70.00 (37218.44)[39]	-	-	-	70.00 (37218.44)	18959.44	3000.00	-	6615.00	40318.48	46933.48	1.26:1 (4.92:1)
43.	Uttar Pradesh Power Corporation Limited	361134.00[40]	-	-	-	361134.00	220840.00	175448.00	4624.00	175448.00	77461.00	252909.00	0.70:1 (3.76:1)

38 Includes Rs.151144.00 lakh transferred from erstwhile UPSEB.

39 Represents amount transferred from erstwhile UPSEB.

40 Equity transferred by U.P. Government under Transfer Scheme 2000 vide Notification No.348/P-1/2001 dated 25.01.2001.

(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
44.	Kanpur Electric Supply (Subsidiary of Uttar Pradesh Power Corporation Limited)	-	-	6000.00	-	6000.00	6000.00	-	110.00	-	110.00	110.00	0.02:1 (-)
	Sector wise total	**537629.00 (37218.44)**	**-**	**6000.00**	**-**	**543629.00 (37218.44)**	**291572.94**	**190048.00**	**4734.00**	**200763.00**	**208091.48**	**408854.48**	**0.70:1 (3.37:1)**
	Financing												
45.	Uttar Pradesh State Industrial Development Corporation Limited	2407.51	-	-	-	2407.51	-	-	2747.50	4387.04	2747.50	7134.54	2.96:1 (1.82:1)
46.	The Pradeshiya Industrial and Investment Corporation of Uttar Pradesh Limited	11057.50	-	-	2500.00	13557.50	-	9245.20	12653.00	10245.20	71229.98	81475.18	6.01:1 (5.37:1)
47.	Uttar Pradesh Panchayati Raj Vitta Evam Vikas Nigam Limited	77.77	-	-	70.02	147.79	-	-	-	-	-	-	- (-)
48.	Uttar Pradesh Alpsankhyak Vittya Evam Vikas Nigam Limited	2824.95 (75.00)	-	-	-	2824.95 (75.00)	547.45	-	1390.78	707.97	5831.96	6539.93	2.26:1 (2.32:1)
49.	Uplease Financial Services Limited (Subsidiary of Uttar Pradesh Electronics Corporation Limited)	-	-	100.00	5.87	105.87	-	-	414.76	-	414.76	414.76	3.92:1 (-)
	Sector wise total	**16367.73 (75.00)**	**-**	**100.00**	**2575.89**	**19043.62 (75.00)**	**547.45**	**9245.20**	**17206.04**	**15340.21**	**80224.20**	**95564.41**	**5.00:1 (4.45:1)**
	Miscellaneous												
50.	Uttar Pradesh Export Corporation Limited	634.27	70.00	-	-	704.27	-	465.64	-	817.52	-	817.52	1.16:1 (0.50:1)
51.	Uttar Pradesh Development Systems Corporation Limited	100.00	-	-	-	100.00	-	-	-	-	-	-	- (-)
52.	Uttar Pradesh Waqf Vikas Nigam Limited	400.00	-	-	-	400.00	-	-	-	-	-	-	- (-)
53.	Uttar Pradesh Mahila Kalyan Nigam Limited	71.00	48.03	-	-	119.03	10.00	-	-	-	-	-	- (-)
54.	Uttar Pradesh Bhutpoorva Sainik Kalyan Nigam Limited	42.54	-	-	-	42.54	-	-	-	-	-	-	- (-)
	Sector wise total	**1247.81**	**118.03**	**-**	**-**	**1365.84**	**10.00**	**465.64**	**-**	**817.52**	**-**	**817.52**	**0.60:1 (0.27:1)**
	Total – A (All sector wise Working Government companies)	**642952.95 (41026.60)**	**7631.75 (121.75)**	**23968.54**	**2750.08 (2.62)**	**677303.32 (41150.97)**	**293640.37**	**216263.59**	**37731.03**	**243756.08**	**327477.29**	**571233.37**	**0.80:1 (2.27:1)**

(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
B	**Working Statutory Corporations**												
	Transport												
1.	Uttar Pradesh State Road Transport Corporation	25211.49	6925.29	-	-	32136.78	-	-	2800.00	880.00	9533.00	10413.00	0.32:1 (0.27:1)
	Sector wise total	**25211.49**	**6925.29**	**-**	**-**	**32136.78**	**-**	**-**	**2800.00**	**880.00**	**9533.00**	**10413.00**	**0.32:1 (0.27:1)**
	Financing												
2.	Uttar Pradesh Financial Corporation	6345.00 (5105.78)	-	-	3655.00 (2880.18)	10000.00 (7985.96)	500.00	-	7646.73	-	101982.00	101982.00	5.67:1 (12.83:1)
	Sector wise total	**6345.00 (5105.78)**	**-**	**-**	**3655.00 (2880.18)**	**10000.00 (7985.96)**	**500.00**	**-**	**7646.73**	**-**	**101982.00**	**101982.00**	**5.67:1 (12.83:1)**
	Agriculture and Allied												
3.	Uttar Pradesh State Warehousing Corporation	558.25 (220.70)	-	-	558.25	1116.50 (220.70)	-	-	891.87	-	1000.00	1000.00	0.75:1 (9.68:1)
	Sector wise total	**558.25 (220.70)**	**-**	**-**	**558.25**	**1116.50 (220.70)**	**-**	**-**	**891.87**	**-**	**1000.00**	**1000.00**	**0.75:1 (9.68:1)**
	Forest												
4.	Uttar Pradesh Forest Corporation	-	-	-	-	-	-	-	1250.00	-	1250.00	1250.00	-
	Sector wise total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**1250.00**	**-**	**1250.00**	**1250.00**	**-**
	Miscellaneous												
5.	Uttar Pradesh Avas Evam Vikas Parishad	-	-	-	-	-	-	2105.12	1330.72	4069.00	1330.72	5399.72	-
6.	Uttar Pradesh Jal Nigam	-	-	-	-	-	-	100.00	-	12331.07	-	12331.07	-
7.	Uttar Pradesh State Employees Welfare Corporation	-	-	-	-	-	-	45.00	200.00	165.05	-	165.05	-
	Sector wise total							**2250.12**	**1530.72**	**16565.12**	**1330.72**	**17895.84**	**-**
	Total – B (All sector wise Statutory Corporations)	**32114.74 (5326.48)**	**6925.29**	**-**	**4213.25 (2880.18)**	**43253.28 (8206.66)**	**500.00**	**2250.12**	**14119.32**	**17445.12**	**115095.72**	**132540.84**	**2.58:1 (3.06:1)**
	Grand Total(A+B)	**675067.69 (46353.08)**	**14557.04 (121.75)**	**23968.54**	**6963.33 (2882.80)**	**720556.60 (49357.63)**	**294140.37**	**218.513.71**	**51850.35**	**261201.20**	**442573.01**	**703774.21**	**0.91:1 (2.35:1)**

(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
C. Non Working Companies													
	Agriculture and allied												
1.	Uttar Pradesh Pashudhan Udyog Nigam Limited	146.85 (126.00)	–	–	–	146.85 (126.00)	–	-	–	217.33	–	217.33	0.80:1 (0.80:1)
2.	Uttar Pradesh State Horticultural Produce Marketing & Processing Corporation Limited	640.68	-	-	64.25	704.93	-	-	-	122.48	-	122.48	0.17:1 (0.17:1)
	Sector wise total	**787.53 (126.00)**	**-**	**-**	**64.25**	**851.78 (126.00)**	**-**	**-**	**-**	**339.81**	**-**	**339.81**	**0.35:1 (0.40:1)**
	Industry												
3.	Mohammadabad Peoples Tannery Limited	3.06	-	-	2.55	5.61	-	-	-	-	-	-	- (-)
4.	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 (1.84:1)
5.	Auto Tractors Limited	562.59	-	-	187.41	750.00	-	-	-	37.50	-	37.50	0.05:1 (0.05:1)
6.	Uttar Pradesh Instruments Limited (Subsidiary of Uttar Pradesh State Industrial Development Corporation Limited)	-	-	177.72	15.50 (9.00)	193.22 (9.00)	-	554.62	–	554.62	1149.26	1703.88	8.43:1 (5.72:1)
7	Northern Electrical Equipment Industries Limited (Subsidiary of Kumaon Mandal Vikas Nigam Limited)	-	-	0.07	-	0.07	-	-	-	-	-	-	- (-)
8.	Uttar Pradesh State Brassware Corporation Limited	527.86	10.00	-	-	537.86	-	-	-	194.23	-	194.23	0.36:1 (0.36:1)
9.	Continental Float Glass Limited (Subsidiary of Uttar Pradesh State Mineral Development Corporation Limited)	-	-	2921.72	1702.23	4623.95	-	-	-	-	13586.43	13586.43	2.94:1 (2.99:1)
10.	The Turpentine Subsidiary Industries Limited (Subsidiary of The Indian Turpentine and Rosin Company Limited)	-	-	15.56	-	15.56	-	-	-	-	-	-	- (-)
11.	Indian Bobbin Company Limited	2.74	-	-	-	2.74	-	-	-	-	-	-	- (-)
12.	Uttar Pradesh Abscott Private Limited (Subsidiary of Uttar Pradesh Small Industries corporation Limited)	-	-	4.85	-	4.85	-	-	-	-	-	-	- (-)

(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
13.	Uttar Pradesh Tyre and Tubes Limited (Subsidiary of Uttar Pradesh State Industrial Development Corporation Limited)	-	-	183.16	-	183.16	-	-	-	-	-	-	- (-)
14.	UPAI Limited	15.00	-	-	2.01	17.01	-	-	-	-	-	-	- (-)
	Sector wise total	**1111.25**	**10.00**	**3304.71**	**1909.70 (9.00)**	**6335.66 (9.00)**	**-**	**554.62**	**-**	**786.35**	**14738.69**	**15525.04**	**2.45:1 (2.29:1)**
	Electronics												
15.	Kumtron Limited (Subsidiary of Uttar Pradesh Hill Electronics Corporation Limited)	-	-	9.34	8.97	18.31	-	16.50	-	16.50	-	16.50	0.90:1 (0.90:1)
16	Uttar Pradesh Hill Phones Limited (Subsidiary of Uttar Pradesh Hill Electronics Corporation Limited)	-	-	1.67	1.60	3.27	-	-	-	-	-	-	- (-)
17	Uttar Pradesh Hill Quartz Limited (Subsidiary of Uttar Pradesh Hill Electronics Corporation limited)	-	-	0.79	-	0.79	-	-	-	-	-	-	- (-)
18.	Teletronix Limited (Subsidiary of Kumaon Mandal Viaks Nigam Limited)	-	-	110.00	64.71	174.71	-	-	-	-	-	-	- (-)
19.	Uptron Sempack Limited (Subsidiary of Uttar Pradesh Electronics Corporation Limited)	-	-	2.55	-	2.55	-	-	-	-	2.77	2.77	1.09:1 (1.09:1)
20.	Kumaon Television Limited (Subsidiary of Kumaon Mandal Vikas Nigam Limited)	-	-	52.00	47.75	99.75	-	-	-	-	-	-	- (-)
21.	Kanpur Components Limited (Subsidiary of Uttar Pradesh Electronics Corporation Limited)	-	-	5.25	-	5.25	-	-	-	-	-	-	- (-)
	Sector wise total	**-**	**-**	**181.60**	**123.03**	**304.63**	**-**	**16.50**	**-**	**16.50**	**2.77**	**19.27**	**0.06:1 (0.06:1)**
	Textiles												
22.	Uttar Pradesh State Textile Corporation Limited	16079.37 (4653.00)	-	-	-	16079.37 (4653.00)	-	8945.00	-	8945.00	-	8945.00	0.43:1 (-)
23.	Uttar Pradesh Textile Printing Corporation Limited (Subsidiary of Uttar Pradesh State Handloom Corporation Limited)	16.20	-	26.00	-	42.20	-	-	-	-	-	-	- (-)
24.	Bhadohi Woollens Limited (Subsidiary of Uttar Pradesh State Textile Corporation Limited)	-	-	375.54	-	375.54	-	-	-	-	-	-	- (-)
	Sector wise total	**16095.57 (4653.00)**	**-**	**401.54**	**-**	**16497.11 (4653.00)**	**-**	**8945.00**	**-**	**8945.00**	**-**	**8945.00**	**0.43:1 (-)**

(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
	Handloom and Handicrafts												
25.	Handloom Intensive Development Project (Bijnore) Limited (Subsidiary of Uttar Pradesh State Handloom Development Corporation Limited)	-	-	2.00	-	2.00	-	-	-	208.67	-	208.67	104.33:1 (104.33:1)
	Sector wise total	-	-	**2.00**	-	**2.00**	-	-	-	**208.67**	-	**208.67**	**104.33:1 (53.61:1)**
	Mining												
26	Uttar Pradesh State Mineral Development Corporation Limited	5640.48	-	-	-	5640.48	-	-	-	1949.61	-	1949.61	0.35:1 (0.33:1)
27.	Vindhyachal Abrasives Limited (Subsidiary of Uttar Pradesh State Mineral Development Corporation Limited)	-	-	3.73	3.87	7.60	-	-	-	-	84.42	84.42	11.11:1 (11.11:1)
	Sector wise total	**5640.48**	-	**3.73**	**3.87**	**5648.08**	-	-	-	**1949.61**	**84.42**	**2034.03**	**0.36:1 (11.11:1)**
	Area Development												
28.	Uttar Pradesh Bundelkhand Vikas Nigam Limited	123.30	-	-	-	123.30	-	-	-	5.00	-	5.00	0.04:1 (0.04:1)
29.	Uttar Pradesh Poorvanchal Vikas Nigam Limited	129.80	-	-	-	129.80	-	35.00	--	35.00	-	35.00	0.27:1 (-)
30.	Bundelkhand Concrete Structurals Limited (Subsidiary of Uttar Pradesh Bundelkhand Vikas Nigam Limited)	-	-	1.22	-	1.22	-	-	-	-	-	-	- (-)
31.	Allahabad Mandal Vikas Nigam Limited	67.00	-	-	-	67.00	-	-	-	65.93	-	65.93	0.98:1 (0.98:1)
32.	Bareilly Mandal Vikas Nigam Limited	125.00	-	-	-	125.00	-	-	-	-	-	-	- (-)
33.	Lucknow Mandaliya Vikas Nigam Limited	70.00	-	-	-	70.00	-	-	-	85.79	-	85.79	1.22:1 (1.22:1)
34.	Agra Mandal Vikas Nigam Limited	100.00	-	-	-	100.00	-	-	-	5.00	-	5.00	0.05:1 (0.05:1)
35.	Gorakhpur Mandal Vikas Nigam Limited	93.56	-	-	32.47	126.03	-	-	-	91.60	-	91.60	0.73:1 (0.73:1)
36.	Meerut Mandal Vikas Nigam Limited	100.00	-	-	-	100.00	-	-	-	-	-	-	- (-)
37.	Varanasi Mandal Vikas Nigam Limited	70.00	-	-	-	70.00	-	-	-	30.00	-	30.00	0.43:1 (0.43:1)

(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
38.	Moradabad Mandal Vikas Nigam Limited	25.00	-	-	-	25.00	-	-	-	59.60	-	59.60	2.38:1 (2.58:1)
39.	Gandak Samadesh Kshetriya Vikas Nigam Limited	46.00	-	-	-	46.00	-	-	-	-	-	-	- (-)
	Sector wise total	**949.66**	-	**1.22**	**32.47**	**983.35**	-	**35.00**	-	**377.92**	-	**377.92**	**0.38:1 (0.35:1)**
	Development of Economically Weaker Section												
40.	Tarai Anusuchit Janjati Vikas Nigam Limited	45.00	-	-	-	45.00	-	-	-	125.00	-	125.00	2.78:1 (2.78:1)
	Sector wise total	**45.00**	-	-	-	**45.00**	-	-	-	**125.00**	-	**125.00**	**2.78:1 (2.78:1)**
	Cement												
41.	Uttar Pradesh Cement Corporation Limited	6828.00	-	-	-	6828.00	-	-	-	12476.52	-	12476.52	1.83:1 (0.35:1)
	Sector wise total	**6828.00**	-	-	-	**6828.00**	-	-	-	**12476.52**	-	**12476.52**	**1.83:1**
	Drugs, Chemicals & Pharmaceuticals												
42.	Uttar Pradesh Carbon and Chemicals Ltd. (Subsidiary of Uttar Praseh State Industrial Development Corporation Ltd.)	-	-	1.27	-	1.27	-	-	-	-	-	-	- (-)
43.	Uttar Pradesh Carbide and Chemicals Limited (Subsidiary of Uttar Pradesh State Mineral Development Corporation Ltd.)	-	-	658.73	-	658.73	-	1102.00	-	1102.00	-	1102.00	1.67:1 (-)
	Sector wise total	-	-	**660.00**	-	**660.00**	-	**1102.00**	-	**1102.00**	-	**1102.00**	**1.67:1 (-)**
	Miscellaneous												
44	Uttar Pradesh Chalchitra Nigam Limited	818.20	-	-	0.22	818.42	-	-	-	526.00	-	526.00	0.64:1 (0.97:1)
	Sector wise total	**818.20**	-	-	**0.22**	**818.42**	-	-	-	**526.00**	-	**526.00**	**0.64:1 (0.50:1)**
	Grand total (C)	**32275.69 (4779.00)**	**10.00**	**4554.80**	**2133.54 (9.00)**	**38974.03 (4788.00)**	-	**10653.12**	-	**26853.38**	**14825.88**	**41679.26**	**0.95:1 (1.55:1)**
	Grand Total (A+B+C)	**707343.38 (51132.08)**	**14567.04 (121.75)**	**28523.34**	**9096.87 (2891.80)**	**759530.63 (54145.63)**	**294140.37**	**229166.83**	**51850.35**	**288054.58**	**457398.89**	**745453.47**	**0.92:1 (2.33:1)**

Note: (1) Except in respect of Company and Corporations which finalised their accounts for 2000-2001 (Serial No.A-4) figures are provisional and as given by the companies/corporations.

(2) Companies at Sl. No. (A) 11,19,26,27, 29 and 30 (working companies) and Sl.No. (C) 7,14,15,16,17,18 and 20 (non-working companies) have been transferred to Government of Uttaranchal in June 2001.

Annexure-2

(Referred to in paragraph 1.2.4, 1.3.4 and 1.3.5)

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 Rupees in lakh)

Sl. No.	Sector and name of company/ corporation	Name of Department	Date of Incorpora-tion	Period of accounts	Year in which accounts finalised	Net Profit/ loss(-)	Net impact of comm-ents	Paid-up capital	Accumul-ated profit /loss(-)	Capital emplo-yed (A)	Total Return on capital-emplo-yed	Percen-tage of total return on capital emplo-yed	Arrears of accounts in terms of years
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
A. Working Government Companies													
	Agriculture and Allied												
1.	Uttar Pradesh State Agro Industrial Corporation Limited	Agriculture	29.03.1967	1998-99	2000-2001	109.95	(-) 460.50	4000.00	(-)5204.16	835.42	277.20	33.18	2
2.	Uttar Pradesh Poultry and Live-stocks Special-ties Limited	Animal Husbandry	07.12.1974	1995-96	1999-2000	(-)10.57	-	50.00	(-)21.83	220.94	(-)10.57	-	5
3.	Uttar Pradesh (Rohelkhand-Tarai) Ganna Beej Evam Vikas Nigam Limited	Sugar and Sugarcane Development	27.08.1975	1999-2000	2000-2001	(-)271.92	-	71.14	(-)329.43	1244.86	(-)110.36	-	1
4.	Uttar Pradesh (Paschim) Ganna Beej Evam Vikas Nigam Limited	Sugar and Sugarcane Development	27.08.1975	2000-2001	2000-2001	2.18	-	61.33	32.73	892.29	110.08	12.34	Nil
5.	Uttar Pradesh (Poorva) Ganna Beej Evam Vikas Nigam Limited	Sugar and Sugarcane Development	27.08.1975	1999-2000	2000-2001	(-)21.66	-	30.84	(-) 38.03	261.63	8.62	3.29	1
6.	Uttar Pradesh (Madhya) Ganna Beej Evam Vikas Nigam Limited	Sugar and Sugarcane Development	27.08.1975	1998-99	2000-2001	10.44	_	25.15	11.44	737.25	77.48	10.51	2
7.	Uttar Pradesh Projects and Tubewells Corporation Limited	Irrigation	26.05.1976	1999-2000	2000-2001	(-)273.23		640.00	(-)1398.62	(-)333.77	(-)273.23	-	1

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
8.	Uttar Pradesh Bhumi Sudhar Nigam	Agriculture	30.03.1978	1999-2000	2000-2001	8.13	(-) 9.81	150.00	(-)6.94	27876.68	8.12	0.03	1
9.	Uttar Pradesh Matsya Vikas Nigam Limited	Fisheries	27.10.1979	1992-93	2000-2001	(-)18.21	17.88	100.00	(-)234.26	359.37	3.21	0.89	8
	Sector wise total					**130.70** **(-)595.59**		**5128.46**	**44.17** **(-)7233.27**	**32428.44** **(-)333.77**	**484.71** **(-)394.16**	**0.28**	
	Industry												
10.	Uttar Pradesh Small Industries Corporation	Rural and Small Industries	01.06.1958	1993-94	1999-2000	(-)196.38	205.26-	596.05	(-)644.99	1477.08	30.22	2.05	7
11.	Trans Cables Limited (Subsidiary of Kumaon Mandal Vikas Nigam Limited)	Hill Develop-ment	29.11.1973	1996-97	2000-2001	(-)58.46	-	63.24	(-)381.41	80.37	(-)26.84	-	4
12.	Uttar Pradesh State Leather Development and Marketing Corporation Limited	Export Promotion	12.02.1974	1998-99	1999-2000	(-) 54.18	17.56	573.94	(-) 685.90	435.90	(-) 40.58	-	2
13.	UPSIC Potteries Limited (Subsidiary of Uttar Pradesh Small Industries Corporation Limited)	Rural and Small Industries	27.04.1976	1990-91	1998-99	(-) 47.05	–	76.26	(-) 272.71	(-) 54.51	(-) 28.61	–	10
14.	Uttar Pradesh Digitals Limited (Subsidiary of Uttar Pradesh State Industrial Corporation Limited)	Industries and Industrial Development	08.03.1978	1996-97	1997-98	(-) 118.66	–	35.20	(-) 694.54	35.26	(-) 57.60	–	4
	Sector wise total					**(-)474.73**		**1344.69**	**(-)2679.55**	**2028.61** **(-)54.51**	**30.22** **(-)153.63**	**-**	
15.	Uttar Pradesh Electronics Corporation Limited	Electronics	20.03.1974	1999-2000	2000-2001	2.23	-	7751.31	26.82	4857.48	2.23	.05	1
16.	Uptron Powertronics Limited (Subsidiary of Uttar Pradesh Electronics Corporation Limited)	Electronics	10.04.1977	October 1998 to Sept. 1999	1999-2000	(-)92.72	-	117.00	(-)150.64	576.70	(-)34.57	-	1
17.	Shreetron India Limited (Subsidiary of Uttar Pradesh Electronics Corporation Limited)	Electronics	01.02.1979	1999-2000	1999-2000	1.56	-	174.71	(-)259.22	1084.30	66.01	6.09	1

