



सत्यमेव जयते

**Report of the
Comptroller and Auditor General of India
on
Economic Sector and Public Sector Undertakings
for the year ended 31 March 2019**



लोकहितार्थ सत्यनिष्ठा

Dedicated to Truth in Public Interest



**Government of Uttar Pradesh
Report No. 1 of the year 2021**

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Comptroller and Auditor General of India
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TABLE OF CONTENTS		
Particulars	Reference to	
	Paragraph(s)	Page(s)
Preface		v
Overview		vii-xiv
PART-A		
FUNCTIONING OF PUBLIC SECTOR UNDERTAKINGS (PSUs)		
INTRODUCTION		
General	1-2	1-2
Accountability framework	3-4	2-3
Submission of accounts by Public Sector Undertakings (PSUs)	5-6	3-4
Investment by Government of Uttar Pradesh in State Public Sector Undertakings (PSUs)	7-9	4-5
PART-I		
POWER SECTOR UNDERTAKINGS		
CHAPTER-I		
FUNCTIONING OF POWER SECTOR UNDERTAKINGS		
Introduction	1.1	7
Formation of Power Sector Undertakings	1.2	7-8
Disinvestment, restructuring and privatisation of Power Sector Undertakings	1.3	9
Investment in Power Sector Undertakings	1.4	9
Budgetary support to Power Sector Undertakings	1.5	10-11
Reconciliation with Finance Accounts of Government of Uttar Pradesh	1.6	11-12
Submission of Accounts by Power Sector Undertakings	1.7.1-1.7.2	12-13
Winding up of non-functional State Power Sector PSUs	1.8	13
Performance of Power Sector Undertakings	1.9-1.19	13-19
Assistance under Ujwal DISCOM Assurance Yojana (UDAY)	1.20	20-22
Comments on Accounts of Power Sector Undertakings	1.21	22
Compliance Audit Paragraphs	1.22	22-23
Follow-up action on Audit Reports	1.23-1.25	23-24
Recoveries at the instance of Audit	1.26	24
CHAPTER-II		
COMPLIANCE AUDIT OBSERVATIONS RELATING TO POWER SECTOR UNDERTAKINGS		
Energy Department		
Uttar Pradesh Power Transmission Corporation Limited		
Infructuous expenditure on construction of transmission line	2.1	25-26
Purvanchal Vidyut Vitran Nigam Limited		
Undue benefit to the Contractor	2.2	26-28

Particulars	Reference to	
	Paragraph(s)	Page(s)
PART-II		
STATE PUBLIC SECTOR UNDERTAKINGS (OTHER THAN POWER SECTOR)		
CHAPTER-III		
FUNCTIONING OF STATE PUBLIC SECTOR UNDERTAKINGS (OTHER THAN POWER SECTOR)		
Introduction	3.1-3.2	29-30
Investment in State PSUs (other than Power Sector)	3.3-3.4	30-32
Disinvestment, restructuring and privatisation of State PSUs (other than Power Sector)	3.5	32
Budgetary Support to State PSUs (other than Power Sector)	3.6	32-33
Reconciliation with Finance Accounts of Uttar Pradesh	3.7	33
Submission of Accounts by State PSUs (other than Power Sector)	3.8	33-35
Impact of non-finalisation of Accounts of State PSUs (other than Power Sector)	3.9	35
Winding up of non-functional State PSUs (other than Power Sector)	3.10	35
Placement of Separate Audit Reports of Statutory Corporations	3.11	35-36
Performance of State PSUs (other than Power Sector)	3.12-3.23	36-44
Comments on Accounts of State PSUs (other than Power Sector)	3.24-3.25	44-46
Compliance Audit Paragraphs	3.26	46
Follow-up action on Audit Reports	3.27-3.29	46-47
CHAPTER-IV		
COMPLIANCE AUDIT OBSERVATIONS RELATING TO STATE PUBLIC SECTOR UNDERTAKINGS (OTHER THAN POWER SECTOR)		
Public Works Department		
Uttar Pradesh Rajkiya Nirman Nigam Limited		
Avoidable expenditure and loss of revenue	4.1	49-50
Uttar Pradesh State Bridge Corporation Limited		
Avoidable payment of interest	4.2	50-51
Undue favour to contractor	4.3	51-53
Urban Development Department		
Uttar Pradesh Jal Nigam Limited		
Avoidable payment of electricity charge	4.4	54-55
PART-B		
DEPARTMENTS AND ENTITIES (OTHER THAN PUBLIC SECTOR UNDERTAKINGS) UNDER ECONOMIC SECTOR		
CHAPTER-V		
Functioning of Departments and Entities (other than Public Sector Undertakings) under Economic Sector		
Introduction	5.1	57
Profile of Departments and Authorities	5.2	57-58
Audit Coverage	5.3	58