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Electronics												
18.	Uptron India Limited (Subsidiary of Uttar Pradesh Electronics Corporation Limited)	Electronics	18.10.1979	1995-96	1997-98	(-)3212.23	_	5315.59	(-) 19693.43	5206.05	(-) 406.07	_	5
19.	Uttar Pradesh Hill Electronics Corporation Limited	Hill Develop-ment	26.06.1985	1993-94	1997-98	(-) 21.41	_	794.03	(-) 68.10	447.27	(-) 21.41	_	7
	Sector wise total					**3.79** **(-)3326.36**		**14152.64**	**26.82** **(-)20171.39**	**12171.80**	**68.24** **(-)462.05**	-	
	Textiles												
20.	Uttar Pradesh State Yarn Company Limited (Subsidiary of Uttar Pradesh State Textile Corporation Limited)	Textile	20.08.1974	1999-2000	2000-2001	(-)906.82	126.17	3190.52	(-) 7779.66	2871.35	(-) 344.64	-	1
21.	Uttar Pradesh State Spinning Company Limited	Textile	20.08.1976	1999-2000	2000-2001	(-)855.89	74.50	8864.84	(-) 8793.48	4743.04	(-)493.51		1
	Sector wise total					**(-)1762.71**		**12055.36**	**(-)16573.14**	**7614.39**	**(-)838.15**	-	
	Handloom and Handicrafts												
22.	Uttar Pradesh State Handloom Development Corporation Limited	Rural and Small Industries	09.01.1973	1989-90	1999-2000	(-)122.14	183.33	1325.49	(-)1245.41	5885.57	5.80	0.10	11
	Sector wise total					**(-)122.14**		**1325.49**	**(-)1245.41**	**5885.57**	**5.80**	**0.10**	
	Construction												
23.	Uttar Pradesh State Bridge Corporation Limited	Public Works	18.10.1972	1998-99	2000-2001	412.83	(-) 64.64	1000.00	1157.07	2604.03	522.47	20.06	2
24.	Uttar Pradesh Rajkiya Nirman Nigam Limited	Public Works	01.05.1975	1999-2000	1999-2000	28.86	(-)964.42	100.00	970.16	1457.72	32.06	2.20	1
25.	Uttar Pradesh Police Avas Nigam Limited	Home	27.03.1987	1999-2000	2000-2001	8.31	-	300.00	403.74	715.18	8.31	1.16	1
	Sector wise total					**450.00**		**1400.00**	**2530.97**	**4776.93**	**562.84**	**11.78**	
	Area Development												
26.	Kumaon Mandal Vikas Nigam Limited	Hill Develop-ment	30.03.1971	1996-97	1999-2000	48.68	(-)68.49	836.61	(-) 209.00	1438.54	112.18	7.80	4
27.	Garhwal Mandal Vikas Nigam Limited	Hill Develop-ment	1.03.1976	1994-95	2000-2001	(-)119.83	434.80	461.50	66.66	1841.87	(-)92.77		6
	Sector wise total					**48.68** **(-)119.83**		**1298.11**	**66.66** **(-)209.00**	**3280.41**	**112.18** **(-)92.77**	**0.59**	

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Development Of Economically Weaker Section												
28.	Uttar Pradesh Scheduled Castes Finance and Development Corporation Limited	Harijan and Social Welfare	25.03.1975	1994-95	2000-2001	14.19	-	4956.17	758.15	6373.91	62.19	0.80	6
29.	Garhwal Anusuchit Janjati Vikas Nigam Limited (Subsidiary of Garhwal Mandal Vikas Nigam Limited)	Hill Develop-ment	30.06.1975	1988-89	2000-2001	(-) 3.62	-	50.00	(-) 45.57	27.59	(-) 0.80	_	12
30.	Kumaon Anusuchit Janjati Vikas Nigam Limited (Subsidiary of Kumaon Mandal Vikas Nigam Limited)	Hill Develop-ment	30.06.1975	1985-86	1998-99	(-) 2.01	_	36.00	(-) 2.85	34.64	(-) 2.01	_	15
31.	Uttar Pradesh Samaj Kalyan Nirman Nigam Limited	Harijan and Social Welfare	25.06.1976	1999-2000	2000-2001	0.70	-	15.00	550.65	619.31	0.70	0.11	1
32.	Uttar Pradesh Pichhara Varg Vitta Evam Vikas Nigam Limited (Formerly Uttar Pradesh Pichhari Jati Vitta Evam Vikas Nigam Limited)	Harijan and Social Welfare	26.04.91	1995-96	1999-2000	49.35	-	100.00	28.45	1628.62	55.13	3.39	5
	Sector wise total					**64.24** **(-) 5.63**		**5157.17**	**1337.25** **(-)48.42**	**8684.07**	**118.02** **(-)2.81**	**1.33**	
	Public Distribution												
33.	Uttar Pradesh Food and Essential Commodities Corporation Limited	Food and Civil Supplies	22.10.1974	1986-87	1999-2000	(-) 47.79	1.99	55.00	47.32	399.42	(-) 2.34	-	14
	Sector wise total					**(-)47.79**		**55.00**	**47.32**	**399.42**	**(-)2.34**	-	
	Sugar												
34.	Uttar Pradesh State Sugar Corporation Limited	Sugar and Sugarcane Development	26.03.1971	1995-96	1999-2000	(-)12036.63	89.99	47575.92	(-) 68303.57	53369.11	(-) 3868.11	-	5
35.	Kichha Sugar Company Limited (Subsidiary of Uttar Pradesh State Sugar Corporation Limited)	Sugar and Sugarcane Development	17.02.1972	1999-2000	2000-2001	183.78	(-)3.50	1698.64	(-)491.06	5089.46	516.43	10.15	1
36.	Chhata Sugar Company Limited (Subsidiary of Uttar Pradesh State Sugar Corporation Limited)	Sugar and Sugarcane Development	18.04.1975	1997-98	1999-2000	(-)221.05	_	1224.52	(-)3263.41	1824.84	177.99	9.75	3
37.	Nandganj Sihori Sugar Company Limited (Subsidiary of Uttar Pradesh State Sugar Corporation Limited)	Sugar and Sugarcane Development	18.04.1975	1996-97	1999-2000	(-)830.09	-	3404.05	(-)7585.58	(-)177.57	(-)452.35		4
38.	Ghatampur Sugar Company Limited (Subsidiary of Uttar Pradesh State Sugar Corporation Limited)	Sugar and Sugarcane Development	30.05.1986	1998-99	2000-2001	(-)625.83	-	894.86	(-)3873.07	(-)933.14	(-)237.01	-	2
	Sector wise total					**183.78** **(-)13713.60**		**54797.99**	**(-)83516.69**	**60283.41** **(-)1110.71**	**694.42** **(-)4557.47**	-	

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Tourism												
39.	Uttar Pradesh State Tourism Development Corporation Limited	Tourism	05.08.1974	1999-2000	2000-2001	(-)309.47		1512.53	(-)462.76	1102.77	(-)307.78	-	1
	Sector wise total					**(-)309.47**		**1512.53**	**(-)462.76**	**1102.77**	**(-)307.78**	-	
	Drugs, Chemicals & Pharmaceuti-cals												
40.	The Indian Turpentine and Rosin Company Limited	Industries and Industrial Development	22.02.1924	1999-2000	1999-2000	(-) 525.94	34.76	22.02	(-) 2665.21	(-) 2215.22	(-) 515.41	-	1
	Sector wise total					**(-) 525.94**		**22.02**	**(-) 2665.21**	**(-) 2215.22**	**(-) 515.41**	-	
	Power												
41.	Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited	Power	22.08.1980	1998-99	1999-2000	(-)39.50	-	100.00	(-) 10941.27	14343.58	(-) 39.50	-	2
42.	Uttar Pradesh Jal Vidyut Nigam Limited	Power	15.04.1985	1998-99	1999-2000	405.67	-	70.00	923.82	10541.60	405.67	3.85	2
43.	Uttar Pradeh Power Corporation Limited	Power	30.11.1999	41									2
44.	Kanpur Electric Supply (Subsidiary of Uttar Pradesh Power Corporation Limited)	Power	21.07.1999	41									2
	Sector wise total					**405.67** **(-)39.50**		**170.00**	**923.82** **(-)10941.27**	**24885.18**	**405.67** **(-)39.50**	**1.43**	
	Financing												
45.	Uttar pradesh State Industrial Development Corporation Limited	Industries and Industrial Development	29.03.1961	1999-2000	2000-2001	275.69	9.80	2407.51	1141.57	11013.24	1077.41		1
46.	The Pradeshiya Industrial and Investment Corporation of Uttar Pradesh Limited	Industries and Industrial Development	29.03.1972	1999-2000	2000-2001	(-) 5968.76	-	13557.50	(-)17222.72	84294.86	3993.65	4.74	1
47.	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	–	11
48.	Uttar Pradesh Alpsankhyak Vittya Evam Vikas Nigam Limited	Harijan and Social Welfare	17.11.1984	1990-91	1999-2000	4.55	-	327.50	0.23	676.99	17.32	2.56	10
49.	Uplease Financial Services Limited (Subsidiary of Uttar Pradesh Electronics Corporation Limited)	Electronics	05.01.1988	1997-98	1998-99	(-) 39.55	-	105.87	(-) 39.53	534.08	14.43	2.70	3
	Sector wise total					**280.24** **(-)6011.73**		**16530.84**	**1144.86** **(-)17262.25**	**96662.24**	**5102.81** **(-) 3.42**	**5.28**	

41. Accounts not finalised since inception.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Miscellaneous												
50.	Uttar Pradesh Export Corporation Limited	Export Promotion	20.01.1966	1997-98	2000-2001	(-)207.88	11.38	699.27	(-)963.64	400.39	(-)166.84	-	3
51.	Uttar Pradesh Development Systems Corporation Limited	Planning	15.03.1977	1998-99	2000-2001	(-)2.57	-	100.00	(-)69.16	30.84	(-)2.57	-	2
52.	Uttar pradesh Waqf Vikas Nigam Limited	Waqf	27.04.1987	1992-93	1999-2000	0.002[42]	-	100.00	0.55	104.02	0.10	0.10	8
53.	Uttar Pradesh Mahila Kalyan Nigam Limited	Harijan and Social Welfare	17.03.1988	1996-97	1998-99	(-) 14.51	3.00	25.00	(-) 32.97	188.05	(-) 14.51	_	4
54.	Uttar Pradesh Bhutpurva Sainik Kalyan Nigam Limited	Harijan and Social Welfare	23.05.1989	1996-97	2000-2001	180.34		42.54	276.12	318.07	180.34	56.70	4
	Sector wise total					**180.342** **(-)224.96**		**966.81**	**276.67** **(-)1065.77**	**1041.37**	**180.44** **(-)183.92**	-	
	Total (A-Working Government companies)					**1747.44** **(-) 27279.98**	-	**115917.11**	**6398.54** **(-) 164074.13**	**261244.61** **(-) 3714.21**	**7765.35** **(-) 7553.41**	**0.08**	
B. Working Statutory Corporations													
	Transport												
1.	Uttar Pradesh State Road Transport Corporation	Transport	01.06.1972	1999-2000	2000-2001	(-) 10004.02	-	32136.78	(-)60466.54	(-) 19325.00	(-)8235.42	-	1
	Sector wise total					**(-) 10004.02**	-	**32136.78**	**(-) 60466.54**	- **(-)19325.00**	- **(-)8235.42**	-	
	Financing												
2.	Uttar Pradesh Financial Corporation	Industrial Development	01.11.1954	1999-2000	2000-2001	(-) 5447.03	-	10000.00	(-)42852.25	144299.00	12357.75	8.56	1
	Sector wise total					**(-) 5447.03**	-	**10000.00**	**(-)42852.25**	**144299.00**	**12357.75**	**8.56**	
	Agriculture and Allied												
3.	Uttar Pradesh State Warehousing Corporation	Co-operative	19.03.1958	1999-2000	1999-2000	(+)1302.97	-	1116.50	3764.05	5490.00	1322.00	24.08	1
	Sector wise total					**(+)1302.97**	-	**1116.50**	**3764.05**	**5490.00**	**1322.00**	**24.08**	
	Forest												
4.	Uttar Pradesh Forest Corporation	Forest	25.11.1974	1998-99	1999-2000	(+)2930.30	-	-	35245.27	35756.00	2930.00	8.19	1
	Sector wise total					**(+) 2930.30**	-	-	**35245.27**	**35756.00**	**2930.00**	**8.19**	2

42. Rs. 252 only.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
	Miscellaneous												
5.	Uttar Pradesh Avas Evam Vikas Parishad	Housing	03.04.1966	1994-95[43]	1999-2000	(+)84.00	-	-	2728.54	28619.00	2512.00	8.78	6
6.	Uttar Pradesh Jal Nigam	Urban Development	06.06.1975	1998-99	2000-2001	(-)3187.52	-	-	(-)9443.29	387249.00	424.39	0.11	2
7.	Uttar Pradesh State Employees Welfare Corporation[44]	Food & Civil Supplies	05.05.1965	[45]									
	Sector wise total					**(+) 84.00** **(-) 3187.52**	-	-	**2728.54** **(-) 9443.29**	**415868.00**	**2936.39**	**0.71**	
	Total (B Working Statutory Corporations)					**4317.27** **(-) 18638.57**		**43253.28**	**41737.86** **(-) 112762.08**	**601413.00** **(-) 19325.00**	**19546.14** **(-) 8235.42**	**1.94**	
	Grand Total (A+B)					**6064.71** **(-) 45918.55**		**159170.39**	**48136.40** **(-) 276836.21**	**862657.61** **(-) 23039.21**	**27311.49** **(-) 15788.83**	**1.37**	
C. Non Working companies													
	Agriculture and Allied												
1.	Uttar Pradesh Pashudhan Udyog Nigam Limited	Animal Husbandry	05.03.1975	1993-94	2000-2001	3.02	(-)1.93	272.85	(-)275.51	202.30	14.04	6.94	7
2.	Uttar Pradesh Horticultural Produce Marketing and Processing Corporation Limited	Agriculture	06.04.1977	1984-85	1994-95	(-) 66.57	-	190.76	(-) 255.33	80.72	(-) 51.97	_	16
	Sector wise total					**3.02** **(-)66.57**		**463.61**	**(-)530.84**	**283.02**	**14.04** **(-)51.97**	-	
	Industry												
3.	Mohammadabad Peoples Tannery Limited	Planning	21.12.1964	1976-77	1992-93	(-) 0.01	_	5.61	(-) 4.26	1.35	(-) 0.01	_	24
4.	Uttar Pradesh Plant Protection Appliances (Private) Limited (Subsidiary of Uttar Pradesh Small Industries Corporation Limited)	Rural and Small Industries	28.06.1972	1974-75	1984-85	(-) 0.81	_	0.92	(-) 0.81	6.79	(-) 0.81	_	26
5.	Auto Tractors Limited	Industries and Industrial Development	28.12.1972	1991-92	1995-96	10.71	_	750.00	(-) 6482.96	1114.18	36.32	3.26	9
6.	Uttar Pradesh Instruments Limited (Subsidiary of Uttar Pradesh State Industrial Development Corporation Limited)	Industries and Industrial Development	1.01.1975	1998-99	2000-2001	(-)517.49	-	193.22	(-)3953.70	(-)2584.01	(-)137.01	-	2

43 Accounts are under audit.

44. Audit was entrusted during 1997-98. The accounts have not been submitted so far.

45. Accounts not received.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
7.	Northern Electrical Equipment Industries Limited (Subsidiary of Kumaon Mandal Vikas Nigam Limited)	Hill Development	29.01.1974	1990-91	2000-2001	-		0.07	-	(-)0.47	-	–	10
8.	Uttar Pradesh State Brassware Corporation Limited	Export Promotion	12.02.1974	1992-93	2000-2001	(-)82.09		537.86	(-)730.95	498.39	(-)66.60	–	8
9.	Continental Float Glass Limited (Subsidiary of Uttar Pradesh State Mineral Development Corporation Limited)	Industries and Industrial Development	12.04.1985	1995-96	1996-97	–	–	4599.95	–	11818.42	–	–	5
10.	The Turpentine Subsidiary Industries Limited (Subsidiary of The Indian Turpentine and Rosin Company Limited)	Industries and Industrial Development	11.07.1939	1977-78	–	(-)1.91	–	15.56	–	11.64	(-)0.47	–	23
11.	Indian Bobbin Company Limited	Textile	22.02.1964	1973-74	–	(+)0.03	–	2.74	–	3.67	0.03	0.82	27
12.	Uttar Pradesh Abscott Private Limited (Subsidiary of Uttar Pradesh Small Industries Corporation Limited)	Industries and Industrial Development	28.06.1972	1975-76	–	(-)1.55	-	4.85	–	12.39	(-)0.41	–	25
13.	Uttar Pradesh Tyre and Tubes Limited (Subsidiary of Uttar Pradesh State Industrial Development Corporation Limited)	Industries and Industrial Development	14.01.1976	1992-93	–	(-) 217.08	–	183.16	(-) 996.09	(-) 405.96	209.53	–	8
14.	UPAI Limited	Agriculture	20.04.1977	1988-89	1999-2000	(-) 0.48	-	17.01	(-)5.25	10.30	(-)0.48	-	12
	Sector wise total					**10.74** **(-)821.42**		**6310.95**	**(-)12174.02**	**13477.13** **(-)2990.44**	**245.88** **(-)205.79**	**0.38**	
	Electronics												
15.	Kumtron Limited (Subsidiary of Uttar Pradesh Hill Electronics Corporation Limited)	Hill Development	27.04.1987	1989-90	1990-91	(-) 1.61	-	18.31	(-) 1.61	12.35	(-) 1.61	-	11
16.	Uttar Pradesh Hill Phones Limited (Subsidiary of Uttar Pradesh Hill Electronics Corporation Limited)	Hill Development	10.08.1987	[46]									14
17.	Uttar Pradesh Hill Quartz Limited (Subsidiary of Uttar Pradesh Hill Electronics Corporation Limited)	Hill Development	18.07.1989	[46]									12
18.	Teletronix Limited (Subsidiary of Kumaon Mandal Vikas Nigam Limited)	Hill Development	27.01.1973	1993-94	2000-2001	(-)98.51	-	334.71	(-)328.62	149.12	(-)94.49	–	7
19.	Uptron Sempack Limited (Subsidiary of Uttar Pradesh Electronics Corporation Limited)	Electronics	23.05.1977	1979-80	1983-84	(-) 0.78	–	2.55	(-) 3.37	1.86	(-) 0.36	–	21

46. Accounts not finalised since inception.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
20.	Kumaon Television Limited (Subsidiary of Kumaon Mandal Vikas Nigam Limited)	Hill Develop-ment	24.08.1977	April 1996 to 29 November 1996	2000-2001	(-)33.95		99.75	(-)310.86	(-)76.34	(-)33.94	–	5
21.	Kanpur Components Limited (Subsidiary of Uttar Pradesh Electronics Corporation Limited)	Electronics	31.03.1978	[46]	–	–	–	5.25	–	–	–	–	23
	Sector wise total					**-** **(-)134.85**		**460.57**	**-** **(-)644.46**	**163.33** **(-)76.34**	**-** **(-)130.40**	**-**	
	Textiles												
22.	Uttar Pradesh State Textile Corporation Limited	Textile	02.12.1969	1997-98	1998-99	(+) 280.63	-	16079.37	(-) 18056.07	3844.60	1700.60	44.23	3
23.	Uttar Pradesh Textile Printing Corporation Limited (Subsidiary of Uttar Pradesh State Handloom Development Corporation Limited)	Textile	05.12.1975	1989-90	1999-2000	(-)5.17	0.39	26.00	(-)16.72	65.69	(-)4.67	-	1
24.	Bhadohi Woollens Limited (Subsidiary of Uttar Pradesh State Textile Corporation Limited)	Textile	14.06.1976	1994-95	-	(-) 165.77	–	375.54	(-) 1195.91	(-) 49.09	85.35	–	6
	Sector wise total					**280.63** **(-)170.94**		**16480.91**	**-** **(-)19268.70**	**3910.29** **(-)49.09**	**1785.95** **(-)4.67**	**46.13**	
	Handloom and Handicrafts												
25.	Handloom Intensive Development Project (Bijnore) Limited (Subsidiary of Uttar Pradesh State Handloom Development Corporation Limited)	Rural and Small Industries	13.09.1976	1988-89	2000-2001	(-)10.24	-	2.00	90.80	314.83	0.81	0.26	2
	Sector wise total					**(-)10.24**		**2.00**	**90.80**	**314.83**	**0.81**	**0.26**	
	Mining												
26.	Uttar Pradesh State Mineral Development Corporation Limited	Industries and Industrial Development	23.03.1974	1996-97	2000-2001	(-)631.99	57.78	5640.48	(-)821.93	2783.72	(-)345.04	-	4
27.	Vindhyachal Abrasives Limited (Subsidiary of Uttar Pradesh State Mineral Development Corporation Limited)	Industries and Industrial Development	05.12.1985	1987-88	1995-96	(-) 11.78	–	0.002[47]	(-)11.30	0.79	(-) 10.86	-	13
	Sector wise total					**-** **(-)643.77**		**5640.482**	**-** **(-)833.23**	**2784.51**	**-** **(-)355.90**	**-**	
	Area Development												
28.	Uttar Pradesh Bundelkhand Vikas Nigam Limited	Area Develop-ment	30.03.1971	1991-92	1997-98	(-) 8.72	–	123.30	(-)129.27	(-) 0.98	(-) 8.71	-	9
29.	Uttar Pradesh Poorvanchal Vikas Nigam Limited	Area Develop-ment	30.03.1971	1987-88	1994-95	(-)13.64	–	114.80	(-)107.90	19.02	(-)13.64	-	13

47. Rs. 270 only.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
30.	Bundelkhand Concrete Structurals Limited (Subsidiary of Uttar Pradesh Bundelkhand Vikas Nigam Limited)	Area Development	02.03.1974	1986-87	1993-94	(-) 0.01	_	2.40	(-) 0.65	4.45	(-) 0.01	-	14
31.	Allahabad Mandal Vikas Nigam Limited	Area Development	31.01.1976	1983-84	1992-93	(-) 11.42	_	67.00	(-) 11.42	39.52	(-) 3.97	_	17
32.	Bareilly Mandal Vikas Nigam Limited	Area Development	31.01.1976	1984-85	1994-95	(-) 69.26	_	125.00	(-) 90.00	449.13	(-) 56.84	_	16
33.	Lucknow Mandaliya Vikas Nigam Limited	Area Development	31.01.1976	1981-82	1992-93	0.44	_	50.00	1.49	60.57	0.52	0.86	19
.	Agra Mandal Vikas Nigam Limited	Area Development	31.03.1976	1986-87	1989-90	11.24	2.51	100.00	(-) 33.13	132.02	12.48	9.45	14
35.	Gorakhpur Mandal Vikas Nigam Limited	Area Development	31.03.1976	1985-86	1995-96	2.36	_	122.03	(-) 118.16	61.31	2.36	3.85	15
36.	Meerut Mandal Vikas Nigam Limited	Area Development	31.03.1976	1994-95	2000-2001	(-)1.12		100.00	(-)78.07	28.24	(-)1.12	-	6
37.	Varanasi Mandal Vikas Nigam Limited	Area Development	31.03.1976	1987-88	1993-94	(-)2.71	-	70.00	(-)26.38	88.29	(-)2.71	-	13
38.	Moradabad Mandal Vikas Nigam Limited	Area Development	30.03.1978	1988-89	1999-2000	(-)11.23	-	25.00	(-)21.80	68.73	(-)0.57	-	12
39.	Gandak Samadesh Kshetriya Vikas Nigam Limited	Area Development	15.03.1975	1976-77	-	0.28	-	46.00	-	46.27	0.28	0.61	24
	Sector wise total					**14.32** **(-)118.11**		**945.53**	**1.49** **(-)616.78**	**997.55** **(-)0.98**	**15.64** **(-)87.57**	**-**	
	Development of Economically Weaker Section												
40.	Tarai Anusuchit Janjati Vikas Nigam Limited	Harijan and Social Welfare	02.08.1975	1982-83	1990-91	(-) 4.00	-	45.00	0.45	70.44	(-) 4.00	-	18
	Sector wise total					**(-) 4.00**		**45.00**	**0.45**	**70.44**	**(-) 4.00**		
	Cement												
41.	Uttar Pradesh State Cement Corporation Limited	Industries and Industrial Development	29.03.1972	1995-96	1996-97	(-)4775.52	-	6828.00	(-) 42599.38	(-) 23980.30	(-) 2291.33	-	5
	Sector wise total					**(-)4775.52**		**6828.00**	**(-) 42599.38**	**(-) 23980.30**	**(-) 2291.33**	**-**	
	Drugs, Chemicals & Pharmaceuticals												
42.	Uttar Pradesh Carbon and Chemicals Limited (Subsidiary of Uttar Pradesh State Industrial Development Corporation Limited)	Industries and Industrial Development	12.01.1982	1996-97	1999-2000	(-)0.08	-	1.27	(-)0.10	1.76	(-)0.08	-	4

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
43.	Uttar Pradesh Carbide and Chemicals Limited (Subsidiary of Uttar Pradesh State Mineral Development Corporation Limited)	Industries and Industrial Development	23.04.1979	1992-93	-	(-) 617.54	-	658.73	(-) 3531.51	(-) 1844.86	(-) 50.57	_	8
	Sector wise total					**-** **(-)617.62**		**660.00**	**-** **(-)3531.61**	**1.76** **(-)1844.86**	**-** **(-)50.65**	**-**	
	Miscellaneous												
44.	Uttar Pradesh Chalchitra Nigam Limited	Institutional Finance	10.09.1975	1997-98	1999-2000	(-) 8.86	5.68	818.42	(-) 881.08	248.77	41.59	16.71	3
	Sector wise total					**(-) 8.86**		**818.42**	**(-) 881.08**	**248.77**	**41.59**	**16.71**	
	Grand total C					**308.71** **(-) 7371.90**		**38655.47**	**92.74** **(-) 81080.10**	**22251.63** **(-) 28942.01**	**2103.91** **(-) 3182.28**	**-**	
	Grand total (A+B+C)					**6373.42** **(-) 53290.45**		**197825.86**	**48229.14** **(-) 357916.31**	**884909.24** **(-) 51981.22**	**29415.40** **(-) 18971.11**	**1.25**	

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-28, 32, 45, 46, 47, 48, and 49 where the capital employed is worked out as a mean of aggregate of the opening and closing balances of paid-up capital, free reserves, bonds, deposits and borrowings (including refinance).

(B) Companies at serial No. C-23 and 25 are under merger.

(C) Companies at serial No. C-10, 11,12, 13, 14, 18, 19, 20, 21, 24, 39 and 43, are under liquidation. Respective dates of liquidation are:

Sl.No.	Date of liquidation	Sl.No.	Date of liquidation	Sl.No.	Date of liquidation	Sl.No.	Date of liquidation	Sl.No.	Date of liquidation	Sl.No.	Date of liquidation
10	01.04.1978	11	01.09.1973	12	19.04.1986	13	09.01.1996	14	31.03.1991	18	30.11.1996
19	10.06.1996	20	30.11.1996	21	10.06.1996	24	20.02.1996	39	07.06.1977	43	19.02.1994

(D) Companies at Sl. No. (A) 11,19,26,27,29 and 30 (working companies) and Sl.No. (C) 7,14,15,16,17,18 and 20 (non-working companies) have been transferred to Government of Uttaranchal in June 2001.

Annexure-3

(Referred to in Paragraph 1.2.2 and 1.3.2)

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 2001.

(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[48]				Guarantees received during the year and outstanding at the end of the year[49]					Waiver of dues during the year				Loans on which mora-torium allowed	Loans conver-ted into equity during the year
		Central Govern-ment	State Govern -ment	Othe rs	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. Working Government Companies																
1.	Uttar Pradesh Agro Industrial Development Corporation Limited	-	-	-	-	1100.00 (Nil)	-	-	-	1100.00 (Nil)	-	-	-	-	843.75	-
2.	Uttar Pradesh (Rohelkhand-Tarai) Ganna Beej Evam Vikas Nigam Limited	-	-	-	-	2000.00 (2000.00)	-	-	-	2000.00 (2000.00)	-	-	-	-	-	-
3.	Uttar Pradesh (Paschim) Ganna Beej Evam Vikas Nigam	-	-	-	-	1200.00 (786.72)	-	-	-	1200.00 (786.72)	-	-	-	-	-	-
4.	Uttar Pradesh (Madhya) Ganna Beej Evam Vikas Nigam	-	-	-	-	600.00 (73.64)	-	-	-	600.00 (73.64)	-	-	-	-	-	-
5.	Uttar Pradesh State Spinning Company Limited (Subsidiary of Uttar Pradesh State Textile Corporation Limited)	-	-	-	-	1380.00 (1380.00)	-	-	-	1380.00 (1380.00)	-	-	-	-	-	-
6.	Uttar Pradesh State Handloom Corporation Limited	-	134.00[50]	-	134.00[50]	-	-	-	-	-	-	-	-	-	-	-

48 Subsidy includes subsidy receivable at the end of year which is shown in brackets.

49 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)
7.	Garhwal Mandal Vikas Nigam Limited[50]														957.42	
8.	Uttar Pradesh Scheduled Castes Finance and Development Corporation Limited	-	4252.47 788.94[51]	-	4252.47 788.94[51]	-	-	-	-	-	-	-	-	-	-	-
9.	Uttar Pradesh Samaj Kalyan Nirman Nigam Limited					-	- (37.83)	-	-	- (37.83)						
10.	Uttar Pradesh Pichhra Varg Vitta Evam Vikas Nigam Limited	-	-	-	-	-	3000.00 (689.99)	-	-	3000.00 (689.99)						
11.	Uttar Pradesh Food and Essential Commodities Corporation Limited	-	-	-	-	2500.00	750.00	-	-	3250.00	-	-	-	-	-	-
12.	Uttar Pradesh State Sugar Corporation Limited	-	-	-	-	28600.87 (28600.87)	- (11767.31)	-	-	28600.87 (40368.18)	-	-	-	-	-	-
13.	Kichha Sugar Company Limited (Subsidiary of Uttar Pradesh State Sugar Corporation Limited)	-	5.00	-	5.00	-	-	-	-	-	-	-	-	-	-	-
14.	Chhata Sugar Company Limited (Subsidiary of Uttar Pradesh State Sugar Corporation Limited)	-	-	-	-	- (2407.00)	-	-	-	- (2407.00)	-	-	-	-	-	-
15.	Ghatampur Sugar Company Limited (Subsidiary of Uttar Pradesh State Sugar Corporation Limited)	-	-	-	-	650.00 (611.05)	- (125.36)	-	-	650.00 (736.41)	-	-	-	-	-	-
16.	Uttar Pradesh State Tourism Development Corporation Limited	-	-	-	-	-	-	-	-	-	-	-	-	-	-	48.33
17.	Uttar Pradesh Jal Vidyut Nigam Limited	316.80	650.00	-	966.80	-	-	-	-	-	-	-	-	-	-	-
18.	Uttar Pradesh Power Corporation Limited	-	442.00[51]	-	442.00[51]	-	- (107889.00)	-	-	- (107889.00)	-	-	-	-	-	-
19.	Uttar Pradesh State Industrial Development Corporation Limited	396.50	-	-	396.50	-	- (2747.50)	-	-	- (2747.50)	-	-	-	-	-	-
20.	The Pradeshiya Industrial and Investment Corporation of Uttar Pradesh Limited	-	-	-	-	-	12653.00	-	-	-	-	-	-	-	-	3353.00
21.	Uttar Pradesh Alpa Sankhyak Vitta Evam Vikas Nigam Limited	-	50.00[51]	-	50.00[51]	-	-	-	-	-	-	-	-	-	-	-
22.	Uttar Pradesh Development Systems Corporation Limited	-	105.00[51] (Nil)	-	105.00[51] (Nil)	-	-	-	-	-	-	-	-	-	-	-
23.	Uttar Pradesh Mahila Kalyan Nigam Limited	-	484.52[51]	-	484.52[51]	-	-	-	-	-	-	-	-	-	-	-
	Total – A	**713.30**	**4907.47** **2004.46[51]**		**5620.77** **2004.46[51]**	**38030.87** **(35859.28)**	**16403.00** **(123256.99)**	-	-	**54433.87** **(159116.27)**	-	-	-	-	**1801.17**	**3401.33**

50 Transferred to Government of Uttaranchal in June 2001.

51 Grant

(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 Road Transport Corporation	-	-	-	-	-	2500.00 (2500.00)	-	-	2500.00 (2500.00)		-	-	-	-	-
2.	U.P. Financial Corporation	-	-	-	-	-	- (78499.50)	-	-	- (78499.50)	-	-	-	-	-	4125.00
3	U.P. State Warehousing Corporation	30.00[51] (30.00)	-	-	30.00[51] (30.00)	-	-	-	-	-	-	-	-	-	-	
4	U.P. Avas Evam Vikas Parishad	-	-	-	-	-	1130.72 (1330.72)	-	-	1130.72 (1330.72)	-	3000.00	477.00	3477.00	-	-
5	Uttar Pradesh Jal Nigam	-	43310.15[51]	-	43310.15[51]	-	(785.14)		-	- (785.14)	-	-	-	-	-	-
6	U.P. State Employees Welfare Corporation	-	198.40[51]	-	198.40[51]	200.00 (200.00)	-	-	-	200.00 (200.00)	-	-	-	-	-	-
	Total-B	**30.00[51] (30.00)**	**43508.55[51]**	-	**43538.55[51] (30.00)**	**200.00 (200.00)**	**3630.72 (83115.36)**	-	-	**3830.72 (83315.36)**	-	**3000.00**	**477.00**	**3477.00**	-	**4125.00**
	Grand Total (A)+(B)	**713.30 (30.00) 30.00[51]**	**4907.47 45513.01[51]**	-	**5650.77 (30.00) 45543.01[51]**	**38230.87 (36059.28)**	**20033.72 (206372.35)**	-	-	**58264.59 (242431.63)**	-	**3000.00**	**477.00**	**3477.00**	**1801.17**	**7526.33**
C. Non Working Government Companies																
1.	Uttar Pradesh State Horticultural Produce Marketing & Processing Corporation Limited	-	-	-	-	-	- (55.51)	-	-	- (55.51)						
2.	Continental Float Glass Limited						- (13820.00)	-	-	- (13820.00)	-	-	-	-	-	-
3.	Uptron India Limited	-	-	-	-	(3270.00)	-	-	-	(3270.00)	-	-	-	-	-	
4.	Uttar Pradesh State Textile Corporation Limited	-	-	-	-	2200.00 (2200.00)	-	-	-	2200.00 (2200.00)						
5.	Uttar Pradesh State Mineral Development Corporation Limited	-	-	-	-	-	- (335.00)	-	-	- (335.00)	-	-	-	-	-	-
6.	Uttar Pradesh Carbide and Chemicals Limited	-	-	-	-	- (335.00)	-	-	-	- (335.00)	-	-	-	-	-	-
	Total C	-	-	-	-	**2200.00 (5805.00)**	**- (14210.51)**	-	-	**2200.00 (20015.51)**	-	-	-	-	-	-
	Grand total (A+B+C)	**743.30 (30.00)**	**4907.47 45513.01[51]**	-	**5650.77 (30.00) 45543.01[51]**	**40430.87 (41864.28)**	**20033.72 (220582.86)**	-	-	**60464.59 (262447.14)**	-	**3000.00**	**477.00**	**3477.00**	**1801.17**	**7526.33**

51 Grant

Annexure-4

(Referred to in paragraph 1.2.4 and 1.3.5)

Statement showing financial position of Statutory Corporations

Working Statutory Corporations

1. Uttar Pradesh State Road Transport Corporation

(Rupees in crore)

Particulars	1997-98	1998-99	1999-2000 (Provisional)
A. Liabilities			
Capital (including capital loan and equity capital)	315.83	321.57	321.37
Borrowings:			
Government	17.61	11.71	9.96
Others	79.55	79.38	79.71
Funds[52]	0.31	0.35	1.42
Trade dues and other current liabilities (including provisions)	338.97	392.11	468.28
Total	**752.27**	**805.12**	**880.74**
B. Assets			
Gross Block	557.34	558.49	561.86
Less: Depreciation	369.72	378.21	394.43
Net fixed assets	187.62	180.28	167.43
Capital work in progress (including of cost of chassis)	2.82	2.58	1.22
Investments	0.87	0.87	1.04
Current Assets, Loans and Advances	78.56	116.76	106.39
Accumulated Losses	482.40	504.63	604.66
Total	**752.27**	**805.12**	**880.74**
C. Capital employed[53]	**(-) 69.97**	**(-)92.49**	**(-) 193.24**

2. Uttar Pradesh Financial Corporation

Particulars	1997-98	1998-99	1999-2000 (Provisional)
A. Liabilities			
Paid-up capital	100.00	100.00	100.00
Share application money	-	-	-
Reserve fund and other reserves and surplus	20.72	20.60	20.47
Borrowings			
(i) Bonds and debentures	777.53	817.83	763.48
(ii) Fixed deposits	-	-	

52 Excluding Depreciation Funds.

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

(Rupees in crore)

Particulars	**1997-98**	**1998-99**	**1999-2000 (Provisional)**
(iii) Industrial Development Bank of India and Small Industries Development Bank of India	536.99	511.85	445.61
(iv) Reserve Bank of India	17.35	-	-
(v) Loans towards share capital			
(a) State Government	9.80	9.80	9.80
(b) Industrial Development Bank of India	8.80	8.80	8.80
(c) New Okhla Industrial Development Authority	-	-	20.00
(vi) Others (including State Govt.)	40.76	74.76	75.25
Other Liabilities and Provision	249.08	300.22	306.61
Total A	**1761.03**	**1843.86**	**1750.02**
B. Assets			
Cash and Bank balances	66.20	83.28	81.06
Investments	24.24	35.85	44.22
Loans and Advances	1310.81	1251.48	1103.44
Net Fixed Assets	61.83	41.68	31.74
Other Assets	29.44	37.03	40.56
Misc. Expenditure	-	-	-
Profit and Loss Account	268.51	394.53	449.00
Total B	**1761.03**	**1843.86**	**1750.02**
C. Capital Employed[54]	**1459.38**	**1527.79**	**1442.99**

3. U.P. State Warehousing Corporation

Particulars	**1997-98**	**1998-99**	**1999-2000**
A. Liabilities			
Paid up capital	11.37	12.77	13.37
Reserves and surplus	21.65	28.34	40.07
Subsidy	-	0.30	0.30
Borrowings:			
Government	0.14	0.23	-
Others	1.90	1.50	1.16
Trade Dues and Current Liabilities (including provisions)	13.96	16.62	27.05
Total A	**49.02**	**59.76**	**81.95**
B. Assets			
Gross Block	39.56	41.82	47.26
Less Deprecation	9.76	10.22	11.80
Net Fixed Assets	29.80	31.60	35.46
Capital Work in progress	1.38	0.77	1.48

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

(Rupees in crore)

Particulars	1997-98	1998-99	1999-2000
Current Assets, Loans and Advances	17.84	27.39	45.01
Profit and Loss Account	-	-	-
Total B	**49.02**	**59.76**	**81.95**
Capital Employed[55]	**34.86**	**43.14**	**54.90**

4. Uttar Pradesh Forest Corporation

Particulars	1996-97	1997-98	1998-99 (Provisional)
A. Liabilities			
Reserve and Surplus	287.35	323.15	352.45
Borrowings	0.16	0.16	0.16
Current Liabilities (including provisions)	73.52	103.87	147.54
Other Liabilities	7.00	7.00	7.00
Total A	**368.03**	**434.18**	**507.15**
B. Assets			
Net Fixed Assets	10.92	10.31	11.16
Current Assets, Loans and Advances	354.64	421.45	493.94
Accumulated loss	-	-	
Miscellaneous Expenditure	2.47	2.42	2.05
Total B	**368.03**	**434.18**	**507.15**
C. Capital employed[55]	**292.04**	**327.89**	**357.56**

5. Uttar Pradesh Avas Evam Vikas Parishad

Particulars	1993-94	1994-95 (Provisional)	1995-96 (Provisional)
A. Liabilities			
Surplus	26.45	27.29	28.21
Borrowings	248.32	249.78	195.48
Deposits	32.35	38.90	39.38
Current Liabilities (including Registration Fee)	221.19	218.13	245.47
Excess of assets over liabilities	-	-	1.18
Total A	**528.31**	**534.10**	**509.72**
B. Assets			
(i) Net Fixed Assets	1.04	1.06	1.15
(ii) Investments	7.66	29.78	35.37
(iii) Current Assets, Loans and Advances	519.61	503.26	473.20
Total B	**528.31**	**534.10**	**509.72**
C. Capital employed[55]	**299.46**	**286.19**	**228.88**

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

6. Uttar Pradesh Jal Nigam

(Rupees in crore)

Particulars	1996-97	1997-98	1998-99
A. Liabilities			
Borrowings	273.24	286.96	313.20
Grants from Government	2127.72	2495.85	3207.70
Deposits	808.55	878.29	688.72
Current Liabilities	148.53	158.22	868.12
Centage on material unconsumed	23.88	29.08	29.08
Pension and Gratuity	6.00	6.00	10.50
Unclassified Reserve	20.51	20.48	20.48
Total A	**3408.43**	**3874.88**	**5137.80**
B. Assets			
Gross Block	450.17	591.28	788.18
Less: Depreciation	4.67	5.04	7.84
Net Fixed Assets	445.50	586.24	780.34
Investments	166.06	223.93	302.75
Current Assets	2436.87	2904.50	3960.27
Deficit	360.00	160.21	94.44
Total B	**3408.43**	**3874.88**	**5137.80**
C. Capital employed[56]	**2733.84**	**3332.52**	**3872.49**

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

Annexure-5

(Referred to in paragraph 1.2.4 and 1.3.5)

Statement showing working results of Statutory Corporation

Working Statutory Corporations

1. Uttar Pradesh State Road Transport Corporation

(Rupees in crore)

Particulars	1997-98	1998-99	1999-2000 (Provisional)
Operating			
(a) Revenue	584.17	650.21	701.82
(b) Expenditure	629.56	675.04	783.30
(c) Surplus (+)/Deficit (-)	(-) 45.39	(-) 24.83	(-) 81.48
Non operating			
(a) Revenue	15.58	15.42	16.84
(b) Expenditure	15.16	10.98	35.40
(c) Surplus (+)/Deficit (-)	(+) 0.42	(+) 4.44	(-) 18.56
Total:			
(a) Revenue	599.75	665.63	718.66
(b) Expenditure	644.72	686.02	818.70
(c) Net Profit (+)/Loss (-)	(-) 44.97	(-) 20.39	(-) 100.04
Interest on Capital and Loans	15.16	10.98	17.69
Total return on Capital employed	(-) 29.81	(-) 9.41	(-) 82.35
Percentage of total return on capital employed	-	-	-

2. Uttar Pradesh Financial Corporation

(Rupees in crore)

Particulars	1997-98	1998-99	1999-2000 (Provisional)
1. Income			
(a) Interest on loans	151.42	142.35	156.05
(b) Other Income	23.65	12.68	11.38
Total 1	**175.07**	**155.03**	**167.43**
2. Expenses			
(a) Interest on long term	178.72	190.76	178.05
(b) Provision for non performing assets	142.02	49.99	8.90
(c) Other expenses	21.04	40.30	34.95
Total 2	**341.78**	**321.57**	**221.90**
3. Profit (+)/Loss (-) before tax (1-2)	(-) 166.71	(-) 126.02	(-) 54.47
4. Other appropriations			
5. Amount available for dividend[57]			

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

Particulars	1997-98	1998-99	1999-2000 (Provisional)
6. Other appropriations	-	-	
7. Amount available for dividend	-	-	
8. Dividend paid/payable	-	-	-
9. Total return on capital employed	12.01	64.74	123.58
10. Percentage of return on capital employed	0.82	4.24	8.56

3. Uttar Pradesh State Warehousing Corporation

(Rupees in crore)

Particulars	1997-98	1998-99	1999-2000
1. Income			
(a) Warehousing charges	24.02	61.35	98.82
(b) Other Income	0.14	0.28	0.77
Total 1	**24.16**	**61.63**	**99.59**
2. Expenses			
(a) Establishment charges	12.17	12.76	16.39
(b) Interest	0.28	0.26	0.19
(c) Other expenses	9.46	39.74	66.45
Total 2	**21.91**	**52.76**	**83.03**
3.Profit (+)/Loss (-) before tax	(+) 2.25	(+) 8.87	(+) 16.56
4. Other appropriations[58]			
5. Amount available for dividend	3.74	7.26	13.03
6. Dividend for the year	0.21	0.52	1.12
7. Total return on capital employed	4.02	7.52	13.22
8 Percentage of return on capital employed	11.53	17.43	24.08

4. Uttar Pradesh Forest Corporation

(Rupees in crore)

Particulars	1996-97	1997-98	1998-99 (Provisional)
1. Income			
Sales	178.37	128.12	162.84
Other Income	29.86	27.84	35.43
Closing Stock	67.92	106.77	147.67
Total 1	**276.15**	**262.73**	**345.94**
2. Expenditure			
Purchases	39.07	74.06	124.25
Other Expenses	75.25	84.95	85.62
Opening Stock	117.19	67.92	106.77
Total 2	**231.51**	**226.93**	**316.64**

58 This does not include prior period adjustments amounting to Rs. 1.49 crore, Rs. (-)1.61 crore and Rs. (-) 3.53 crore for the year 1997-98, 1998-99 and 1999-2000 respectively.