Particulars	Reference to	
	Paragraph(s)	Page(s)
Response of Government to Audit	5.4	58-59
Action taken on earlier Audit Reports	5.5	59-60
Status of Audit of Accounts of Entities	5.6	60-63
Recoveries at the instance of Audit	5.7	63
CHAPTER-VI		
COMPLIANCE AUDIT OBSERVATIONS RELATING TO DEPARTMENTS AND ENTITIES (OTHER THAN PUBLIC SECTOR UNDERTAKINGS) UNDER ECONOMIC SECTOR		
Energy Department		
Government Receipt kept out of Government Account	6.1	65-66
Housing and Urban Planning Department		
Undue benefit to the developer by allowing higher FAR retrospectively without charging it	6.2	66-67
Lucknow Development Authority		
Avoidable payment of interest on security deposit due to deficient contract clause	6.3	68-69
Undue favour to the Contractor	6.4	70-71
Meerut Development Authority		
Exorbitant expenditure on construction of residence for Vice Chairman	6.5	71-73
Ghaziabad Development Authority		
Undue favour to the developer	6.6	73-74
Environment, Forest and Climate Change Department, GoUP		
Non-levy and non-realisation of Premium and Lease rent	6.7	74-75
Infrastructure and Industrial Development Department		
Greater Noida Industrial Development Authority		
Extra expenditure due to award of sweeping contract at higher rate	6.8	75-76
Audit Impact		
Extra expenditure in execution of extra item of work	6.9	76-77
Appendices	No.	Page (s)
Summarised financial results of 11 Power Sector Undertakings covered in this Chapter for the latest year for which accounts were finalised	1.1	79-80
Investment made by GoUP and others in 11 Power Sector PSUs covered in this Chapter as on 31 March 2019	1.2	81
Statement showing position of State Government investment in State PSUs (Power Sector) accounts of which are in arrears during the period of arrears	1.3	82

Appendices	No.	Page (s)
Details of Top Profit/Loss making PSUs during 2018-19	1.4	83
Statement showing State Government funds infused in the four Power Sector Undertakings from the year 2000-2001 to 2018-19	1.5	84
Statement showing loss of interest on mobilisation advance	2.1	85
Summarised financial results of PSUs (other than Power Sector) covered in this Chapter for the latest year for which accounts were finalised	3.1	86-88
Details of State PSUs (other than Power Sector) not covered in this Chapter	3.2	89-93
Statement showing position of equity and outstanding loans relating to State PSUs (other than Power Sector) covered in this Chapter as on 31 March 2019	3.3	94-96
Statement showing difference between Finance Accounts of Government of Uttar Pradesh and Accounts of the State PSUs (other than Power Sector) in respect of balances of Equity, Loans and Guarantees as on 31 March 2019	3.4	97-102
Statement showing position of State Government investment in State PSUs (other than Power Sector) accounts of which were in arrears	3.5	103-105
Statement showing State Government fund infused in State PSUs (other than Power Sector) during the period from 2000-01 to 2018-19	3.6	106-110
Statement showing avoidable payment of electricity charge due to incorrect billing and excess contracted demand in Koniya SPS (contracted load 2000 KVA)	4.1	111-113
Statement showing avoidable payment of electricity charge due to incorrect billing in Deenapur STP (contracted load 1200 KVA)	4.2	114-116
Statement showing loss due to exemption from payment of City Development Charges (CDC) to the developer in Lucknow Development Authority	6.1	117
Statement showing benefit allowed to the developer by Lucknow Development Authority by allowing higher FAR without levy of CDC	6.2	118-120
Statement showing non-inclusion of administrative charges in the total acquisition charges of land to be paid by integrated township developer	6.3	121
Statement showing non-realisation of the premium and lease rent	6.4	122
Excess analysed cost of centre brushes and uniforms by GNIDA	6.5	123