Particulars	1996-97	1997-98	1998-99 (Provisional)
Net Profit	44.64	35.80	29.30
Total return on capital employed	44.64	35.80	29.30
Percentage of return on capital employed	15.29	10.92	8.19

5. Uttar Pradesh Avas Evam Vikas Parishad

(Rupees in crore)

Particulars	1993-94	1994-95	1995-96
		(Provisional)	
1. Income			
(a) Income from property	59.03	47.71	50.93
(b) Other Income	12.38	10.57	11.28
Total 1	**71.41**	**58.28**	**62.21**
2. Expenditure			
(a) Establishment	16.95	19.14	22.51
(b) Interest	28.28	24.28	21.75
(c) Other expenses	25.58	14.02	17.03
Total 2	**70.81**	**57.44**	**61.29**
3. Excess of income over expenditure	0.60	0.84	0.92
4. Total return on capital employed	28.88	25.12	22.67
5. Percentage of total return on capital employed	9.64	8.78	9.90

6. Uttar Pradesh Jal Nigam

(Rupees in crore)

Particulars	1996-97	1997-98	1998-99
1.Income			
Centage	38.31	56.50	80.34
Survey and project fee	11.38	15.36	9.29
Interest	16.43	21.33	25.37
Grant	42.10	36.42	19.31
Others	10.89	51.01	41.44
Total 1	**119.11**	**180.62**	**175.75**
2. Expenditure			
Establishment charges	68.50	81.43	129.79
Expenditure on maintenance	62.16	66.46	25.24
Interest	26.15	20.68	36.12
Other expenses	14.30	12.80	15.78
Depreciation	0.36	0.36	0.70
Total 2	**171.47**	**181.73**	**207.63**
Deficit	(-) 52.36	(-) 1.11	(-) 31.88
Total return on capital employed	(-) 26.21	19.57	4.24
Percentage of total return on capital employed	-	0.59	0.11

Annexure–6

(Referred to in paragraph 1.2.4.2.3)

Statement showing operational performance of Statutory Corporations

A. Working Statutory Corporations

1. Uttar Pradesh State Road Transport Corporation

Particulars	1997-98	1998-99	1999-2000
Average number of vehicle held			
(a) Own buses	7352	6859	6531
(b) Hired buses	846	982	1367
Average number of vehicles on the road	6432	6177	5804
Percentage of utilisation of vehicles	87	90	89
Number of employees	52537	50552	48909
Employee vehicle ratio	8.17:1	8.18:1	8.43:1
Number of routes operated at the end of year	2305	2234	2135
Route Kilometres	503160	492505	465320
Kilometres operated (in lakh)			
(a) Gross	6726	7160	7282
(b) Effective	6560	6988	7102
(c) Dead	166	172	180
Percentage of dead Kms. To gross kilometres	2.47	2.40	2.47
Average kilometers covered per bus per day	218	243	245
Average operating revenue per kilometre (Paise)	914	949	1000
Average expenditure per kilometer (Paise)	983	974	1082
Increase in operating expenditure per kilometre over previous year's expenditure (per cent)			
Profit (+)/Loss (-) per Km. (Paise)	(-) 69	(-) 25	(-) 82
Number of operating depots	114	114	114
Average number of breakdowns per lakh kilometres	5.50	4.55	4.30
Average number of accidents per lakh kilometres	0.20	0.22	0.19
Passenger Kms. Operated (in crore)	67.26	71.60	72.82
Occupancy ratio	64	65	61
Kilometers obtained per litre of:			
(a) Diesel oil	4.56	4.60	4.69
(b) Engine oil	823	870	894

2. Uttar Pradesh Financial Corporation

(Amount : Rupees in crore)

Particulars	1997-98		1998-99		1999-2000	
	Number	Amount	Number	Amount	Number	Amount
Application pending at the beginning of the year	175	68.43	111	28.79	339	79.97
Applications received	2077	581.87	1078	302.80	296	126.75
Total	**2252**	**650.30**	**1189**	**331.59**	**635**	**206.72**
Applications sanctioned	1741	360.26	560	106.18	219	73.17
Applications cancelled /withdrawn /rejected/ reduced	400	261.25	290	145.44	376	109.18
Applications pending at the close of the year	111	28.78	339	79.97	40	24.37
Loans disbursed	1300	268.89	637	129.39	237	69.65
Loan outstanding at the close of the year	21452	1310.81	20113	1251.48	17986	1103.44
Amount overdue for recovery at the close of the year						
(a) Principal	-	164.60	-	238.22	-	242.68
(b) Interest	-	377.04	-	498.89	-	692.36
Total	**-**	**541.64**	**-**	**737.11**		**935.04**
Amount involved in recovery certificate cases	-	280.03			-	-
Total	-	280.03			-	-
Percentage of overdue to the total loans outstanding	-	41.32	-	58.90	-	84.74

3. Uttar Pradesh State Warehousing Corporation

Particulars	1997-98	1998-99	1999-2000
Number of stations covered	101	118	133
Storage capacity created upto the end of the year (tonne in lakh)			
(a) Owned	11.80	11.81	11.94
(b) Hired	1.09	1.72	5.97
Total	**12.89**	**13.53**	**17.91**
Average capacity utilised during the year (tonne in lakh)	10.58	11.91	15.25
Percentage of utilisation	82.08	88.03	94.00
Average revenue per tonne per year (Rupees)	227.06	517.38	633.05
Average expenses per tonne per year (Rupees)	207.09	443.16	544.33
Profit (+)/Loss (-) per tonne (Rupees)	(+) 19.97	(+) 74.22	(+) 88.72

4. Uttar Pradesh Forest Corporation

Particulars	1997-98	1998-99	1999-2000
1. Timber including Sawn Timber (in lakh cubic meters)			
(a) Opening balance	3.92	6.70	7.53
(b) Sales	1.87	3.19	4.35
(c) Losses/Shortages	-	-	-
(d) Departmental use and other disposal	0.02	0.01	-
(e) Closing balance	2.03	3.50	3.18
2. *Tendu* leaves (Standard bags in lakh)			
(a) Opening balance	4.41	4.40	5.61
(b) Sales	4.19	3.97	5.23
(c) Losses/Shortages	-	-	-
(d) Closing balance	0.22	0.43	0.38
3. Bamboo (Scores in lakh)			
(a) Opening balance[59]	2.51	3.44	2.07
(b) Sales	0.90	2.63	1.47
(c) Losses/Shortages	-	-	-
(d) Closing balance	1.61	0.81	0.60
4. Agriculture Produce (Qtls. in lakh)			
(a) Opening balance	0.38	0.22	0.22
(b) Sales	0.33	0.20	0.21
(c) Losses/Shortages	-	0.01	-
(d) Closing balance	0.05	0.01	0.01
5. Baile Grass (Qtls. in lakh)			
(a) Opening balance[60]	0.30	0.42	0.36
(b) Sales	0.15	0.19	0.22
(c) Losses/Shortages	-	0.01	-
(d) Closing balance	0.15	0.22	0.14
6. Jari-Buti (in lakh kg.)			
(a) Opening balance[60]	3.41	6.67	9.29
(b) Sales	0.28	1.12	4.43
(c) Losses/Shortages	0.01	0.03	0.34
(d) Closing balance	3.12	5.52	4.52

59 Opening balance includes production during the year.

60 Opening balance includes production during the year.

Annexure-7

(Referred to in paragraph 1.8)

Statement showing the department-wise outstanding Inspection Reports (IRs)

Sl. No.	Name of Department	No. of PSUs	No. of outstanding I.Rs.	No. of outstanding paragraphs	Year from which paragraphs outstanding
1.	Agricultural & Allied	9	36	235	1984-85
2.	Sugar & Cane Development	9	195	774	1987-88
3.	Irrigation	1	6	67	1992-93
4.	Fisheries	1	4	15	1990-91
5.	Rural & Small Industry	3	14	127	1980-81
6.	Planning	2	6	26	1990-91
7.	Industries & Industrial Development	16	91	625	1981-82
8.	Hill Development	13	25	127	1981-82
9.	Export Promotion	3	16	82	1985-86
10.	Textile	9	52	208	1981-82
11.	Electronics	8	30	141	1979-80
12.	Public Works	2	286	1098	1978-79
13.	Area Development	12	4	10	1980-81
14.	Harijan Evam Social Welfare	6	29	144	1986-87
15.	Home	1	4	24	1996-97
16.	Food & Civil Supplies	2	47	168	1977-78
17.	Tourism	1	4	19	1994-95
18.	Alpsankhya Kalyan & Waqf	2	12	45	1983-84
19.	Transport	1	131	623	1981-82
20.	Co-operative	1	7	69	1990-91
21.	Forest	1	56	240	1996-97
22.	Panchayati Raj	1	5	16	1981-82
23.	Power	3	2016	6545	1983-84
	Total	**107**	**3076**	**11428**	

Annexure-8

(Referred to in paragraph 1.8)

Statement showing department wise draft paragraphs/reviews reply to which are awaited

Sl. No.	Name of Department	No. of draft paragraphs	No. of reviews	Period of issue
1.	Power	24	2	May 2001 to July 2001
2.	Police	-	1	June 2001
3.	Forest	-	1	June 2001
4.	Housing Department	-	1	June 2001
5.	Irrigation	1	-	May 2001
6.	Alpsankhyak Kalyan	2	-	May 2001
7.	Fisheries	1	-	May 2001
8.	Textile	4	-	May 2001
9.	Agriculture	2	-	May and June 2001
10.	Finance	4	-	May and June 2001
11.	Samaj Kalyan	1	-	May 2001
12.	PWD	3	-	May and June 2001
13.	Industrial Development	6	-	May and June 2001
14.	Transport	2	-	June 2001
15.	Sugar	3	-	June and July 2001
16.	Uttaranchal Vikas	1	-	June 2001
17.	Urban Development	4	-	July 2001
	Total	**58**	**5**	

Annexure-9

(Referred to in paragraph 1.10)

Statement showing paid-up capital, investment and summarised working results of 619-B companies as per their latest finalised accounts

(Figures in column 5 to 19 are in Rupees in lakh)

Sl. No.	Name of company	Status (working /Non-working)	Year of account	Paid-up capital	Equity by			Loans by			Grants by			Total investment by way of equity, loans and grants			Profit (+) /Loss (-)	Accumulated profit (+)/accumulated loss (-)
					State Government	State Government copanies	Central Government and their companies	State Government	State Government copanies	Central Government and their companies	State Government	State Government copanies	Central Government and their companies	State Government	State Government copanies	Central Government and their companies		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)
1.	Almora Magnesite Limited	Working	2000-2001	200.00	-	82.00 (41.00)	40.00 (20.00)	-	25.00	-	-	-	-	-	107.00	40.00	(-)86.41	(-) 313.12
2.	Command Area Poultry Development Corporation Limited	Non-working	1994-95	24.25	-	-	-	-	-	-	25.00	-	-	25.00	-	-	(+) 0.003	(-) 7.06
3.	Electronics & Computers (India) Limited	Non-working	[61]	-	-	-	-	-			-	-	-	-	-	-	-	-
4.	Steel & Fasteners Limited	Non-working	1978-79	90.00	-	55.00 (61.11)	-	-	-	-	-	-	-	-	55.00	-	(-) 45.00	-
5.	Uttar Pradesh Seeds & Tarai Development Corporation Limited	Working	1999-2000	276.63	96.25 (34.79)	-	52.50 (18.98)	-	-	-	802.60	-	-	898.85	-	52.50	(+) 286.65	(+) 1829.40

Note: (Figures in bracket indictes percentage to paid-up-capital).

61 Accounts not finalised since inception.

Annexure-10

(Referred to in paragraph 1.7)

Statement showing turnover of the companies whose turnover has been less than Rs. 5.00 crore during the last five years for which accounts have been certified

Sl No.	Name of the company	Latest finalised account (Year)	Turnover (Rupees in lakh)				
			Latest year	Second Year	Third Year	Fourth Year	Fifth Year
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	U.P. State Poultry and Livestock Specialities Ltd.	1995-96	65.07	163.86	120.48	49.18	42.96
2.	U.P. (Rohelkhand-Tarai) Ganna Beej Evam Vikas Nigam Ltd.	1999-2000	142.66	171.84	198.60	296.67	280.15
3.	U.P. (Paschim) Ganna Beej Evam Vikas Nigam Ltd.	2000-2001	142.87	161.71	206.37	264.97	301.96
4.	U.P. (Poorva) Ganna Beej Evam Vikas Nigam Ltd.	1999-2000	29.09	36.18	46.16	60.96	57.10
5.	U.P. (Madhya) Ganna Beej Evam Vikas Nigam Ltd.	1998-99	105.70	74.25	76.43	63.70	25.31
6.	U.P. Matsya Vikas Nigam Ltd.	1992-93	233.44	201.21	183.59	147.59	119.94
7.	Trans Cables Ltd.	1996-97	40.93	4.79	4.03	2.43	2.88
8.	U.P. State Leather Development and Marketing Corporation Ltd.	1998-99	165.94	193.19	157.90	159.04	54.91
9.	UPSIC Potteries Ltd.	1990-91	16.50	19.59	15.80	9.86	57.21
10.	U.P. Digitals Ltd.	1996-97	28.55	19.78	19.87	19.69	35.58
11.	U.P. Hill Electronics Corporation Ltd.	1993-94	175.01	124.40	63.60	30.20	10.66
12.	U.P. Scheduled castes Finance & Development Corp. Ltd.	1994-95	357.13	435.71	444.40	290.01	253.38
13.	Garhwal Anusuchit Janjati Vikas Nigam Ltd.	1988-89	19.09	28.63	60.66	52.68	20.09
14.	Kumaon Anusuchit Janjati Vikas Nigam Ltd.	1985-86	11.74	7.05	6.16	2.77	2.14
15.	U.P. Rajya Vidyut Utpadan Nigam Ltd.	1998-99	66.53	71.00	67.90	70.20	40.84
16.	U.P. Panchayati Raj Vitta Evam Vikas Nigam Ltd.	1989-90	33.79	33.67	20.42	30.60	27.91
17.	U.P. Alpsankhyak Vittiya Evam Vikas Nigam Ltd.	1990-91	36.11	24.57	28.62	11.31	5.73
18.	Uplease Financial Services	1997-98	128.63	71.61	50.04	55.26	67.88
19.	U.P. Development Systems Corp. Ltd.	1998-99	210.34	165.11	171.39	192.77	169.82
20.	U.P. Waqf Vikas Nigam Ltd.	1992-93	16.80	15.39	11.59	9.17	6.02
21.	U.P. Mahila Kalyan Nigam Ltd.	1996-97	17.79	19.46	25.20	20.98	22.29

Annexure-10A

(Referred to in paragraph 1.7)

Statement showing companies incurring losses for five consecutive years leading to negative net worth

(Rupees in lakh)

Sl. No.	Name of PSUs	Date of Incorporation	Losses for five consecutive years leading to negative net worth					
1.	Uptron India Limited	18.10.1979	**Year**	**1995-96**	**1994-95**	**1993-94**	**1992-93**	**1991-92**
			Net worth	(-) 14377.84	(-) 11165.41	(-) 8112.91	(-) 5653.09	(-) 4214.43
			Loss for year	(-) 3212.23	(-) 3118.95	(-) 3044.82	(-) 2638.66	(-) 2855.52
2.	U.P. State Yarn Company Limited	20.08.1974	**Year**	**1999-2000**	**1998-99**	**1997-98**	**1996-97**	**1995-96**
			Net worth	(-) 4589.14	(-) 3682.32	(-) 2445.09	(-) 1900.04	(-) 3378.80
			Loss for year	(-) 906.82	(-) 1236.36	(-) 545.05	(-) 220.82	(-) 1035.63
3.	U.P. State Sugar Corporation Limited	26.03.1971	**Year**	**1995-96**	**1994-95**	**1993-94**	**1992-93**	**1991-92**
			Net worth	(-) 20726.65	(-) 9525.82	(-) 5336.28	(-) 1196.41	(-) 445.87
			Loss for year	(-) 12036.63	(-) 4189.46	(-) 6028.96	(-) 8887.54	(-) 9103.58
4.	Chatta Sugar Company Limited	18.04.1975	**Year**	**1997-98**	**1996-97**	**1995-96**	**1994-95**	**1993-94**
			Net worth	(-) 2038.89	(-) 1817.84	(-) 1178.92	(-) 1386.29	(-) 1385.50
			Loss for year	(-) 221.05	(-) 636.26	(-) 416.99	(-) 300.80	(-) 169.61
5.	Nandganj Sihori Sugar Company Limited	18.04.1975	**Year**	**1996-97**	**1995-96**	**1994-95**	**1993-94**	**1992-93**
			Net worth	(-) 4181.53	(-) 3255.51	(-) 3442.13	(-) 2878.16	(-) 2574.42
			Loss for year	(-) 830.09	(-) 759.71	(-) 562.09	(-) 303.74	(-) 498.82
6.	Ghatampur Sugar Company Limited	30.05.1986	**Year**	**1998-99**	**1997-98**	**1996-97**	**1995-96**	**1994-95**
			Net worth	(-) 894.86	(-) 2352.37	(-) 1948.29	(-) 1406.62	(-) 974.89
			Loss for year	(-) 625.83	(-) 404.08	(-) 541.67	(-) 532.51	(-) 241.75
7.	The Indian Turpentine and Rosin Company Limited	22.02.1924	**Year**	**1999-2000**	**1998-99**	**1997-98**	**1996-97**	**1995-96**
			Net worth	(-) 2643.19	(-) 2117.26	(-) 1699.82	(-) 1255.63	(-) 978.10
			Loss for year	(-) 525.94	(-) 459.96	(-) 494.58	(-) 193.19	(-) 363.68

Annexure-11

(Referred to in paragraph 2A.3.1)

Statement showing delay in finalisation of tenders

Category of meters	No. of meters Year of requirement	Date of opening of tenders	Date of expiry of original validity period of tenders	Date of placement of orders	Value of order (Rupees in lakh)	Period of delay in placing orders (months)	Period of supply
Three phase electro-mechanical meters	54500 1994-95	September 1993	February 1994	December 1995 to November 1997	595.67	22 to 45	March 1996 to March 1998
Low Tension and High Tension electronic meters	930 1994-95	August 1994	February 1995	June to September 1995	198.64	4 to 7	September 1995 to June 1996
Single phase electro-mechanical meters	150000 1996-97	May 1996	November 1996	July to August 1997	438.21	8 to 9	November 1997 to February 1999
Three phase and CT operated electronic meters	9000 1996-97	Tenders due in May 1996 were opened in August 1997	November 1996	October 1998	508.11	23	January to May 1999
Single phase electronic meters	150000 1998-99	July 1998	January 1999	June 1999	1173.55	6	October 1999 to March 2001
Single phase electro-mechanical meters	158500 1999-2000	Tenders due in July 1998 were opened in September 1999	January 1999	May 2000	432.53	16	June 2000 to June 2001

Annexure-12

{Referred to in paragraph 2A.3.1.1(a)}

Statement showing procurement of HT and LT meters at higher cost due to delayed finalisation of tenders

Sl. No.	Name of firm	Date of order	HT (11/33 KV) Static Electronic Meter			LT (0.4 KV) Static Electronic Meter			Total value of HT and LT meters at contract rates	Total value of HT and LT meters at Rs. 16322 per meter	Extra Expenditure
			Number	Rate per meter (In Rs.)	Value (Rupees in lakh)	Number	Rate per meter (In Rs.)	Value (Rupees in lakh)	(Rupees in lakh)		
1.	Duke Arnics Limited, Hyderabad	June 1995	50	21066	10.53	100	20580	20.58	31.11	24.48	6.63
2.	Data Pro Electronics Limited, Pune	June 1995	30	22000	6.60	50	21500	10.75	17.35	13.06	4.29
3.	Data Pro Electronics Limited, Pune	Feb. 1996	80	22000	17.60	150	21500	32.25	49.85	37.54	12.31
	(On cancellation of the order placed in September 1995 on Crompton Greaves Limited, New Delhi)										
4.	P.I. Industries, Udaipur, renamed as Secure Meters Limited	August 1995	190	21165	40.21	300	20695	62.08	102.30	79.98	22.32
	Total		**350**		**74.94**	**600**		**125.66**	**200.61**	**155.06**	**45.55**

Annexure-13

{Referred to in paragraph 2A.3.1.1 (b)}

Statement showing details of orders placed for supply of three phase electro mechanical meters

Sl. No.	Name of firm	Date of order	Three phase four wire meter 10-20 ampere			
			Number	Rate per meter (In Rupees)	Value (Rupees in lakh)	Date of supply
1.	Accurate Meters Private Limited, New Delhi	December 1995	10200	720	73.44	April & May 1996
2.	Accurate Meters Private Limited, New Delhi	November 1996	38500	720	277.20	December 1996 to September 1997
3.	Jaipur Metal and Electrical Limited, Jaipur	December 1995	2400	733.63	17.61	March 1996
4.	Jaipur Metal and Electrical Limited, Jaipur	November 1996	10000	733.63	73.36	December 1996
5.	ECE Industries Limited, New Delhi	December 1995	2400	715.45	17.17	May 1996
6.	ECE Industries Limited, New Delhi	November 1996	10000	715.45	71.55	January to September 1997
7.	ECE Industries Limited, New Delhi	November 1997	1240	715.45	8.87	March 1998
			Three phase four wire meter 50-100 ampere			
8.	ECE Industries Limited, New Delhi	December 1995	1000	875.00	8.75	May 1996
9.	ECE Industries Limited, New Delhi	November 1996	3500	875.00	30.62	December 1996
			CT operated LT meter			
10.	ECE Industries Limited, New Delhi	December 1995	500	760	3.80	May 1996
11.	ECE Industries Limited, New Delhi	November 1996	1750	760	13.30	December 1996

Annexure-14

(Referred to in paragraph 2A.5)

Statement showing yearly average number of hours per day for which energy was used

Name of Division	Domestic LF		Commercial LF		S.M. Power		L.H. Power	
Yearly average number of hours per day for which energy was used								
	Min.	Max.	Min.	Max.	Min.	Max.	Min.	Max.
EDD Banda	2.7	3.1	3.7	4.2	0.6	0.9	3.1	8.5
EDD Bhadohi	3.3	3.9	2.1	2.8	1.8	3.2	2.2	6.0
EUDD Mayohall	5.9	8.0	3.5	4.0	2.0	2.3	3.5	4.4
EUDD Rambagh	4.8	5.9	2.8	4.6	1.1	2.3	4.1	7.6
EUDD II Aligarh	3.4	3.7	1.9	2.2	2.1	2.6	4.6	5.9
EDD I Aligarh	1.4	1.9	1.3	2.3	1.7	2.3	4.6	6.3
EUDD I Meerut	2.5	2.9	2.8	3.1	3.0	4.0	4.7	6.6
EDD I Bulandshahar	1.5	1.9	1.6	1.8	1.8	2.5	--	--
EDD I Kanpur	1.4	2.2	1.3	2.9	1.2	2.4	3.1	7.3
EDD Pratapgarh	0.7	1.6	3.4	6.0	2.5	4.4	5.1	9.2
EDD Chandauli	5.2	6.5	2.1	5.4	2.1	5.2	2.7	9.1
EDD Kasia	2.0	5.2	1.4	3.8	1.0	3.7	--	--
EDD II Mirzapur	3.4	6.8	3.8	7.9	1.4	5.2	--	--