Preface

This Report deals with the results of the audit of departments and entities under Economic Sector and Government Companies and Statutory Corporations of the Government of Uttar Pradesh. The Report has been prepared for submission to the Governor of Uttar Pradesh under Article 151 of the Constitution of India and Section 19A of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 as amended from time to time.

The accounts of Government Companies (including companies deemed to be Government companies as per the provisions of the Companies Act) are audited by the Comptroller and Auditor General of India (CAG) under the provisions of Section 143 (6) of the Companies Act, 2013. The accounts certified by the Statutory Auditors (Chartered Accountants) appointed by the CAG under the provisions of the Companies Act, 2013 are subject to supplementary audit by officers of the CAG and the CAG gives his comments or supplements the reports of the Statutory Auditors. In addition, these companies are also subject to test audit by the CAG.

The audit arrangements of Statutory Corporations are prescribed under the respective Acts through which the Corporations are established. The audit of Government Departments is conducted under Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 as amended from time to time.

This Report contains two parts. The Part-A deals with functioning of the Public Sector Undertakings and Part-B deals with functioning of Government departments and entities other than PSUs under Economic Sector of Uttar Pradesh.

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

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

OVERVIEW

Overview

This Report contains the following chapters:

- Part-A : Public Sector Undertakings (PSUs)**
- Introduction :** Functioning of State Public Sector Undertakings
- Chapter-I :** Functioning of power sector undertakings
- Chapter-II :** Compliance audit observations relating to power sector Undertakings
- Chapter-III :** Functioning of State Public Sector Undertakings (other than power sector)
- Chapter-IV :** Compliance Audit Observations relating to Public Sector Undertakings (other than power sector)
- Part-B : Departments and Entities (other than Public Sector Undertakings) under the Economic Sector**
- Chapter-V :** Functioning of Departments and Entities (other than Public Sector Undertakings) under the Economic Sector, and
- Chapter-VI :** Compliance Audit Observations relating to Government Departments and Entities (other than Public Sector Undertakings) under the Economic Sector

The total financial impact of the audit findings included in this Report is ₹ 324.44 crore. Moreover, recoveries of ₹ 47.98 crore were effected in eight cases on being pointed out during the course of audit.

Part-A: Functioning of State Public Sector Undertakings

As on 31 March 2019, Uttar Pradesh had 114 State Public Sector Undertakings (PSUs) including six Statutory Corporations and 108 Government Companies (including 46 non-functional Government companies) under the audit jurisdiction of the Comptroller and Auditor General of India. This Report covers 35 PSUs whose accounts were not in arrears for three years or more and were functional/not under liquidation. The functional PSUs covered in this Report registered an annual turnover of ₹ 71,473 crore as per their latest finalised accounts. This turnover was equal to 4.63 *per cent* of Gross State Domestic Product (GSDP) of Uttar Pradesh for the year 2018-19. There are 79 PSUs having an investment of ₹ 9,423.77 crore which are not covered in this Report.

(Paragraphs 1.1, 1.4, 3.1, 3.2 and 3.4)

Chapter-I: Functioning of Power Sector Undertakings

Out of 15 power sector PSUs, 11 PSUs which were functional and prepared their accounts up to 2016-17 or later periods were selected for detailed financial analysis.

These 11 PSUs registered a turnover of ₹ 61,856 crore during 2018-19 as per their latest finalised accounts. This turnover was equal to 4.01 *per cent* of the Gross State Domestic Product (GSDP) of Uttar Pradesh indicating the important role played by the power sector PSUs in the economy of the State.

(Paragraphs 1.1 and 1.4)

Stake of Government of Uttar Pradesh (GoUP)

As on 31 March 2019, the total investment (equity and long term loans) in 11 power sector undertakings was ₹ 1,97,352.73 crore. The investment consisted of 59.75 *per cent* towards equity and 40.25 *per cent* in long-term loans. Out of this, GoUP has investment of ₹ 1,23,483.54 crore in power sector PSUs consisting of equity of ₹ 1,17,911.72 crore and long-term loans of ₹ 5,571.82 crore.

(Paragraphs 1.4 and 1.9)

Performance of Power Sector Undertakings

Performance of PSUs

The overall loss incurred by 11 power sector PSUs was ₹ 14,398.96 crore in the year 2018-19 against losses of ₹ 11,143.21 crore and ₹ 13,460.89 crore incurred in the years 2016-17 and 2017-18 respectively. According to the latest finalised accounts of these PSUs, two PSUs earned profit of ₹ 126.39 crore and nine PSUs incurred loss of ₹ 14,525.35 crore including significant loss of ₹ 8,118.80 crore incurred by Uttar Pradesh Power Corporation Limited.

(Paragraph 1.10)

Real Return on Investment on the basis of present value of investment

The present value of investment of the State Government in 11 power sector PSUs upto 31 March 2019 worked out to ₹ 3,53,573.44 crore. During the period between 2000-01 and 2018-19, total earnings of these PSUs remained negative which indicates that instead of generating returns on the invested funds, these PSUs did not even recover the cost of funds to the Government. During 2018-19 against the minimum expected return of ₹ 21,579.60 crore on the State Government investment, these 11 power sector PSUs incurred loss of ₹ 14,398.96 crore.

(Paragraph 1.12)

Erosion of Net worth

As on 31 March 2019, overall accumulated loss of 11 power sector PSUs was ₹ 1,62,180.07 crore. Of these, nine PSUs which incurred losses in the year 2018-19, had accumulated loss of ₹ 1,63,356.12 crore and two profit making PSUs had accumulated profit/surplus of ₹ 1,176.05 crore. Net worth of six out of 11 PSUs had been completely eroded by accumulated losses and it stood at (-) ₹ 74,102.48 crore against equity investment of ₹ 72,338.46 crore in these PSUs as on 31 March 2019. Net worth was less than half of the paid-up capital in respect of two out of five PSUs whose net worth was positive at the end of March 2019, indicating their potential financial sickness.

(Paragraph 1.13)

Return on Equity

Return on Equity (ROE) in respect of 11 power sector undertakings where funds had been infused by the State Government either directly or through the holding company (UPPCL and UPRVUNL in case of their subsidiaries) could not be worked out as shareholders' fund was negative during the period from 2016-17 to 2018-19 which indicates that accumulated losses have wiped out the entire share capital.

(Paragraph 1.15)

Return on Capital Employed

Return on Capital Employed (ROCE) of 11 power sector undertakings remained negative during the period 2016-17 to 2018-19 and it ranged between (-) 23.51 *per cent* and (-) 57.65 *per cent*.

(Paragraph 1.16)

Financial Turnaround of DISCOMs under Ujwal DISCOM Assurance Yojana (UDAY)

GoUP had taken over total debt of ₹ 39,133.76 crore during the period 2015-16 and 2016-17 by providing equity of ₹ 9,783.44 crore, grant of ₹ 19,566.88 crore and loan of ₹ 9,783.44 crore as per requirement of UDAY. Besides, GoUP provided subsidy of ₹ 669 crore (5 *per cent* of the loss of 2016-17) in the year 2017-18 and ₹ 1,417 crore (10 *per cent* of the loss of 2017-18) in the year 2018-19.

However, as regards achievement of operational targets under UDAY, the performance of DISCOMs was not up to the mark in the areas of metering at distribution transformers (DTs), feeder segregation, electricity to unconnected households, smart metering and ACS-ARR gap. Further, the Aggregate Technical and Commercial (AT&C) loss of the State DISCOMs was 30.30 *per cent* by 2019-20 against the target of 14.86 *per cent*. Hence, the State DISCOMs could not achieve the most important target of reduction of AT&C loss.