Annexure-15

{Referred to in paragraph 2A.5(a)(i)}

Statement showing impact of magnetic shielding of electronic meter

Sl. No	Consumer's name & load	Date of installation of electronic meter	Date of magnetic shielding	Consumption before magnetic shielding		Consumption after magnetic shielding		Loss of revenue		
				Period	Average Unit	Period	Average Unit	Period	Unit	Amount (Rs. in lakh)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	EDD-I Bulandshahar									
1.	Jagatjeet Industries Load – 990 KVA	2/98	26.04.2000	11/99 to 4/2000	22573 per month	5/2000 to 9/2000	85818 per month	11/99 to 4/2000	379470	15.14
2.	Jensons & Nicholson Load – 400 KVA	22.08.98	17.04.2000	11/99 to 4/2000	31150 per month	5/2000 to 7/2000	38834 per month	11/99 to 4/2000	46104	1.84
3.	Good Luck Steel Tubes Ltd. Load – 450 KVA	13.03.99	15.04.2000	23.03.2000 to 26.04.2000	2739 per day	26.04.2000 to 31.05.2000	3616 per day	13.03.99 to 15.04.2000	46416	1.85
	EDD Kanpur									
4.	Raghubir Rolling Mill Load – 240 KVA	NA	25.05.2000	02.05.2000 to 25.05.2000	1101 per day	25.05.2000 to 30.06.2000	1242 per day	17.06.98 to 25.05.2000	77378	0.77
5.	R.M. Roller Flour Mill (P) Ltd., Load – 400 KVA	09.07.98	25.05.2000	09.07.98 to 25.05.2000	48610 per month	6/2000 to 8/2000	64476 per month	7/98 to 5/2000	364918	14.56
	EDD Chandauli									
6.	PCDF Dairy Load – 423 KVA	06.11.98	30.11.99	05.08.99 to 05.11.99	3556 per day	30.11.99 to 05.03.2000	4301 per day	06.11.98 to 30.11.99	172678	6.94

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
7.	Laxmi Business Promotion Ltd., Load – 1000 KVA	02.09.98	27.12.99	02.09.98 to 27.12.99	108091 per month	27.12.99 to 31.03.2000	142701 per month	09/98 to 12/99	553760	22.37
8.	Punjab Dairy Udyog Load – 132 KVA	10.06.98	06.01.2000	Minimum charges billed		06.01.2000 to 02.05.2000	9407 per month	1/98 to 1/99	122291	2.22
	EUDD-I Meerut									
9.	Bharat Textile Mill Load – 125 KVA	13.11.98	05.05.2000	12/98 to 04/2000	10314 per month	5/2000 to 12/2000	14270 per month	12/98 to 4/2000	67252	2.80
10.	Amar Ujala Prakashan Load – 149 KVA	15.10.96 changed on 11.8.99	15.02.2000	27.02.99 to 28.02.2000	21337 per month	28.02.2000 to 31.12.2000	24839	3/97 to 2/2000	126072	5.25
11.	Ganesh Cold Storage Load – 150 KVA	25.03.98	01.03.2000	(a)1998-99	155684	2000-2001	222557	1998-99	66873	3.03
				(b)1999-00	199309	2000-2001	222557	1999-2000	23248	1.02
	Total								**2046482**	**77.79**

Annexure-16

{Referred to in paragraph 2A.5 (a) (iii)}

Statement showing reduction in recorded consumption after installation of 'Secure' meter

Sl. No.	Consumer's Name & Load	Date of replacement of meter	Consumption of old meter		Consumption of new meter		Reduction of consumption		
			Period	Units (in lakh)	Period	Units (in lakh)	Units (in lakh)	Period	Amount (Rs. in lakh)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
EDD, Kanpur									
1.	Saluja Cold Storage	20.03.98	1997-98	4.04	(a) 1998-99	3.21	0.83	1998-99	2.45
	Load – 140 KVA	- do -			(b) 1999-00	2.02	2.02	1999-00	8.85
2.	Ansari Cold Storage	10.03.98	1997-98	1.88	(a) 1998-99	1.23	0.65	1998-99	2.68
	Load – 118.49KVA	- do -			(b) 1999-00	1.14	0.74	1999-00	2.87
3.	Sita Ram Ganesh Prasad	23.03.98	1997-98	4.05	(a) 1998-99	2.64	1.41	1998-99	6.18
	Ice & Cold Storage Load – 140 KVA	- do -			(b) 1999-00	2.80	1.25	1999-00	5.48
4.	Laxmi Ice Factory & Cold Storage	16.03.98	1997-98	6.86	(a) 1998-99	5.13	1.73	1998-99	7.57
	Load – 185 KVA	- do -			(b) 1999-00	5.39	1.47	1999-00	6.44
EDD, Kasia									
5.	Sevrahi Sugar Corporation Load – 395 KVA	29.06.98	1997-98	7.47	1998-99	6.19	1.28	1998-99	5.24
6.	U.P. State Sugar Corporation, Laxmiganj Load – 412 KVA	26.11.98	1997-98	7.10	1998-99	4.58	2.51	1998-99	10.27
EUDD II, Aligarh									
7.	Aligarh Muslim University (AMU-E) Load – 750 KVA	02.09.2000	25.08.2000 to 02.09.2000	8640 per day	02.09.2000 to 25.09.2000	5730 per day	2.59	02.09.2000 to 30.11.2000	7.48

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
EDD I, Aligarh									
8.	Alka International Ltd., Load – 410 KVA	23.02.99	29.01.99 to 23.02.99	1848 per day	23.02.99 to 27.02.99	1528 per day	1.51	23.02.99 to 8/2000	5.71
9.	RCS Rollers & Flour Mill Load – 400 KVA	27.02.99	29.01.99 to 27.02.99	3502 per day	27.02.99 to 27.03.99	1695 per day	0.85	27.02.99 to 26.12.2000	3.37
EDD, Firozabad									
10.	Dayalji Industries Load – 413 KVA	22.12.98	22.12.98 to 24.03.99	6043 per day	24.03.99 to 27.09.99	1870 per day	7.80	24.03.99 to 27.09.99	31.14
11.	Om Glass Works Load – 235 KVA	05.07.99	05.07.99 to 03.03.2000	2498 per day	03.03.2000 to 28.08.2000	1904 per day	1.06	03.03.2000 to 28.08.2000	4.22
12.	Meera Glass Industries Load – 300 KVA	21.04.98	27.01.98 to 21.04.98	2571 per day	21.04.98 to 28.07.98	1609 per day	0.94	21.04.98 to 28.07.98	2.54
EDD Banda									
13.	Parerhat Steel Ltd., Load – 5000 KVA	20.02.99	12/98 to 02/99	21.98 per month	03/99 to 05/99	13.69 per month	100.53	03/99 to 12/2000	138.03
	Total						**129.17**		**250.52**

Annexure-17

{Referred to in paragraph 2A.5 (d)(i)}

Statement showing non-replacement of defective meters

Name of Division	Month	Domestic L&F meters				Commercial L&F and SM Power meters			
		Total	NR/NA	IDF/ADF/RDF		Total	NR/NA	IDF/ADF/RDF	
				Total	More than 6 months			Total	More than 3 months
EUDD (Rambagh) Allahabad	9/2000	40823	15564	11403	5003	8380	996	1384	1156
EUDD (Mayohall) Allahabad	9/2000	26877	7502	12910	9578	3545	1256	700	588
EDD Bhadohi	9/2000	17817	2803	12209	11452	2177	352	708	628
EDD II Mirzapur	9/2000	24652	NA	10238	9287	4115	771	1702	1540
EDD Chandauli	1/2001	8087 (Partly)	2726	2910	2473	3381	1068	867	749
EDD Pratapgarh	9/2000	12356	3656	1733	1451	4146	1393	291	251
EDD Kasia	9/2000	15293	2170	5616	3975	4735	393	1744	386
EUDD I Meerut	10/2000	32164	3795	1836	809	13857	2343	699	331
EDD Banda	4/2000	36304	3426	8975	7681	7712	1151	913	652
EDD I Aligarh	11/2000	6810	945	1641	NA	2890	376	182	113
EDD II Aligarh	9/2000	33996	4158	3197	1855	7104	831	282	187
EDD Firozabad	9/2000	32489	4430	6237	3774	9805	1468	1357	1243
EDD I Buland-shahar	9/2000	7020	750	874	245	3753	407	125	85
EDD Kanpur	9/2000	5709	1572	1928	NA	3019	258	355	NA
Total		**301397**	**53497**	**81407**	**57583**	**78619**	**13063**	**11309**	**7909**

Annexure-18

{Referred to in paragraph 2A.5(d)(iii)}

Statement showing permanent disconnection from retrospective dates

Name of Division	No. of Consumers	Period during which PD finalised	Date from which PD was effective	Revenue waived off (Rupees in lakh)
EDD Firozabad	547	July 1997 to December 2000	December 1987 to June 1999	221.29
EUDD Mayohall, Allahabad	258	July 1998 to August 2000	August 1982 to July 1999	190.40
EDD Chandauli	79	October 1998 to September 2000	January 1984 to September 1997	65.11 (Excluding PD cases of small and medium power which were not put up to audit)
EDD II Mirzapur	36	July 2000 to September 2000	April 1984 to March 1999	14.32
EDD Kasia	72	December 1998 to August 2000	October 1988 to April 1998	43.04
EDD Bhadohi	47	December 1997 to December 1999	August 1985 to September 1997	22.72
EUDD II Aligarh	34	January 1996 to November 2000	November 1992 to July 1999	16.65
EDD Kanpur	11	September 1998 to October 2000	January 1980 to March 1998	1.59
EDD I Bulandshahar	37	March 1997 to November 2000	August 1986 to October 1998	10.91
EDD Pratapgarh	74	January 1999 to December 2000	October 1995 to September 2000	17.61
EDD Banda	69	July 1993 to December 2000	March 1991 to March 1998	39.73
EDD I Aligarh	65	January 1999 to December 2000	March 1980 to December 1999	23.91
EUDD I Meerut	68	December 1996 to December 2000	April 1992 to June 1999	24.71
EUDD Rambagh, Allahabad	5	October 1998 to November 1999	October 1988 to June 1994	12.42
Total	**1402**			**704.41**

Annexure-19

{Referred to in paragraph 2A.5(e)(v)}

Statement showing loss of revenue due to non-installation of new meter as check meters

Sl. No.	Consumer's Name	Contracted load	Date of replacement of meter	Consumption of old meter		Consumption of new meter		Loss of revenue		
				Units	Period	Units	Period	Period	Units	Amount (Rs. in lakh)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
EUDD Rambagh, Allahabad										
1.	Modern Pipe Industry	77 HP	29.08.2000	2017 per month	29.02.2000 to 29.08.2000	7760 per month	29.08.2000 to 28.11.2000	29.02.2000 to 29.08.2000	34460	1.37
2.	Vivek Industry	62.88 HP	10/2000	1685 per month	28.03.2000 to 28.09.2000	8460 per month	28.09.2000 to 29.12.2000	28.03.2000 to 28.09.2000	40650	1.62
3.	Deo Plast Ltd.	96.00 HP	31.10.2000	13920 per month	5/2000 to 10/2000	32150 per month	11/2000 to 01/2001	5/2000 to 10/2000	109380	4.36
4.	Girdhari Lal	60.72 HP	31.10.2000	4193 per month	11/99 to 04/2000	31270 per month	11/2000 to 01/2001	11/99 to 04/2000	162462	6.48
5.	Satish Chandra	55.50 HP	28.09.1999	3665 per month	20.02.99 to 24.08.99	8047 per month	28.09.99 to 12.12.99	20.02.99 to 24.08.99	26292	1.05
6.	Premier Conductor	75.723 HP	30.01.1999	4740 per month	26.06.98 to 27.12.98	12750 per month	30.01.99 to 28.04.99	26.06.98 to 27.12.98	48060	1.18
7.	Press Tress India	52.653 HP	31.07.1999	940 per month	27.12.98 to 29.06.99	2907 per month	31.07.99 to 28.10.99	27.12.98 to 29.06.99	11802	0.47
8.	Garrission Engineer Allahabad Fort	400 KVA	16.05.2000	164878 per month	31.10.99 to 30.04.2000	176124 per month	31.05.2000 to 31.08.2000	31.10.99 to 30.04.2000	67475	2.69
EDD, Bhadohi										
9.	Chandra	50 HP	25.08.2000	9176 per month	25.09.99 to 25.02.2000	14250 per month	25.08.2000 to 25.11.2000	25.09.99 to 25.02.2000	25370	1.01
10.	Chandra Wollens	95 HP	25.08.2000	4808 per month	25.11.99 to 25.05.200	17455 per month	25.08.2000 to 25.11.2000	25.11.99 to 25.05.2000	75882	3.03

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
EDD-I, Bulandshahar										
11.	Batra & Batra	170 KVA	23.04.1998	975 per day	30.03.98 to 23.04.98	1081 per day	23.04.98 to 04.06.98	11/97 to 04/98	17471	0.65
EDD, Kasia										
12.	U.P. Sugar Co. Ltd. Seorahi	395 KVA	29.06.1998	2017 per day	06.06.98 to 29.06.98	2365 per day	29.06.98 to 30.07.98	01/98 to 06/98	54571	2.37
13.	U.P. Sugar Co. Ltd. Khadda Unit	478 KVA	07.08.98	285 per day	30.06.98 to 01.08.98	2339 per day	07.08.98 to 01.09.98	02/98 to 07/98	302680	8.93
EDD, Chandauli										
14.	Indian Air Gases Ltd.	375 KVA	05.11.98	2868 per day	24.09.98 to 05.11.98	4596 per day	05.11.98 to 26.11.98	05/98 to 10/98	325371	13.92
15.	Anirudh Foods (P) Ltd.	800 KVA	25.09.98	5527 per day	31.08.98 to 25.09.98	6306 per day	25.09.98 to 30.10.98	4/98 to 9/98	143774	5.86
16.	Raman Dairy Udyog	130 KVA	03.12.97	438 per day	28.11.97 to 03.12.97	784 per day	03.12.97 to 28.12.97	06/97 to 11/97	54074	2.18
17.	Pashupati Cement (P) Ltd.	450 KVA	02.12.98	889 per day	05.02.98 to 21.02.98	1824 per day	21.02.98 to 05.03.98	10/97 to 02/98	106962	4.04
EDD, Pratapgarh										
18.	Rooma Cold Storage	100 HP	06.09.98	344 per day	01.08.98 to 06.09.98	480 per day	06.09.98 to 07.10.98	3/98 to 8/98	27919	1.17
19.	Pratapgarh Cold Storage	140 KVA	09.09.98	296614	1998-99	383100	1999-2000	1998-99	86486	4.82
EDD, Firozabad										
20.	Jagdish Glass Works	185 KVA	12.01.98	516 per day	24.06.97 to 12.01.98	1426 per day	12.01.98 to 01.05.98	24.06.97 to 12.01.98	183784	7.21
EDD-II, Mirzapur										
21.	Mirzapur Ice and Cold Storage	101 KVA	17.07.98	105118	1997-98	122456	1998-99	1997-98	17338	0.51
22.	Vindhya Ice and Cold Storage	130 KVA	8/98	73634	1998-99	86944	1999-2000	1998-99	13310	0.58
23.	Mirzapur Electrical Industry	100 KVA	17.08.98	27158 per month	02/98 to 07/98	29144 per month	08/98 to 10/98	02/98 to 07/98	11916	0.30

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
EDD-I, Aligarh										
24.	Darshan Oil Mill	976 KVA	28.09.98	5016 per day	27.08.98 to 28.09.98	6125 per day	28.09.98 to 29.10.98	02.04.98 to 28.09.98	205736	8.39
25.	Shankar Tala Bhandar (P) Ltd.	500 KVA	12.08.98	1267 per day	28.07.98 to 12.08.98	1751 per day	12.08.98 to 30.08.98	13.01.98 to 12.08.98	91034	4.41
26.	Darshan Agroil Ltd.	200 KVA	25.02.99	762 per day	29.01.99 to 25.02.99	889 per day	25.02.99 to 29.04.99	27.08.98 to 25.02.99	22543	1.16
27.	Pashupati Casting (P) Ltd.	3300 KVA	(a) 09.07.98	10923 per day	26.06.98 to 09.07.98	12301 per day	09.07.98 to 27.07.98	26.12.97 to 09.07.98	189981	5.65
28.	Aligarh Roller Flour Mill	440 KVA	(a) 15.09.98	729 per day	27.08.98 to 15.09.98	3315 per day	15.09.98 to 28.09.98	25.03.98 to 15.09.98	355155	14.48
			(b) 13.12.2000	1250 per day	30.11.2000 to 13.12.2000	3489 per day	13.12.2000 to 26.12.2000	30.06.2000 to 13.12.2000	74650	2.95
EDD, Banda										
29.	Parerhat Steel Ltd.	1200 KVA	01.06.98	1587 per day	11.05.98 to 01.06.98	4268 per day	01.06.98 to 29.06.98	12/97 to 05/98	540422	23.46
30.	Agarwal Stone Mill	36.30 HP	26.07.2000	1160 per month	20.01.2000 to 26.07.2000	3878 per month	26.07.2000 to 20.10.2000	20.01.2000 to 26.07.2000	16308	0.65
31.	Vijai Kumar Tripathi	61.30 HP	10.03.2000	1724 per month	20.08.99 to 10.03.2000	9129 per month	10.03.2000 to 20.06.2000	20.08.99 to 10.03.2000	44430	1.09
EUDD, Mayohall Allahabad										
32.	Smt. Aruna Bhargawa	30.00 HP	30.08.2000	2183 per month	30.12.99 to 30.06.2000	4791 per month	30.08.2000 to 30.11.2000	30.12.99 to 30.06.2000	17831	0.71
33.	Pratap Company	54.179 HP	08.01.99	2116 per month	30.07.98 to 30.01.99	4613 per month	30.01.99 to 30.04.99	30.07.98 to 30.01.99	14972	0.61
34.	Ganpat Rai Elchico Snack Bar	87.00 KW	23.04.98	9703 per month	01.11.97 to 23.04.98	14532 per month	2304.98 to 30.07.98	01.11.97 to 23.04.98	31237	0.93
35.	Bharat Yantra Nigam	80.00 KW	30.03.98	2128 per month	30.09.97 to 30.03.98	5320 per month	30.03.98 to 29.06.98	30.09.97 to 30.03.98	19155	0.57

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
36.	Bal Krishna Agrawal	75.99 KW	01.06.99	9000 per month	06.12.98 to 31.05.99	10908 per month	01.06.99 to 29.08.99	06.12.98 to 31.05.99	12648	0.38
37.	Hotel Kanha Shyam	480 KW	18.05.98	62160 per month	29.11.97 to 18.05.98	92200 per month	18.05.98 to 02.09.98	29.11.97 to 18.05.98	170228	5.09
38.	Geep Industry Syndicate Ltd.	250 KVA	30.05.98	31215 per month	29.11.97 to 30.05.98	49116 per month	30.05.98 to 28.08.98	29.11.97 to 30.05.98	107407	2.67
39.	Farrukhabad Cold Storage	250 KVA	02.05.97	1711 per day	27.03.97 to 02.05.97	3761 per day	02.05.97 to 30.05.97	31.10.96 to 02.05.97	144281	2.82
EUDD-I, Meerut										
40.	Ganesh Cold Storage	150 KVA	25.03.98	295 per day	23.03.98 to 17.04.98	507 per day	17.04.98 to 22.04.98	10/97 to 03/98	24018	0.88
EUDD-II, Aligarh										
41.	Aligarh Muslim University (AMU-'G')	300 KVA	31.08.2000	914 per day	25.04.2000 to 31.08.2000	2585 per day	31.08.2000 to 02.12.2000	25.04.2000 to 31.08.2000	213880	5.75
	Total								**4243405**	**158.45**

Annexure-20

{Referred to in paragraph 2A.5(f)}

Statement showing frequent failure of meters at consumer premises

Name of Consumer	Load (KVA)	Date of changes of Meters
Shivangi Steel Ltd., Jhansi	3000/5100	September 1997, January 1998, March 1998, April 1998, May 1998, June 1998, November 1998, December 1998 and April 1999
Jai Jagdamba Malleables Ltd., Jhansi	2000	March 1998, May 1998, June 1998, and March 1999
Juhi Alloys Ltd., Sumerpur (Hamirpur)	1600	May 1999, July 1999 and November 1999
Shivanshi Ferrous Pvt. Ltd., Orai	2300	January 1999, February 1999, April 1999 June 1999, July 1999 (twice), September 1999 and October 1999
U.P. Alloys Ltd., Sumerpur (Hamirpur)	2400	December 1998, February 1999 twice), April 1999 (twice) and February 2000
Venus Loha Udyog Ltd., Sumerpur (Hamirpur)	3800	March 1999 (alongwith change of PT) May 1999, December 1999, December 2000 and January 2001
Araul Refrigeration Industries Pvt. Ltd., Araul, Kanpur	200	March 1996, March 1997, June 1997 March 1998 and July 2000
Sangam Structurals Ltd., Naini Allahabad (Rolling Mill)	1800	May 1997, October 1997, April 2000 and July 2000
Dainik Jagran, Allahabad	136	May 2000, June 2000, August 2000 and September 2000
Mirzapur Electrical Indistries, Mirzapur	100	August 1998, September 1999 and June 2000

Annexure-21

{Referred to in paragraph 2A.5(g)(iv)}

Statement showing installation of CTs of different capacities

Sl. No.	Name of consumer	Contracted load	Capacity of line CT	Ratio of contracted load to CTs capacity	Remark
EDD, Kasia					
1.	U.P. State Sugar Corporation, Laxmiganj	412 KVA	800/5A	1.94	Installed on 04.05.99
2.	Genda Singh, Sugarcane Research Centre, Seorahi	236 KVA	400/5A	1.69	Installed before 4/1998
3.	U.P. State Sugar Corporation, Khadda	478 KVA	600/5A	1.26	Installed before 4/98
4.	Padam Shri Preservation Cold Storage, Padrauna	120 KVA	200/5A	1.67	Installed before 04/99
5.	U.P. State Sugar Corporation, Chitauni	76 KW	300/5A	3.33	Installed before 04/98
6.	Lotus Hotel, Kushinagar	145 KW	50/5A	0.29	Installed up to 5.7.2000
			150/5A	1.03	Installed on 5.7.2000
7.	U.P. State Sugar Corporation, Sevrahi	395 KW	800/5A	1.72	Installed up to 4/99
			1000/5A	2.15	Installed during 4/99
8.	U.P. State Sugar Corporation, Ramkola	350 KVA	600/5A	1.71	Installed before 4/97
9.	Kaptanganj Distillery, Kaptanganj	150 KVA	400/5A	2.67	Installed before 4/98
10.	Laxmi Cold Storage, Kasia	101 KVA	200/5A	1.98	Installed before 4/99
EDD, Pratapgarah					
11.	Pratap Cold Storage,	100 KVA	200/5A	2.00	Installed during 7.4.99
12.	Shahi Cold Storage	125 KVA	30/5A	0.24	Installed before 8/99
13.	Avadh Cold Storage	200 KVA	500/5A	2.50	Installed during 17.04.96