(Paragraphs 1.20.3 and 1.20.4)

Quality of accounts

The quality of accounts of power sector PSUs needs improvement. Out of 28 accounts finalised during 01 October 2018 to 31 December 2019, the Statutory Auditors gave qualified opinion on 19 accounts. There were 70 instances of non-compliance with the Accounting Standards in 16 accounts.

(Paragraph 1.21)

Recoveries at the instance of Audit

Recoveries of ₹ 29.01 crore were effected in three cases on being pointed out during the course of audit of power sector undertakings.

(Paragraph 1.26)

Chapter-II: Compliance Audit Observations relating to Powers Sector Undertakings

Gist of the compliance audit observations on power sector PSUs is given below:

The construction of a transmission line was poorly planned by **Uttar Pradesh Power Transmission Corporation Limited** which resulted in loss of ₹ 2.08 crore being the cost of erection and interest on borrowed funds besides blocking of funds of ₹ 4.21 crore on material procured.

(Paragraph 2.1)

Purvanchal Vidyut Vitran Nigam Limited suffered loss of ₹ 99.27 lakh due to non-recovery of interest-free mobilisation advance from a contractor in a time-bound manner.

(Paragraph 2.2)

Chapter-III: Functioning of State Public Sector Undertakings (other than Power Sector)

As on 31 March 2019, Uttar Pradesh had 99 State Public Sector Undertakings (other than power sector) consisting of 56 functional PSUs (50 companies and six Statutory Corporations) and 43 non-functional PSUs (all companies). Of the 99 State PSUs, financial performance of 24 PSUs is covered in this report. These 24 PSUs registered a turnover of ₹ 9,617 crore during 2018-19 as per their latest finalised accounts. This turnover was equal to 0.62 *per cent* of the Gross State Domestic Product.

(Paragraphs 3.1 and 3.2)

Stake of Government of Uttar Pradesh

As on 31 March 2019, the total investment (equity and long-term loans) in 24 PSUs (other than power sector) covered in this report was ₹ 13,127.56 crore. The investment consisted of 40.34 *per cent* towards equity and 59.66 *per cent* in long-term loans. Out of this, GoUP has invested ₹ 4,991.35 crore in the 15 PSUs consisting of equity of ₹ 2,217.33 crore and long term loans of ₹ 2,774.02 crore.

(Paragraphs 3.4 and 3.12)

Arrears in accounts

Out of 56 functional PSUs, only seven PSUs had submitted their accounts for the year 2018-19 and 49 functional PSUs had arrears of 208 accounts. Out of 43 non-functional PSUs (including 12 PSUs under liquidation), one PSU (Uttar Pradesh State Yarn Company Limited) had submitted its accounts for the year 2018-19 and 40 PSUs¹ had arrears of 653 accounts. GoUP had provided ₹ 3,685.90 crore (Equity: ₹ 48.84 crore, Loan: ₹ 1,161.24 crore and Grant: ₹ 2,475.82 crore) in 27 of the 89 State PSUs having arrear accounts during the period for which their accounts were in arrears.

(Paragraphs 3.8 and 3.8.1)

Performance of State PSUs (other than Power Sector)

Performance of the PSUs

The profit of ₹ 55.62 crore earned by the 24 functional PSUs in the year 2016-17 decreased to loss of ₹ 42.48 crore in the year 2018-19. According to the latest finalised accounts of these PSUs, 15 PSUs earned profit of ₹ 374.35 crore and nine PSUs incurred losses of ₹ 416.83 crore. Out of 15 PSUs who earned profit during 2018-19, five PSUs belonged to the monopolistic sector, nine PSUs belonged to assured source of income category and one PSU belonged to the competitive sector. Thus, profits of these PSUs were mainly either due to having monopolistic advantage or having assured source of income from budgetary support, centage, commission, interest on bank deposits *etc.*

(Paragraph 3.13)

¹ This excludes two PSUs namely Uttar Pradesh (Poorva) Ganna Beej Evam Vikas Nigam Limited and Uttar Pradesh (Rohilkhand Tarai) Ganna Beej Evam Vikas Nigam Limited which were under liquidation, for which no accounts are in arrears up to the date of going into liquidation.