Annexure-22

{Referred to in paragraph 2A.6(a)}

Statement showing year wise repair of meters and number of meters remaining unrepaired as at the end of September 2000

Period	Category of Meters	ETD (Urban) Aligarh	ETD Bulandshahar	ETD (Urban) Meerut	ETD (Urban) Moradabad	ETD Banda	ETD I Allahabad	ETD (Urban) Allahabad	ETD Mirzapur	Total
		(Number of Meters Repaired)								
1996-97	SP	2706	1250	3701	62	664	322	1	NA	8706
	PP	251	300	701	54	205	133	38	NA	1682
	Total	**2957**	**1550**	**4402**	**116**	**869**	**455**	**39**	**NA**	**10388**
1997-98	SP	3780	800	2763	189	291	264	90	99	8276
	PP	418	330	546	77	82	113	65	80	1711
	Total	**4198**	**1130**	**3309**	**266**	**373**	**377**	**155**	**179**	**9987**
1998-99	SP	3522	1160	3191	267	390	354	--	117	9001
	PP	340	464	806	94	34	131	5	76	1950
	Total	**3862**	**1624**	**3997**	**361**	**424**	**485**	**5**	**193**	**10951**
1999-2000	SP	3454	540	3244	235	110	72	--	21	7676
	PP	656	170	919	124	36	130	11	88	2134
	Total	**4110**	**710**	**4163**	**359**	**146**	**202**	**11**	**109**	**9810**
2000-01 (up to 9/2000	SP	1672	NA	1920	117	45	111	--	--	3865
	PP	324	NA	794	184	3	117	118	62	1602
	Total	**1996**	**NA**	**2714**	**301**	**48**	**228**	**118**	**62**	**5467**
Grand Total	**SP**	**15134**	**3750**	**14819**	**870**	**1174**	**1123**	**91**	**237**	**37198**
	PP	**1989**	**1264**	**3766**	**533**	**280**	**624**	**237**	**306**	**8999**
	Total	**17123**	**5014**	**18585**	**1403**	**1454**	**1747**	**328**	**543**	**46197**
		(Unrepaied meters)								
At the end of 9/2000	SP	1679	7	534	257	9310	64	16218	926	28995
	PP	561	6	1956	78	1614	14	3246	631	8106
	Total	**2240**	**13**	**2490**	**335**	**10924**	**78**	**19464**	**1557**	**37101**

Annexure-23

{Referred to in paragraph 2A.6(b)}

Statement showing excessive cost of departmental repairs of meters

Year	ETD (Urban) Aligarh	ETD Buland-shahar	ETD (Urban) Meerut	ETD (Urban) Moradabad	ETD Banda	ETD (I) Allahabad	ETD (Urban) Allahabad	ETD Mirzapur	Total
1996-97									
Total (Rs. in lakh)	4.51	5.50	NA	1.73	2.01	1.84	2.51	NA	18.10
Per Meter (Rs.)	152	355	NA	1490	3.71	404	6436	NA	
1997-98									
Total (Rs. in lakh)	5.61	8.74	3.28	2.80	2.25	1.31	2.37	3.24	29.60
Per Meter (Rs.)	134	774	99	1052	1008	347	1531	1812	
1998-99									
Total (Rs. in lakh)	4.00	7.12	4.24	4.53	2.57	4.69	2.34	5.73	35.22
Per Meter (Rs.)	104	438	106	1254	729	967	46777	2969	
1999-2000									
Total (Rs. in lakh)	3.56	6.35	4.73	5.46	3.08	6.74	4.49	5.84	40.25
Per Meter (Rs.)	87	895	114	1521	1649	3336	40858	5358	
2000-2001 (up to 9/2000)									
Total (Rs. in lakh)	2.41	NA	NA	2.11	2.16	1.74	0.94	2.65	12.01
Per Meter (Rs.)	121	NA	NA	701	1429	765	794	4268	
Total during 5 years									
M&R Expenses (Rs. in lakh)	20.09	27.71	12.25	16.63	12.07	16.32	12.65	17.46	135.18
No. of meters repaired									
SP	15134	3750	11118	870	1174	1123	91	237	33497
PP	1989	1264	3065	533	280	624	237	306	8298

Annexure-24

(Referred to in paragraph 2B.5.4)

Statement showing the consumption of caustic soda and hydrochloric acid

Year	Total Production of D.M. Water (in MT)	Total Consumption of Caustic Soda Flake/Lye (kg.)	Consumption per MT of D.M. Water (in kg.)	Total excess Consumption of Caustic Soda Flake/Lye (in kg.)	Rate per kg. (Rs.)	Value of Excess Consumption (Rs. in lakh)	Total Consumption of HCL (in kg.)	Consumption of HCL per MT of D.M. Water (in kg.)	Excess Consumption of HCL (kg.)	Rate per kg (Rs.)	Value of excess Consumption (Rs. in lakh)
Panki TPS											
1996-97	347320	123850	0.36	48625	22.00	10.70	444645	1.28	20839	3.30	0.69
1997-98	318827	86300	0.27	15941	18.00	2.87	395360	1.24	6377	2.35	0.15
1998-99	333909	73600	0.22	--	--	--	407995	1.22	--	--	--
1999-2000	348873	79100	0.23	3489	14.50	0.51	455950	1.31	31399	2.35	0.74
2000-01	226560	61200	0.27	11328	14.50	1.64	308875	1.36	31718	2.35	0.75
Total				**79383**		**15.72**			**90333**		**2.33**
Obra ATPS											
1996-97	382265	290060	0.76	76453	8.54	6.53	286301	0.74	110857	1.39	1.54
1997-98	357959	259500	0.72	57273	7.90	4.52	256483	0.72	96649	2.30	2.22
1998-99	421247	286490	0.68	50550	7.90	3.99	267975	0.63	75824	2.47	1.87
1999-2000	658704	424200	0.64	52696	6.94	3.66	385760	0.59	92218	1.47	1.36
2000-01	679780	380895	0.56	--	--	--	306216	0.45	--	--	--
Total				**236972**		**18.70**			**375548**		**6.99**
Obra BTPS											
1996-97	2216356	946280	0.43	243799	8.54	20.82	918390	0.41	132981	1.39	1.85
1997-98	2024641	888780	0.44	242957	7.90	19.19	857810	0.40	101232	2.30	2.33
1998-99	2038419	899975	0.44	244610	7.90	19.32	863170	0.42	142689	2.47	3.52
1999-2000	2542603	817520	0.32	--	--	--	894345	0.35	--	--	--
2000-01	1727298	602095	0.35	51819	7.10	3.68	640635	0.37	34545	1.47	0.51
Total				**783185**		**63.01**			**411447**		**8.21**
Anpara ATPS											
1996-97	534451	181500	0.34	52445	8.55	4.11	184300	0.34	16034	3.20	0.51
1997-98	572487	177000	0.31	34349	7.90	2.71	187000	0.33	5725	3.50	0.20
1998-99	697681	198000	0.28	27907	7.90	2.20	227000	0.40	55814	2.05	1.14
1999-2000	673529	188700	0.28	26941	6.00	1.61	213600	0.32	--	--	--
2000-01	560930	154100	0.24	--	--	--	176800	0.32	--	--	--
Total				**141642**		**10.63**			**77573**		**1.85**
Anpara BTPS											
1996-97	628930	166200	0.26	--	--	--	223800	0.34	--	--	--
1997-98	730260	190370	0.26	--	--	--	254560	0.35	7303	3.50	0.26
1998-99	806440	224720	0.28	16129	7.90	1.27	293000	0.36	16129	2.05	0.33
1999-2000	836140	266880	0.32	50168	6.00	3.02	341500	0.41	58530	2.05	1.20
2000-01	659350	193870	0.29	19781	6.23	1.23	302100	0.46	79122	2.13	1.69
Total				**86078**		**5.52**			**161084**		**3.48**

Annexure-25

(Referred to in paragraph 2B.6.3)

Statement showing details of Operation and Maintenance expenditure

Name of TPS/Year	Generation (MU)	Total (O&M) Expenditure (variable) (Rs. in crore)	Other (O&M) expenditure			Cost against per MU of Generation		Percentage cost of repair and maintenance to the other O&M expenditure (5) / (6) X 100
			Cost of stores & spares (Rs. in crore)	Repair and maintenance (Rs. in crore)	Total (Rs. in crore)	Total O&M cost (variable) (Rs. in lakh) (3) / (2)	Cost of stores and spares. (Rs. in lakh) (4) / (2)	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Obra 'A'								
1996-97	773.500	80.82	7.09	5.01	12.10	10.45	0.92	41.40
1997-98	759.300	104.54	14.20	7.15	21.35	13.77	1.87	33.49
1998-99	782.292	118.52	12.34	8.51	20.85	15.15	1.57	40.82
1999-00	885.170	134.00	9.46	11.34	20.80	15.14	1.06	54.52
*2000-01	993.769	151.79	13.05	6.60	19.65	15.27	1.31	33.59
Obra 'B'								
1996-97	2841.400	222.23	24.90	9.01	33.91	7.82	0.88	26.57
1997-98	3276.000	280.29	23.36	12.85	36.21	8.56	0.71	35.49
1998-99	3430.914	315.74	21.08	6.33	27.41	9.20	0.61	23.09
1999-00	3962.302	392.92	28.57	8.57	37.14	9.92	0.72	23.07
2000-01	4917.609	470.52	24.98	4.95	29.93	9.56	0.51	16.54
Panki								
1996-97	842.529	127.68	7.23	2.22	9.45	15.15	0.86	23.49
1997-98	848.717	141.97	9.33	4.92	14.25	16.73	1.10	34.06
1998-99	775.612	143.52	11.02	6.36	17.38	18.50	1.42	36.59
1999-00	822.978	149.64	10.34	8.87	19.21	18.18	1.26	46.17
2000-01	860.655	148.19	12.59	4.48	17.07	17.22	1.46	26.24
Anpara (O&M)								
1996-97	11737.034	513.72	25.18	17.13	42.31	4.38	0.21	40.49
1997-98	11304.581	623.83	35.60	19.96	55.56	5.52	0.31	35.93
1998-99	10975.183	639.06	42.21	27.69	69.90	5.82	0.38	39.61
1999-00	11493.330	707.85	46.29	27.07	73.36	6.16	0.40	36.90
2000-01	11530.520	719.16	60.80	24.69	85.49	6.23	0.53	28.88

* Figures of 2000-2001 are provisional.

Annexure-26

(Referred to in paragraph 2C.5.1)

Statement showing financial position of the Company for the five years up to 31 March 2001

(Rupees in lakh)

Particulars	1996-97	1997-98	1998-99	1999-2000	2000-2001 (NA)
I. Liabilities					
a. Paid-up-Capital	300.00	300.0	300.00	300.00	
b. Reserve and surplus	314.61	397.96	410.07	415.18	
c. Borrowings	--	--	--	--	
d. Current liabilities and provisions:					
(i) Sundry Creditors and Other liabilities	127.28	165.41	168.67	218.87	
(ii) Advance received from U.P. Government for construction work	11140.59	13777.81	16657.04	19906.87	
(iii) Provisions	18.62	22.63	17.87	59.97	
Total (d)	**11286.49**	**13965.85**	**16843.53**	**20185.71**	
Total (a) +(b)+(c)+(d)	**11901.10**	**14663.81**	**17553.65**	**20900.89**	
II. Assets					
e. Gross Block	183.99	190.22	388.38	390.21	
f. Less: Depreciation	90.13	107.04	120.79	131.15	
g. Net Fixed Assets	93.86	83.18	267.59	259.06	
h. Current Assets, Loans and Advances:					
(i) Stock and Stores	369.59	243.72	212.62	322.00	
(ii) Value of work done:					
- Completed works	6625.82	7641.15	9625.05	9746.98	
- Work in progress	2686.28	3918.59	3605.30	6536.91	
(iii) Sundry Debtors	36.86	40.14	37.05	32.47	
(iv) Cash and Bank Balances	1866.65	2385.06	3535.31	3931.50	
(v) Accrued Interest on FDRs	52.82	112.37	237.41	30.82	
(vi) Loan and Advances	169.22	239.60	33.32	41.15	
Total (h)	**11807.24**	**14580.63**	**17286.06**	**20641.83**	
Total (g)+(h)	**11901.10**	**14663.81**	**17553.65**	**20900.89**	
III. Capital employed[62]	614.61	697.96	710.07	715.18	
IV. Net worth[63]	614.61	697.96	710.07	715.18	

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

63 Net worth represents paid-up capital plus reserve and surplus less intangible assets.

Annexure-27

(Referred to in paragraph 2C.5.2)

Statement showing working results of the Company for five years up to 31 March 2001

(Rupees in lakh)

Particulars	1996-97	1997-98	1998-99	1999-2000	2000-2001 (Provisional)
A. Income					
Value of work done	2148.68	2247.64	1678.47	3146.02	1312.93[64]
Interest received and other income	24.68	39.92	41.12	44.31	25.00
Total (A)	**2173.36**	**2287.56**	**1719.59**	**3190.33**	**1337.93**
B. Expenditure					
Consumption of material and expenditure related to works	1872.27	1966.77	1483.65	2795.09	1165.88
Salary	121.13	141.81	157.00	218.90	274.70[65]
Other administrative expenses	38.37	40.35	50.81	50.07	--
Operating profit(+)/ loss (-)	116.91	98.71	(-) 12.99	81.96	(-)127.65
Depreciation	5.21	6.29	8.66	7.33	7.15
Loss due to non-sanction of revised cost of works	--	--	--	110.63	--
Total (B)	**2036.98**	**2155.22**	**1700.12**	**3182.02**	**1447.73**
Net profit before tax (A-B)	**(+) 136.38**	**(+) 132.34**	**(+) 19.47**	**(+) 8.31**	**(-) 109.80**

64 As per MPR February 2001.

65. As per budget.

Annexure-28

(Referred to in paragraph 2C.6.1)

Statement showing details of savings under various works

(Rupees in lakh)

Name of the work	Date of completion	Sanctioned cost	Actual expenditure	Savings
(i) Construction of non-residential buildings of fire stations under 10th Finance Commission at				
Kanpur (Lotouche Road)	September 1999	46.25	39.50	6.75
Jhansi	August 1999	46.25	39.36	6.89
Bijnore	March 1999	46.25	36.05	10.20
Raibareli	March 2000	38.73	33.82	4.91
Ghazipur	June 2000	38.73	29.00	9.73
Azamgarh	March 2000	38.73	34.00	4.73
Kanpur (Colonelganj)	November 2000	38.12	33.69	4.43
(ii) Construction of residential buildings at Lucknow	December 2000	601.63	553.21	48.42
(iii) Radio Wireless Chowki	February 1999	49.00	44.00	5.00
(iv) Police Chowki 14/14	February 1999	58.10	55.28	2.82
3/3	March 1999	13.02	10.96	2.06
(v) Type III RTC, Chunar	October 1999	14.43	11.00	3.43
(vi) S.P. Residence, Mahoba	July 1999	47.64	42.52	5.12
(vii) Police Line, Mahoba (NR)	December 2000	120.45	88.80	31.65
Total				**146.14**

Annexure-29

(Referred to in paragraph 2C.7.1)

Statement showing excess expenditure on works over and above/without technical sanction

(Rupees in lakh)

Name of the unit	Number of works	Excess expenditure over and above technical sanction (up to November 2000)	Number of works	Expenditure without technical sanction (up to November 2000)	Total number of works	Total expenditure above and without technical sanction
Faizabad	16	75.83	8	129.37	24	205.20
Agra	25	138.08	2	116.25	27	254.33
Moradabad	4	7.87	26	706.24	30	714.11
Kanpur	13	48.94	12	407.29	25	456.23
Varanasi	18	93.04	8	285.20	26	378.24
Lucknow-I	7	13.20	4	47.29	11	60.49
Lucknow-II	3	3.54	1	32.82	4	36.36
Total	**86**	**380.50**	**61**	**1724.46**	**147**	**2104.96**

Annexure-30

{Referred to in paragraph 2C.7.1(c)}

Statement showing blockade of funds on partially constructed buildings

(Rupees in lakh)

Name of the unit	Name of work	Sanctioned cost/Fund received (Date of sanction)	Date of comple-tion	Date of availabi-lity of land	Expen-diture incurred	Revised cost	Cons-truction (Percen-tage)	Incre-ase in cost
Varanasi	Residential and office for C.O. Nautanva, Maharajganj	9.61 (June 1997)	March 1999	March 1998	9.56 (up to January 2001)	22.23	50	12.62
Varanasi	84 No. Type I and 42 No. Type III residences for police personnels for Gyan Vyapi Temple	200.00 (March 1996)	March 1997	August 1996 to July 1999	180.00 (up to March 2001	271.48	88	71.48
Agra	S.P. Building at Ghaziabad	43.63 (March 1998)	NA	May 1999	43.61 (up to March 2001)	72.02	85	28.39
Moradabad	I.G. Residence & Office	29.61 (March 1995)	August 1996	June 1995	29.84 (up to January 2001)	44.81	90	15.20
	Total	**282.85**			**263.01**	**410.54**		**127.69**

Annexure-31

(Referred to in paragraph 2C.8.2)

Statement showing purchase of building materials (stone grit, coarse sand, fine sand) and Uttar Pradesh Trade Tax paid on it by different divisions of U.P. Police Avas Nigam Limited from the year 1996-97 to 2000-2001 (up to January 2001)

Name of the Division	Agra	Moradabad	Faizabad	Kanpur	Varanasi	Lucknow-I	Lucknow-II	Total
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Stone Grit								
1996-97								
Quantity purchased (M^3)	3322.89	1561.06	--	1523.71	1020.10	2463.15	1916.32	11807.23
Uttar Pradesh Trade Tax paid (Rupees per M^3)	40.05	20.00	--	30.17	31.86	33.02	30.56	
Excess payment (Rupees in lakh)	1.33	0.31	--	0.46	0.33	0.81	0.59	3.83
1997-98								
Quantity purchased (M^3)	2461.81	2421.37	--	1599.67	1908.79	2219.44	1091.90	11702.98
Uttar Pradesh Trade Tax paid (Rupees per M^3)	39.56	19.25	--	33.78	32.58	26.15	37.18	
Excess payment (Rupees in lakh)	0.97	0.47	--	0.54	0.62	0.58	0.41	3.59
1998-99								
Quantity purchased (M^3)	1842.45	937.41	711.31	1077.31	932.37	1336.88	582.09	7419.82
Uttar Pradesh Trade Tax paid (Rupees per M^3)	48.42	25.10	46.00	37.58	53.84	47.89	47.37	
Excess payment (Rupees in lakh)	0.89	0.24	0.33	0.40	0.50	0.64	0.28	3.28
1999-2000								
Quantity purchased (M^3)	4001.02	3786.85	1559.31	3092.16	3497.56	3046.95	1233.31	20217.16
Uttar Pradesh Trade Tax paid (Rupees per M^3)	46.54	28.93	49.47	39.77	59.69	47.42	49.17	
Excess payment (Rupees in lakh)	1.86	1.10	0.77	1.23	2.09	1.44	0.61	9.10
2000-2001								
Quantity purchased (M3)	1215.59	1767.46	--	686.12	692.29	420.01	226.28	5007.75
Uttar Pradesh Trade Tax paid (Rupees per M^3)	52.95	39.20	--	34.67	51.59	40.16	48.48	

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Excess payment (Rupees in lakh)	0.64	0.69	--	0.24	0.36	0.17	0.11	2.21
Coarse Sand								
1996-97								
Quantity purchased (M^3)	2862.79	2067.17	--	1979.22	1560.39	3636.51	2330.31	14436.39
Uttar Pradesh Trade Tax paid (Rupees per M^3)	27.02	18.59	--	16.20	24.32	23.46	20.45	
Excess payment (Rupees in lakh)	0.77	0.38	--	0.32	0.38	0.85	0.48	3.18
1997-98								
Quantity purchased (M^3)	2375.28	2924.56	--	3385.07	2318.43	2458.54	1331.83	14793.71
Uttar Pradesh Trade Tax paid (Rupees per M^3)	27.20	19.10	--	16.86	26.79	22.91	28.52	
Excess payment (Rupees in lakh)	0.65	0.56	--	0.57	0.62	0.56	0.38	3.34
1998-99								
Quantity purchased (M^3)	1533.72	1326.63	1030.11	2919.39	1230.24	1427.16	753.74	10220.99
Uttar Pradesh Trade Tax paid (Rupees per M^3)	50.37	28.64	38.18	18.08	33.99	31.66	32.52	
Excess payment (Rupees in lakh)	0.77	0.38	0.39	0.53	0.42	0.45	0.25	3.19
1999-2000								
Quantity purchased (M^3)	3921.87	5498.48	1944.50	6674.78	3903.40	3168.07	1593.83	26704.93
Uttar Pradesh Trade Tax paid (Rupees per M3)	49.75	30.49	41.00	20.64	38.07	30.99	29.07	
Excess payment (Rupees in lakh)	1.95	1.68	0.80	1.38	1.49	0.98	0.46	8.74
2000-2001								
Quantity purchased (M^3)	1895.54	2847.94	--	2770.82	1239.56	918.81	126.53	9799.20
Uttar Pradesh Trade Tax paid (Rupees per M3)	52.53	39.60	--	19.71	39.84	31.81	28.06	
Excess payment (Rupees in lakh)	1.00	1.13	--	0.55	0.49	0.29	0.03	3.49
Fine Sand								
1996-97								
Quantity purchased (M^3)	3869.45	2953.63	--	1762.55	2299.65	3987.38	3183.10	18055.76
Uttar Pradesh Trade Tax paid (Rupees per M^3)	22.74	11.65	--	11.19	8.26	10.89	11.78	
Excess payment (Rupees in lakh)	0.88	0.34	--	0.20	0.19	0.43	0.37	2.41

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1997-98								
Quantity purchased (M^3)	3383.68	3196.58	--	1450.44	2633.24	2979.23	970.54	14613.71
Uttar Pradesh Trade Tax paid (Rupees per M^3)	22.75	11.74	--	10.62	8.79	11.85	10.01	
Excess payment (Rupees in lakh)	0.77	0.38	--	0.15	0.23	0.35	0.10	1.98
1998-99								
Quantity purchased (M^3)	2268.88	938.81	--	222.36	2184.76	1368.89	910.52	7894.22
Uttar Pradesh Trade Tax paid (Rupees per M^3)	31.18	13.61	--	11.71	12.49	18.39	15.10	
Excess payment (Rupees in lakh)	0.71	0.13	--	0.03	0.27	0.25	0.14	1.53
1999-2000								
Quantity purchased (M^3)	4612.95	1934.89	--	179.50	4806.12	3276.41	1686.69	16496.56
Uttar Pradesh Trade Tax paid (Rupees per M^3)	28.32	14.35	--	11.26	13.12	16.93	17.15	
Excess payment (Rupees in lakh)	1.31	0.28	--	0.02	0.63	0.55	0.29	3.08
2000-2001								
Quantity purchased (M^3)	2034.26	983.45	--	110.43	1163.25	879.29	130.55	5301.23
Uttar Pradesh Trade Tax paid (Rupees per M^3)	28.67	13.98	--	24.02	13.67	12.74	16.03	
Excess payment (Rupees in lakh)	0.58	0.14	--	0.03	0.16	0.11	0.02	1.04
Grand Total								**53.99**

Annexure-32

(Referred to in paragraph 3A.5)

Statement showing financial position of the Uttar Pradesh Forest Corporation during five years up to 1999-2000

(A) Source of Fund

(Rupees in lakh)

Sl. No.		1995-96	1996-97	1997-98	1998-99	1999-2000 (Provisional)
1.	Reserves & Surplus	24270.93	28735.08	32314.98	35245.27	38215.76
2.	Borrowing	700.00	700.00	700.00	700.00	3559.75
3.	Long term liability	15.89	15.89	15.89	15.89	15.89
4.	Current liability & provisions.					
	(a) Current liability	8517.68	6128.09	9164.95	13591.83	14349.64
	(b) Provisions	1222.34	1223.61	1221.74	1162.21	1134.64
	Total	**34726.84**	**36802.67**	**43417.56**	**50715.20**	**57275.68**

(B) Utilisation of Fund

(Rupees in lakh)

Sl. No.		1995-96	1996-97	1997-98	1998-99	1999-2000 (Provisional)
1.	Net Fixed Assets	1136.39	1091.74	1031.07	1116.18	1086.66
2.	(a) Current Assets	32570.38	34653.55	41415.66	48133.09	51530.31
	(b) Loans & Advances	745.71	810.13	729.37	1260.84	4450.47
3.	Miscellaneous expenditure/ Material loss to be written of (net of provisions)	274.36	247.25	241.46	205.09	208.24
	Total	**34726.84**	**36802.67**	**43417.56**	**50715.20**	**57275.68**
4.	**Capital employed[66]**	**24712.46**	**29203.72**	**32789.41**	**35756.07**	**41583.16**
5.	**Net worth [67]**	**23996.57**	**28487.83**	**32073.52**	**35040.18**	**38007.52**

66 Capital employed represents net fixed assets (including capital work is progress) plus working capital.

67 Net worth represents reserve and Surplus less intangible assets.

Annexure-33

(Referred to in paragraph 3A.5)

Statement showing the working results of the Uttar Pradesh Forest Corporation during five years up to 1999-2000

(Rupees in lakh)

Sl. No.		1995-96	1996-97	1997-98	1998-99	1999-2000 (Provisional)
	(A) Income					
1.	Sales	17958.08	17836.82	12812.34	16284.43	22266.59
2.	Accretion (+)/decretion (-)in stock	(-) 510.24	(-) 4927.42	(+) 3885.41	(+) 4090.26	(+) 2025.54
3.	Miscellaneous income/credits	327.11	407.31	261.56	261.31	395.57
4.	Prior period adjustment (income)	--	--	--	64.86	--
	Total	**17774.95**	**13316.71**	**16959.31**	**20700.86**	**24687.70**
	(B) Expenditure					
1.	Purchase of raw material	7311.70	3907.08	7406.27	12425.42	13242.64
2.	Operating expenses	4433.71	3439.17	3119.26	4128.49	4720.95
3.	Production overhead	2856.46	3153.12	3646.52	3804.88	5004.61
4.	Selling & Distribution expenses	162.37	179.53	89.38	98.38	125.27
5.	Management expenses	196.18	209.07	1379.54	327.29	418.38
6.	Depreciation on fixed assets	41.93	41.57	37.81	35.35	34.20
7.	Material loss	35.57	53.80	38.73	40.46	38.51
8.	Prior period adjustment (expenses)	482.64	164.25	74.91	--	221.50
	Total	**15520.56**	**11147.59**	**15792.42**	**20860.27**	**23806.06**
	(C) Operating profit (A-B)	2254.39	2169.12	1166.89	(-) 159.41	881.64
	(D) Add Interest income	1867.55	2796.43	2649.10	3311.99	2652.48
	(E) Less expenditure on forest development	414.85	501.39	236.01	222.28	563.63
	(F) Net income (C+D-E)	3707.09	4464.16	3579.98	2930.30	2970.49

Annexure-34

{Referred to in paragraph 3A.6.1.1 (A) (ii)}

Statement showing shortfall in production as compared to c.c.f. volume

Species/Name of Division	Year	c.c.f. Volume (CuM)	Actual production (CuM)	Shortfall in recovery (CuM)	Percentage of actual production to c.c.f. volume	Average rate of sale (Rupees)	Amount (Rupees in lakh)
Eucalyptus							
DLM (E), Haldwani	1998-99	18871.6640	18638.9967	232.6673	98.8	2044.85	4.76
DLM (E), Tanakpur	1998-99	2885.8938	2139.6620	746.2318	74.1	1988.77	14.84
DLM, Ramnagar	1998-99	3370.7964	3158.6032	212.1932	93.7	1296.24	2.75
DLM (E), Kaladungi	1998-99	47818.7680	45372.0675	2446.7005	94.9	1909.83	46.73
DLM, (W), Kaladungi	1998-99	34275.9000	34113.4968	162.0320	99.5	1955.54	3.17
DLM (W), Haldwani	1999-2000	1763.2512	1498.5558	264.6954	85.0	2215.92	5.87
DLM, Tanakpur	1999-2000	2431.1320	2304.5628	126.5700	94.8	2111.93	2.67
Sagaon (Teak)							
DLM (W), Haldwani	1998-99	358.1150	302.7870	55.3280	84.5	7275.26	4.03
Khair							
DLM (E), Haldwani	1998-99	414.7420	343.9301	70.8119	82.9	14475.00	10.25
DLM (W), Haldwani	1998-99	406.7320	312.0629	94.6691	76.7	14834.75	14.04
DLM Lease II, Haldwani	1998-99	308.7470	263.6758	45.0712	85.4	12147.35	5.47
DLM, Tanakpur	1998-99	831.7720	689.5250	142.2470	82.9	16793.95	2.39
DLM, Ramnagar	1998-99	539.0582	426.5857	112.4725	79.1	17401.53	19.57
DLM, Kashipur	1998-99	36.7880	20.5084	16.2796	55.7	17069.76	2.78
DLM (E), Kaladungi	1998-99	1526.5380	1485.9054	40.6326	97.3	16745.07	6.80
DLM (W), Kaladungi	1998-99	54.8320	51.3778	3.4542	93.7	16168.90	0.56
DLM Lease, Kaladungi	1998-99	89.7120	87.5053	2.2067	97.5	16168.90	0.36
DLM Lease I, Haldwani	1999-2000	261.3160	227.2388	34.0772	86.9	19831.41	6.76
DLM, Ramnagar	1999-2000	382.9812	356.7912	26.1900	93.2	19638.75	5.14
DLM Lease, Kaladungi	1999-2000	227.3390	222.4310	4.9080	97.8	16617.96	0.82
Softwood							
DLMLease II, Haldwani	1998-99	86.9148	75.0109	11.9039	86.3	1576.49	0.19
DLM Lease, Kaladungi	1998-99	219.0650	211.2087	7.8563	96.4	1917.99	0.15
DLM, Ramnagar	1999-2000	855.6714	754.4668	101.2046	88.2	1679.23	1.70
DLM Lease, Kaladungi	1999-2000	563.5710	498.0442	65.5268	88.4	1715.05	1.12
Kokat							
DLM (E), Haldwani	1998-99	220.0010	115.3449	104.6561	52.4	1275.45	1.33
DLM (W), Haldwani	1998-99	309.5150	146.2524	163.2625	47.3	1101.85	1.80
DLM Lease II, Haldwani	1998-99	274.0650	227.8813	46.1837	83.1	1590.78	0.73
DLM (W), Kaladungi	1998-99	162.2420	66.0970	96.1450	40.7	1423.35	1.37
DLM Lease, Kaladungi	1998-99	76.5440	43.0947	33.4493	56.3	1423.35	0.48
DLM (E), Haldwani	1999-2000	121.3410	29.1045	92.2365	24.0	1354.43	1.25
DLM, Tanakpur	1999-2000	539.1130	501.3758	37.7372	93.0	1543.68	0.58
DLM, Pithoragarh	1999-2000	267.7790	124.0682	143.7108	46.3	1175.15	1.69
DLM, Ramnagar	1999-2000	385.5745	356.9309	28.6436	92.6	1227.01	0.35
DLM (W), Kaladungi	1999-2000	280.2509	130.6815	149.5694	46.6	1380.95	2.07
DLM Lease, Kaladungi	1999-2000	48.4490	8.9897	39.4593	18.6	1264.49	0.50
Total				**5960.9832**			**175.07**

Annexure-35

{Referred to in paragraph 3A.6.1.1 (B)}

Statement showing production of Charcoal in Uttar Pradesh Forest Corporation during five years up to 1999-2000

Sl. No.	Name of division	Year	Roots Consumed (quintals)	Actual production of Charcoal (in quintals)	Percentage of Production to roots consumed	Expected production at 30.75 % of roots consumed (in quintals)	Shortfall in production (in quintals) (7-5)	Loss of revenue due to shortfall in production	
								Average selling rate of charcoal (Rupees per quintal)	Value (Rupees)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1.	D.L.M. (East), Haldwani	1995-96	11443.00	2288.71	20.00	3518.72	1230.01	213.47	262570.23
		1996-97	9500.00	1526.15	16.06	2921.25	1395.10	212.20	296040.22
		1997-98	1551.30	258.55	16.67	477.02	218.47	156.85	34267.02
		1998-99	11500.00	2886.95	25.10	3536.25	649.30	159.41	103504.91
		1999-2000	1086.30	334.05	30.75	334.05	0.00	--	0.00
2.	D.L.M. (West), Haldwani	1995-96	22926.85	3793.34	16.55	7050.01	3256.67	211.44	688590.30
		1996-97	18063.70	5299.77	29.34	5554.59	254.82	212.77	54218.05
		1997-98	30541.15	5847.69	19.15	9391.40	3543.71	176.10	624047.33
		1998-99	43127.27	10542.52	24.45	13261.64	2719.12	203.61	553640.02
		1999-2000	11232.00	3243.48	28.88	3453.84	210.36	198.81	41821.67
	Total			**36021.21**		**49491.77**	**13477.56**		**2658699.75**

Annexure-36

{Referred to in paragraph 3A.6.1.1 (C)}

Statement showing production of sawn timber in Uttar Pradesh Forest Corporation during five years up to 1999-2000

Sl. No.	Name of division	Round timber issued for hand sawing	Production of sawn timber		Shortfall in production of hand sawn timber (w.r.t. highest of 87.83 *per cent* achievement
			Quantity (CuM)	Percent	
(1)	(2)	(3)	(4)	(5)	(6)
1995-96					
1.	DLM, Tanakpur	6.3384	4.7538	75.00	0.8132
2.	DLM,Almora	6571.4844	3999.7806	60.87	1771.9541
3.	DLM, Nainital	3435.8703	2061.3324	59.99	956.3925
4.	DLM, Pithoragarh	16721.6665	10032.7481	60.00	4653.8916
5.	DLM, Dehradun	235.0000	110.9678	47.22	95.4327
6.	DLM, Chakrata	10245.6082	8998.8527	87.83	0.00
7.	DLM, Uttarkashi	19917.0036	15223.1535	76.43	2269.9508
8.	DLM, Tehri	1742.5110	816.4124	46.85	714.0350
9.	DLM, Tons	8640.3314	6388.7643	73.94	1200.0388
10.	DLM, Yamuna	10493.3579	7993.9634	76.18	1222.3528
11.	DLM, Garhwal	10502.5045	5475.0339	52.13	3749.3158
12.	DLM, Kotdwar	41.9307	16.1581	38.53	20.6696
1996-97					
1.	DLM, Almora	2043.5021	1238.9154	60.63	555.8925
2.	DLM, Nainital	1459.1135	890.8545	61.05	390.6849
3.	DLM, Pithoragarh	5017.9535	3060.7708	61.00	1346.4978
4.	DLM, Dehradun	163.2772	102.3867	62.71	41.0197
5.	DLM, Chakrata	8377.9524	7205.6124	86.00	152.7432
6.	DLM, Uttarkashi	2296.7249	1604.1928	69.85	413.0207
7.	DLM, Tehri	365.3799	229.3365	62.77	91.5767
8.	DLM, Tons	32362.2575	21176.5232	65.44	7247.2476
9.	DLM, Yamuna	5070.4850	4270.3707	84.22	183.0363
10.	DLM, Garhwal	3369.3664	1886.6924	56.00	1072.6221

(1)	(2)	(3)	(4)	(5)	(6)
1997-98					
1.	DLM, Almora	4419.6928	2653.3867	60.03	1228.4295
2.	DLM, Nainital	3537.6131	2125.4248	61.08	981.6608
3.	DLM, Pithoragarh	3235.0489	1935.0124	59.81	906.3310
4.	DLM, Chakrata	1280.9252	601.1982	46.93	523.8384
5.	DLM, Uttarkashi	768.2836	451.3186	58.74	223.4649
6.	DLM, Tehri	2099.4056	1381.5783	65.81	462.3296
7.	DLM, Tons	1079.0269	399.4272	37.02	548.2821
8.	DLM, Yamuna	1005.3655	435.2260	43.86	447.7865
9.	DLM, Garhwal	2828.9206	1367.6240	48.34	1117.0170
10.	DLM, Kotdwar	318.0999	138.1151	43.42	141.2720
1998-99					
1.	DLM, Almora	1075.8542	649.2402	60.46	295.6825
2.	DLM, Nainital	1481.6410	888.9846	60.00	412.3407
3.	DLM, Pithoragarh	4056.0088	2427.8052	59.85	1134.5873
4.	DLM, Dehradun	315.6427	152.2650	48.24	124.9640
5.	DLM, Chakrata	7355.6510	2712.6786	36.88	3747.7897
6.	DLM, Uttarkashi	9765.9481	4666.9024	47.79	3910.5298
7.	DLM, Tehri	4280.4878	2341.2477	57.40	1418.3047
8.	DLM, Tons	9283.5867	3699.7044	39.85	4454.0698
9.	DLM, Pauri	3659.3289	1201.2374	32.83	2012.7512
10.	DLM, Kotdwar	12.0359	6.9310	57.59	3.6401
1999-2000					
1.	DLM, Tanakpur	17.0050	13.1007	77.04	1.8348
2.	DLM, Almora	4252.9500	2559.9337	60.19	1175.4323
3.	DLM, Nainital	4573.5652	2743.5664	59.99	1273.3959
4.	DLM, Pithoragarh	4850.7908	2912.1238	60.03	1348.3258
5.	DLM, Dehradun	1287.2300	574.3622	44.62	556.2119
6.	DLM, Chakrata	5377.7045	2712.1291	50.43	2011.1088
7.	DLM, Uttarkashi	7226.0683	4043.7195	55.96	2302.9363
8.	DLM, Tehri	3082.8985	1421.8363	46.12	1285.8735
9.	DLM, Tons	10654.3681	4387.4356	41.18	4970.2959
10.	DLM, Kotdwar	2871.6593	1590.2678	55.38	931.9106
	Total				**68101.5859**

Annexure-37

{Referred to in paragraph 3A.6.1.3 (B)}

Statement showing hiring of godowns for storage of Tendu Patta in Renukoot and Dudhi Divisions of Uttar Pradesh Forest Corporation during five year up to 1999

Sl. No.		1995	1996	1997	1998	1999
1.	**Production (in Standard Bags)**					
	Renukoot	171827	64921	62574	72374	103306
	Dudhi	71882	65933	56963	76024	85400
2.	**Storage capacity hired (in Standard Bags)**					
	Renukoot	222257	112655	112370	108655	137155
	Dudhi	121200	105000	108500	98500	111500
3.	**Percentage of capacity hired to production**					
	Renukoot	129.3	173.5	179.6	150.1	132.8
	Dudhi	168.6	159.3	190.5	129.6	130.6
4.	**Hiring charges paid (in rupees)**					
	Renukoot	936546	886743	809177	904377	1028547
	Dudhi	739127	980822	783708	791419	831300
5.	**Hiring charges paid per standard bag (4/2) (in Rupees)**					
	Renukoot	4.21	7.87	7.20	8.32	7.50
	Dudhi	6.10	9.34	7.22	8.03	7.45
6.	**Capacity at the rate of 129.3 *per cent* of production (1 x 129.3 %) (In standard bags)**					
	Renukoot	222257	83943	80908	93580	133575
	Dudhi	92943	85251	73653	98299	110422
7.	**Capacity hired in excess of 129.30 *per cent* (In standard bag) (2 - 6)**					
	Renukoot	--	28712	31462	15075	3580
	Dudhi	28257	19749	34847	201	1078
8.	**Excess hiring charges paid (in Rupees) (7 x 5)**					
	Renukoot	--	225963	226526	125424	26850
	Dudhi	172368	184456	251595	1614	8031
	Total (in Rupees) of Sl. No. 8					**1222827**

Annexure-38

{Referred to in paragraph 3A.7.1 (i)}

Statement showing loss due to non revision of floor prices during 1998-99 and 1999-2000

		1998-99					1999-2000				
Sl. No.	Species	Actual weighted average of selling price	Proposed increase		Quantity Sold (CuM)	Loss (rupees in lakh)	Actual weighted average of selling price	Proposed increase		Quantity Sold (CuM)	Loss (rupees in lakh)
			Percent	Amount (rupees) (1x2)				Percent	Amount (rupees) (1x2)		
		1	2	3	4	5	1	2	3	4	5
1.	Shisham round	6096	5%	305	19385	59.12	5110	4	204	37413	76.32
2.	Devdar round and sawn	11112	3%	333	5030	16.75	--	--	--	--	--
3.	Far round and sawn	4762	10%	476	4393	20.91	5025	5	251	3940	9.89
4.	Kal round and sawn	Taken in Deodar	5%	--	--	--	--	-	--	--	--
5.	Teak root	--	5%	--	--	--	--	--	--	--	--
6.	Chir round and sawn	--	--	--	--	--	3883	5	194	33439	64.87
7.	Bamboo						60	5	3	151255	4.54
	Total					**96.78**					**155.62**
	Grand Total										**252.40**

Annexure-39

{Referred to in paragraph 3A.7.1 (i)}

Statement showing loss due to delay in fixation of floor price for the production year 1995-96

(Rupees in lakh)

Name of species	Proposed increase (*per cent*)	Amount of actual sales					
		From 01.04.1995 to 30.09.95	From 01.04.1995 to 31.03.1996	During 01.10.1995 to 31.03.1996 (4-3)	From 01.04.1996 to 31.10.1996	Total during 01.10.1995 to 31.10.1996 (5+6)	Loss (7x2)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sal Round	10	1175.59	2546.89	1371.30	2235.19	3606.49	360.64
Shisham Round	10	293.23	719.55	426.32	532.14	958.46	95.85
Shagon Round	5	271.75	513.79	242.04	440.59	682.63	34.13
Deodar Round	10	21.77	84.57	62.80	58.66	121.46	12.15
Fur Round	5	29.92	97.22	67.30	77.71	145.01	7.25
Kail Sawn	15	297.30	1216.37	919.07	454.55	1373.62	206.04
Deodar Sawn	25	--	--	--	--	--	--
Firewood	12	149.30	312.63	163.33	176.59	339.92	40.79
						Total	**756.85**

Note: Figures of sale of Deodar and Kail sawn were not separately available. Hence the sale of both have been shown against the one in which percentage increase was lower.

Annexure-40

{Referred to in paragraph 3A.7.1 (ii)}

Statement showing loss in sale during October 1997 to February 1998 due to late revision of floor price on 26.02.1998

Sl. No.	Species	Progressive sale		Quantity Sold during October 1997 to February 1998 (3-4) (CuM)	Rate/CuM as on February 1998 (Rupees)	Percentage increase in sale rate	Differences between new rate and old rate per CuM (6x7/100) (Rupees)	Loss (rupees in lakh)
		Up to Feb. 1998 (CuM)	Up to Sept. 1997 (CuM)					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1.	Sal R.T.	28849	19708	9141	8121.15	5	406.06	37.12
2.	Shisham R.T.	9602	5609	3993	6901.58	5	345.08	13.78
3.	Deodar R.T. and Kail R.T.	598	456	142	7351.17	10	735.12	1.04
4.	Fur R.T.	1801	1554	247	5085.51	10	508.55	1.26
5.	Sal S.T.	519	401	118	10895.95	5	544.80	0.64
6.	Deodar/Kail S.T.	3648	2330	1318	14243.75	10	1424.38	18.77
7.	Fur S.T.	6215	3764	2451	8015.77	10	801.58	19.65
	Total							**92.26**

Annexure-41

{Referred to in paragraph 3A.7.1 (iv)}

Statement showing loss due to auction below floor price in three sales division during 1999-2000

(Amount in rupees)

Sl. No.	Name of the Division/Depot	Loss in lots sold below 50 *per cent*	Loss in lots sold at 50 *per cent* and below 75 *per cent*	Loss in lots sold at 75 *per cent* and below 100 *per cent*
	(A) D.S.M., Ramnagar			
1.	Chandni Depot	37479	31847	27643
2.	Aamdanda -I Depot	6910653	5611610	1493489
3.	Chunakhan Depot	259	28420	18294
4.	Kaladhungi -I Depot	1044865	2592838	627220
5.	Patram Pur Depot	559051	2367348	627373
6.	Kaladhungi -II Depot	1296385	3577180	974757
7.	Aamdanda -II Depot	517223	288973	80311
8.	Aamdanda -III Depot	--	24903	10122
9.	Bhawaniganj Depot	--	--	1040946
10.	Kaladhungi - III Depot	822109	3455748	332199
	Total (A)	**11188024**	**17978867**	**5232354**
	(B) D.S.M., Haldwani			
1.	Haldwani -I Depot	144642	500094	590438
2.	Haldwani - II Depot	--	28952	78342
3.	Haldwani - III Depot	72665	255078	495325
4.	Lalkuan - I Depot	2963614	3284218	2729517
5.	Lalkuan - VI Depot	72554	856017	315977
6.	Lalkuan - II Depot	20180	61571	152540
	Total (B)	**3273655**	**4985930**	**4362139**
	(C) D.S.M., Kotdwar			
1.	Kotdwar Depot	2854104	11232278	5748550
	Total Loss (A) + (B) + (C)	**17315783**	**34197075**	**15343043**
	Grand Total			**66855901**

Annexure-42

{Referred to in paragraph 3A.7.1 (v)}

Statement showing loss of revenue due to sale at lower rates

Sl. No.	Name of division	Year	Species	Quantity sold (CuM)	Rate of sale (Rupees per CuM)	Highest sale rate received at		Difference in rates (8-6) (Rupees per CuM)	Loss of Revenue (Rupees)
						Office	Rate of sale (Rupees per CuM)		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1.	D.S. M., Bahraich	1998-99	Sal	3775.1422	6549.58	DSM., Lucknow	15901.74	9352.16	35305733.87
2.	D.S. M., Bahraich	1998-99	Sagon	2171.4369	8764.18	DSM., Lucknow	21038.60	12274.42	26653128.51
3.	D.S. M., Bahraich	1999-2000	Sal	9064.3820	5913.25	DSM., Lucknow	11441.68	5528.43	50111801.38
4.	D.S. M., Bahraich	1999-2000	Sagon	4941.7851	9267.45	DSM., Lucknow	16929.45	7662.00	37863957.44
5.	D.S.M., Haldwani	1999-2000	Chir (R.T.)	5825.9968	3255.53	DSM., Ghaziabad	4779.94	1524.41	8881207.78
6.	D.S.M., Haldwani	1999-2000	Chir (S.T)	1243.8746	5890.00	DSM., Tanakpur	8963.80	3073.80	3823421.75
7.	D.L.M., Nainital	1999-2000	Chir (S.T.)	61.3074	6057.44	DSM., Tanakpur	8963.80	2906.36	178181.37
8.	D.S.M., Ramnagar	1999-2000	Chir (R.T.)	965.3643	1617.77	DSM., Ghaziabad	4779.94	3162.17	3052646.03
9.	D.S.M., Ramnagar	1999-2000	Chir (S.T.)	57.8713	4567.89	DSM., Tanakpur	8963.80	4395.91	254397.03
10.	D.S.M., Dehradun	1999-2000	Chir (R.T.)	17.4836	2224.94	DSM., Ghaziabad	4779.94	2555.00	44670.60
11.	D.S.M., Dehradun	1999-2000	Chir (S.T.)	10.1170	3953.74	DSM., Tanakpur	8963.80	5010.06	50686.78
12.	D.S.M., Tanakpur	1999-2000	Chir (R.T.)	250.5023	3849.46	DSM., Ghaziabad	4779.94	930.48	233087.38
	Total			**28380.2635**					**166452909.92**
									or say Rs. 1664.53 lakh
						Less: Transportation cost for 28385.2635 CuM @ Rs. 500 per CuM			**Rs. 141.93 lakh**
									Net loss : Rs. 1522.60 lakh

Annexure-43

{Referred to in paragraph 3A.9 (i)}

Statement showing monthly production and allotment/lifting during three years up to 1999-2000

Name of species	Month/Year	Production during the month (CuM)	Inventory holding (CuM)	Allotment and schedule of lifting	
(1)	(2)	(3)	(4)	(5)	
Eucalyptus	October 1997	1745	9439	Date of sending proposal to Government	08.01.1998
	November 1997	2052	9747		
	December 1997	20098	12415	Date of allotment by Government	28.02.1998
	January 1998	33440	29079		
	February 1998	45475	54497	Date of fixing the schedule of lifting	04.03.1998
	March 1998	36075	101969		
	April 1998	8530	117227	Schedule of lifting	30.04.1998 - 40%
	May 1998	6909	125625		30.05.1998 - 80%
	June 1998	4450	127336		30.06.1998-90%
	July 1998	119	92483		30.09.1998-100%
	August 1998	154	74909		
	September 1998	452	22687		
	Total	**159499**			
	October 1998	5481	19435	Date of sending proposal to Government	31.12.1998
	November 1998	26800	20273		
	December 1998	52203	43682	Date of allotment by Government	06.02.1999
	January 1999	45961	74181		
	February 1999	42905	107716	Date of fixing the schedule of lifting	01.02.1999
	March 1999	44051	174569		
	April 1999	5518	185995	Schedule of lifting	31.03.1999 -20%
	May 1999	2083	162746		30.06.1999 - 70%
	June 1999	2957	126642		30.09.1999 - 100%
	July 1999	5730	101103		
	August 1999	178	79962		
	September 1999	274	55196		
	Total	**234141**			
	October 1999	516	37149	Date of sending proposal to Government	27.01.2000 &
	November 1999	6542	21757		15.02.2000
	December 1999	32465	28420		
	January 2000	39165	55879	Date of allotment by Government	11.04.2000
	February 2000	35225	81739		
	March 2000	31310	133335	Date of fixing the schedule of lifting	15.04.2000
	April 2000	3402	142250	Schedule of lifting	31.05.2000 - 30%
	May 2000	3155	137273		30.06.2000 - 50%
	June 2000	2101	112115		31.07.2000 - 90%
	July 2000	507	89714		31.08.2000 - 100%
	August 2000	1537	65932		
	September 2000	211	43661		
	Total	**156136**			

(1)	(2)	(3)	(4)	(5)	
Softwood	October 1997	831	3673	Date of holding the meeting of committee	19.12.1997
	November 1997	3087	3847		
	December 1997	4777	5593	Date of letter intimating the allotment to parties **Schedule of lifting** i. Last date of deposit of security ii. Last date of lifting	21.01.1998 05.02.1998 21.02.1998
	January 1998	8286	9129		
	February 1998	6933	12025		
	March 1998	6362	15847		
	April 1998	2847	14443		
	May 1998	1212	12485		
	June 1998	588	10343		
	July 1998	152	9390		
	August 1998	35	8188		
	September 1998	80	5922		
	Total	**35190**			
	October 1998	249	5287	Date of holding the meeting of committee	16.12.1998 & 05.02.1999
	November 1998	4681	4847		
	December 1998	7795	8813		
	January 1999	7038	13544	Date of letter intimating the allotment to parties	27.02.1999
	February 1999	7358	17029		
	March 1999	9773	26616	**Schedule of lifting**	
	April 1999	2081	26210	i. Last date of deposit of security	16.03.1999
	May 1999	1546	25744	ii. Last date of lifting	15.04.1999
	June 1999	625	24243		
	July 1999	171	21890		
	August 1999	101	17629		
	September 1999	0	12179		
	Total	**41418**			
	October 1999	30	7523	Date of holding the meeting of committee	29.12.1999
	November 1999	196	5111		
	December 1999	4954	4914		
	January 2000	6471	7283	Date of letter intimating the allotment to parties	24.01.2000
	February 2000	9059	9022		
	March 2000	11430	11494	**Schedule of lifting**	
	April 2000	10519	11939	i. Last date of deposit of security	10.02.2000
	May 2000	1635	15534	ii. Last date of lifting	20.04.2000
	June 2000	290	14603		
	July 2000	111	11019		
	August 2000	139	7042		
	September 2000	5	5197		
	Total	**44839**			

(1)	(2)	(3)	(4)	(5)	
Khair	October 1997	75	798		
	November 1997	68	919	Date of sending proposal of Government for allotment	05.12.1997
	December 1997	482	1010		
	January 1998	824	1603		
	February 1998	666	2426	Date of receipt of allotment	05.02.1998
	March 1998	1377	3464		
	April 1998	438	3773	Date of allotment	05.03.1998
	May 1998	415	3967	Lifting of 16.81%	30.04.1998
	June 1998	495	4138	Lifting of 15.34%	30.06.1998
	July 1998	43	4078	Lifting of 48.59%	30.09.1998
	August 1998	5	3804	Lifting of 19.26%	30.09.1998
	September 1998	24	1686		
	Total	**4912**			
	October 1998	41	1698		
	November 1998	379	897		
	December 1998	694	1276		
	January 1999	1270	2266		
	February 1999	1288	3303		
	March 1999	1199	4767		
	April 1999	1112	5500		
	May 1999	559	5919		
	June 1999	576	6845		
	July 1999	194	6499		
	August 1999	272	6588		
	September 1999	19	6577		
	Total	**7603**			
	October 1999	0	6602		
	November 1999	73	6838		
	December 1999	1480	7300		
	January 2000	2467	8703		
	February 2000	5052	10812		
	March 2000	2912	13048		
	April 2000	1289	16083		
	May 2000	1212	17142		
	June 2000	690	17627		
	July 2000	311	17628		
	August 2000	939	19581		
	September 2000	0	20207		
	Total	**16425**			

Annexure-44

{Referred to in paragraph 3A.9(i)}

Statement showing carrying cost due to delay in allotment/lifting of Khair, Eucalyptus and softwood

Name of species	Month/Year	Production up to the month (CuM)	Production available for allotment 75% of Col.(3) in case of Eucalyptus. & Softwood (CuM)	Normal inventory holding equivalent to two month's production (in CuM)	Quantity allotted as per lifting schedule (CuM)	Cumulative allotment of the year (in CuM)	Excess inventory holding during the month (CuM) (4-5-7)	Monthly value of excess inventory holding (Rupees) Rate (per CuM)	Amount (Rupees in lakh)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Eucalyptus	February 1998	102810	77107	26583	--	--	50524	1737	877.60
	March 1998	138885	104164	26583	20114	20114	57467	1770	1017.17
	April 1998	147415	110561	26583	18713	38827	45151	1794	810.01
	February 1999	173350	130012	39024	12340	12340	78648	1911	1502.96
	March 1999	217401	163051	39024	15837	28177	95850	1937	1856.61
	April 1999	222919	167189	39024	22914	51091	77074	2010	1549.19
	February 2000	113913	85435	26023	--	--	59412	1934	1149.03
	March 2000	145223	108917	26023	--	--	82894	1985	1645.45
	April 2000	148625	111469	26023	11384	11384	74062	2055	1521.97
Softwood	Dec 1997	8695	6521	5865	--	--	656	1753	11.50
	January 1998	16981	12736	5865	--	--	6871	1901	130.62
	February 1998	23914	17936	5865	17936	17936	--	2002	--
	Dec 1998	12725	9544	6903	--	--	2641	1698	44.84
	January 1999	19763	14822	6903	--	--	7919	2603	206.13
	February 1999	27121	20341	6903	--	--	13438	2619	351.94
	Dec 1999	5180	3885	7473	--	--	--	2454	--
	January 2000	11651	8738	7473	--	--	1265	2489	31.49
	February 2000	20710	15532	7473	4216	4216	3843	2435	93.57
Khair	February 1998	2115	2115	817	--	--	1298	13467	174.80
	March 1998	3492	3492	817	278	278	2397	13742	329.40
	April 1998	3930	3930	817	347	625	2488	14880	370.21
						Total			**13674.49**
						Carrying cost @ 10 *per cent* $\left\{\frac{13674.49 \times 10}{100 \times 12}\right\}$		**= Rs.**	**113.95**

Annexure-45

{Referred to in paragraph 3A.10.4 (iv)}

Statement showing expenditure on running and maintenance of vehicles provided to Ministers/ Secretaries in Government

Sl. No.	Designation	Registration No. of Vehicles allotted	Date of Allotment	Period	Fuel Expenses	Mobil Expenses	Maintenance expenses	Total (Rupees)
1.	Special Secretary. (Forest)	UP 32 - H.3492 UMI - 3059	19May 1997 26 April 1994	January1996 to March 2001	422674.51	18186.88	363123.38	803984.77
2.	Principal Secretary. (Forest)	UP 32 - Q -0445	21st Jan. 1997	January1997 to February 2001	341282.64	5032.40	175733.30	522048.34
3.	Camp Office of Principal Secretary (Forest)	UP 32 - N 9083	25th August 2000	August 2000 to March 2001	26816.02	362.00	87480.80	114658.82
4.	Hon'ble Minister of Forest	UP 32-N 3940	Not available	January1999 to February 2000	78915.80	1735.00	57791.12	138441.92
5.	Expenditure on Vehicle used for security of Hon'ble Minister of Forest, and Hon'ble State Minister of Forest	UP 32-H 4510 UP 07-D 7481	Vehicle provided by Forest Department -do-	1995-96 1995-96	-- --	-- --	-- --	213363.31
	Total							**1792497.16**

Annexure-46

(Referred to in paragraphs 3B.6 & 3B.7)

Statement showing financial position and working results of the Parishad

(A) Financial Position

(Rupees in crore)

Particulars	1994-95	1995-96	1996-97	1997-98	1998-99
A. Liabilities		(Unaudited)			
Borrowings:					
Government	63.42	67.73	65.81	65.81	73.31
Other institutions	183.36	125.76	91.22	62.65	45.87
Loan from CPF account	3.00	2.00	--	--	--
Deposits	117.09	124.76	124.76	132.90	133.52
Fund of deposit works	38.90	39.38	46.82	76.59	111.83
Interest due on:					
Borrowings	31.81	39.46	31.34	38.23	45.20
Deposits	42.87	44.63	45.93	47.47	44.16
Other liabilities	26.36	36.61	40.25	46.56	58.40
Excess income over expenditure	27.28	28.21	38.13	54.29	71.57
Excess assets over liabilities	-	1.18	11.09	1.25	7.57
Total	**534.09**	**509.72**	**495.35**	**525.75**	**591.43**
B. Assets					
Fixed Assets	1.06	1.15	1.39	1.50	1.73
Investments:					
Sinking fund	2.02	1.65	2.73	2.55	1.61
CPF & GIS	10.85	11.23	11.54	11.17	12.16
Current assets, loan and advances					
Current assets :					
Plots & Houses	336.42	316.31	268.07	242.39	173.78
Material at site	2.84	2.09	3.97	8.41	10.94
Cash and Bank balances	81.43	65.11	88.64	134.40	248.92
Money in transit & IUT	10.96	18.20	15.62	16.17	7.62
Loans & Advances:					
Public	6.01	5.59	5.44	5.20	4.89
Contractor, suppliers and staff	14.98	14.68	16.77	19.42	20.86
Stamp duties receivable	11.57	14.64	13.55	16.53	16.52
Interest & penal interest accrued but not received	32.62	37.24	45.44	47.61	44.20
Others:					
Allottee Control Accounts	23.20	21.82	22.17	20.40	48.18
Prepaid expenses	--	0.03	--	--	--
Suspense Accounts	0.14	--	--	--	0.02
Total	**534.10**	**509.72**	**495.35**	**525.75**	**591.43**

Particulars	1994-95	1995-96	1996-97	1997-98	1998-99
(B) Working Results					
A. Income					
Income from property:					
Interest	27.94	26.45	30.68	33.49	24.00
Penal interest	7.77	8.27	10.35	9.22	11.99
Administrative & Misc. charges provided in costing	8.12	11.77	8.06	8.48	8.78
Stamp duty	3.88	4.43	2.48	0.86	1.84
Interest:					
FDR	1.62	3.04	8.26	12.51	18.62
Public loan	1.59	1.81	0.89	1.08	--
Other receipts	7.36	6.44	6.74	10.22	11.52
Total	**58.28**	**62.21**	**67.46**	**75.86**	**76.75**
B. Expenditure					
Establishment expenses:					
Salary & Allowances	16.42	19.60	22.26	25.88	30.29
Other overheads	2.71	2.92	3.60	4.48	5.87
Financial charges:					
Interest on borrowings	31.13	29.40	21.44	18.41	11.03
Other charges	3.84	3.36	3.48	3.12	2.26
Other expenses	2.37	2.89	3.25	3.63	4.56
Provision for expenses	0.97	3.12	3.50	4.18	5.46
Total	**57.44**	**61.29**	**57.53**	**59.70**	**59.47**
C. Excess income over expenditure	0.84	0.92	9.93	16.16	17.28

Annexure-47

(Referred to in paragraph 3B.8.1.5)

Statement showing non-realisation of Betterment Fee

Sl. No.	Name of the Circle	Area (Sq. mtr.)	Betterment fee realisable (Rupees in crore)	Betterment fee deposited (Rupees in crore)	Balance (Rupees in crore)
1.	Circle-I	96.115	0.47	0.01	0.46
2.	Circle-II	NA	0.81	0.26	0.55
3.	Circle-III	15010.27	1.93	0.78	1.15
4	Circle-IV	1898.00	0.97	--	0.97
5.	Circle-V	268.93	0.16	0.01	0.15
6.	Circle-VI	158203.95	4.80	--	4.80
7.	Circle-VII	11544.16	20.44	14.95	5.49
	Total	**187021.425**	**29.58**	**16.01**	**13.57**

Annexure-48

(Referred to in paragraph 3B.9.2.2)

Statement showing payment of compensation without acquiring land

Sl. No.	Scheme	Proposed area of acquisition (in hectares)	Land acquired (in hectares)	Compensation paid (Rupees in crore)
1.	Faizabad Road Yojna, Azamgarah	19.80	--	1.51
2.	Yojna No-6, Izatnagar, Bareilly	22.26	--	1.00
3.	Rajpur Road Yojna-2, Dehradun	17.19	--	0.43
4.	Bahrauli Bazar Yojna, Deoria	22.10	--	0.06
5.	Yojna-4, Haldwani	9.84	--	0.19
6.	Takrohi Road Yojna, Indiranagar Extension Lucknow.	--	--	0.14
7.	Yojna-2, Rishikesh	7.49	--	0.10
8.	Extension Yojna , Roorkee	7.63	--	0.45
9.	Tankpur Yojna, Tankpur	6.03	--	0.09
10.	G.T. Road Yojna, Varanasi	--	--	0.02
	Total	**112.34**	**--**	**3.99**

Annexure-49

(Referred to in paragraph 3B.9.2.3)

Statement showing payment of excess compensation

(Rupees in lakh)

Sl. No.	Scheme	Compensation payable	Compensation paid	Excess payment
1.	Chiranji Lal Yojna, Aligarah	13.06	14.57	1.51
2.	G.T. Road, Aligarah	35.35	36.35	1.00
3.	Yojna -9, Aligarah	23.57	25.03	1.46
4.	GTB Nagar, Allahabad	87.28	87.59	0.31
5.	BN Road Yojna, Almora	0.70	14.88	14.18
6.	Civil Line Yojna, Bareilly	12.79	13.00	0.21
7.	Nehru Nagar Yojna-2, Dehradun	3.82	257.00	253.18
8.	Yojna-2, Etah	24.96	34.98	10.02
9.	Yojna-2, Etawah	11.54	43.00	31.46
10.	Angoori Bagh, Faizabad	38.03	40.00	1.97
11.	Suraj Kund, Gorakhpur	11.91	14.85	2.94
12.	Shahpur Yojna-1, Gorakhpur	28.13	36.47	8.34
13.	Yojna-2, Haldwani	9.87	129.46	119.59
14.	Pahesi Road Yojna, Khurja	29.61	103.81	74.20
15.	Kichha Yojna, Kichha	23.15	28.00	4.85
16.	M.G. Marg, Yojna, Lucknow	9.24	44.49	35.25
17.	Kursi Road Yojna, Lucknow	677.00	944.75	267.75
18.	Kursi Road Extn. Yojna, Lucknow	--	358.25	358.25
19.	UPIL, Lucknow	--	808.93	808.93
20.	Damdama Kothi, Moradabad	49.91	91.32	41.41
21.	Ring Road, Muzaffarnagar	108.53	170.49	61.96
22.	Rampur Yojna-2, Rampur	41.71	66.50	24.79
23.	Rampur Yojna-4, Rampur	29.12	86.63	57.51
24.	Yojna-3, Sahajahanpur	21.00	64.30	43.30
25.	Pandeypur Yojna, Varanasi	153.69	203.69	50.00
	Total	**1443.97**	**3718.34**	**2274.37**

Annexure-50

{Referred to in paragraph 3B.10.1 (a)}

Statement showing position of unutilised developed land

Sl. No.	Scheme	Area (in sq. mtr.)	Value (Rupees in lakh)
1.	Avadhpuri Yojna, Faizabad		
	(a) Phase-I	2225.77	21.14
	(b) Phase-II	1449.00	13.77
	(c) Phase-III	21533.99	204.57
2.	Obri Yojna, Barabanki	7389.00	96.06
3.	Bharatpuri Yojna, Gonda	1740.00	20.01
4.	Harpur Yojna, Ballia	1100.39	19.15
5.	Yojna-3, Meerut	4042.25	87.31
6.	Yojna-6, Meerut	1612.89	30.32
7.	Yojna-10, Sector -1, Meerut	0.03450	--
8.	Yojna-7, Meerut	4486.20	96.23
9.	Yojna-1, Mangal Pandey Nagar, Meerut	3842.92	96.27
10.	Nehru Nagar Yojna-1, Dehradun	11388.80	135.53
11.	Rajpur Road Yojna, Dehradun	905.52	11.59
12.	Veerbhadra Marg Yojna, Rishikesh	137.44	1.40
13.	Indira Nagar Yojna, Dehradun	1606.90	16.47
14.	Majhola Yojna-4, Part-1, Sector,1,3 & 4 Mooradabad	2742.97	64.60
15.	Rajajipuram, Lucknow, Sector-1, 5, 6, 9 & 11	73349.69	1276.28
16.	Under the jurisdiction of Construction Div-13, Lucklnow	21456.48	473.12
17.	Barhpur Yojna-1, Fatehgarah	1574.00	23.77
18.	Yojna-1, Chibramau	1214.40	8.99
19.	Yojna-1, Mainpuri	8554.25	79.55
20.	Yojna-1, Kanpur	52531.00	1129.42
21.	Yojna-2, Kanpur	28312.50	46.01
22.	Yojna-3, Kanpur	16615.90	270.00
23.	Sikandara Yojna, Agra	1149.43	15.34
24.	Kamlanagar, Agra	137.70	31.95
25.	Talpura Yojna, Jhansi	1048.18	11.53
	Total	**272147.604**	**4280.38**

Annexure-51

(Referred to in paragraph 3B.14.2)

Statement showing properties developed and constructed up to January 2001

Sl. No.	Category of property	Developed/ constructed property	Property offered for allotment	Property not offered for allotment	Total property sold	Balance	Value of property not offered for allotment	Value of balance property
		(in numbers)					(Rupees in lakh)	
1.	EWS	86676	83443	3233	81013	2430	2331.09	1752.10
2.	LIG	31666	31666	--	29596	2070	--	2577.00
3.	MIG	18389	18389	--	17871	518	--	1525.40
4.	HIG	3355	3355	--	3235	120	--	922.38
5.	SFS	12803	9826	2977	9682	144	12550.74	607.09
6.	Others	5199	1998	3201	1781	217	66836.44	4530.93
7.	Plots[68]	38801	38801	--	35856	2945	--	8126.29
8.	SSP	9430	8812	618	7653	1159	306.94	575.64
	Total	**206319**	**196290**	**10029**	**186687**	**9603**	**82025.21**	**20616.83**

68 Including commercial plots.

Annexure-52

(Referred to in paragraph 3B.14.2)

Statement showing properties remaining un-disposed at the end of January 2001

Sl. No.	Name of scheme	Number of property lying vacant	Value (Rupees in lakh)	Period since lying vacant	Reasons for non-allotment
1.	Kanpur Yojna-1	326	1387.15	2 to 14 years	No demand
2.	Kanpur Yojna-2	86	228.20	14 years	No demand
3.	Vasundhara, Ghazaibad	91	3217.39	1 month to 1 year	No demand
4.	Indira Nagar, Lucknow	186	1046.83	6 months to 15 years	No demand
5.	Shastri Nagar-3, Meerut	98	209.30	7 years to 12 years	No demand, encroachment
6.	Madhavpuram-10, Meerut	305	499.91	10 years	No demand, encroachment
7.	Mangal Pandey Nagar-1, Meerut	23	443.84	3 years to 17 years	No demand, encroachment
8.	Shastri Nagar-7, Meerut	101	222.37	12 years to 17 years	No demand, encroachment
	Total	**1216**	**7254.99**		