Real Return on Investment on the basis of Present Value of investment

The present value of funds infused by the State Government in 15 PSUs (other than power sector) up to 31 March 2019 worked out to ₹ 6,657.36 crore. During the period 2000-01 to 2004-05, these PSUs suffered overall loss but during the period 2005-06 to 2009-10 earned profit which was more than the minimum expected return to recover cost of funds infused in these PSUs. However, during the years 2010-11 to 2012-13, though these PSUs earned profits, the total earnings remained below the minimum expected return to recover cost of funds infused in these PSUs during this period. From 2013-14 onwards these PSUs were again incurring losses.

(Paragraph 3.15)

Return on Equity (ROE)

The net income and shareholders' funds both were negative in case of PSUs in competitive environment sector, hence their ROE could not be worked out. In case of PSUs in monopolistic environment sector, ROE was negative during 2016-17 and 2018-19 despite their monopolistic advantage while in case of PSUs with assured source of income, ROE was positive during the period 2016-17 to 2018-19.

(Paragraph 3.16)

Return on Capital Employed

ROCE of 24 PSUs (other than power sector) decreased from 1.60 *per cent* during 2016-17 to 0.51 *per cent* during 2018-19 due to significant increase in capital employed in Uttar Pradesh Metro Rail Corporation Limited (₹ 3,783.00 crore) and Noida Metro Rail Corporation Limited (₹ 998.51 crore) during 2017-18 and 2018-19. ROCE of two PSUs in the competitive environment sector was negative during 2016-17 to 2018-19 as Earnings before Interest and Tax (EBIT) was negative in all the three years.

(Paragraph 3.17)

Erosion of Net worth

As on 31 March 2019, out of the 24 PSUs, there were 12 PSUs with accumulated losses of ₹ 3,057.98 crore. Of these 12 PSUs, eight PSUs incurred losses in the year 2018-19 amounting to ₹ 416.38 crore. These included one PSU (Uttar Pradesh State Spinning Company Limited) in the competitive sector which incurred loss of ₹ 11.69 crore during the year. Further, four PSUs had not incurred loss in the year 2018-19, though they had an accumulated loss of ₹ 1,410.99 crore.

Net worth of seven PSUs including both the PSUs in the competitive sector had been completely eroded by accumulated loss and their net worth was (-) ₹ 1,686.44 crore against an equity investment of ₹ 1,162.17 crore as on 31 March 2019.

(Paragraph 3.19)

Dividend Payout

During the period 2016-17 to 2018-19, the number of PSUs running in profits which declared/paid dividend to GoUP ranged from none to seven. The dividend payout ratio increased from 2.87 *per cent* in 2016-17 to 4.73 *per cent* in 2017-18. However, no dividend was declared/paid by any profit earning PSU during 2018-19.

(Paragraph 3.20)

Quality of accounts

The quality of accounts of PSUs needs improvement. Out of 35 accounts finalised during the period 1 October 2018 to 31 December 2019 by the functional PSUs, the Statutory Auditors had issued qualified certificates on 15 accounts and in case of accounts of Uttar Pradesh Pichhara Varg Vitta Evam Vikas Nigam Limited, the Statutory Auditors had given adverse opinion for three years viz. 2012-13, 2013-14 and 2014-15. There were 80 instances of non-compliance with Accounting Standards in 18 accounts. The CAG had also issued adverse certificate on three accounts namely Uttar Pradesh Rajkiya Nirman Nigam Limited for the financial year 2013-14, Uttar Pradesh State Bridge Corporation Limited for the financial year 2015-16 and Allahabad City Transport Services Limited for the financial year 2015-16.

(Paragraph 3.24)

Chapter-IV: Compliance Audit Observations relating to State PSUs (other than Power Sector)

Gist of the compliance audit observations on other than power sector PSUs is given below:

Uttar Pradesh Rajkiya Nirman Nigam Limited failed to comply with its own order for sale of surplus earth, which resulted in avoidable expenditure of ₹ 3.14 crore on disposal of surplus earth which was ultimately borne by GoUP besides depriving the State exchequer of revenue amounting to ₹ 1.41 crore.

(Paragraph 4.1)

Due to improper accounting system **Uttar Pradesh State Bridge Corporation Limited** failed to correctly assess its income and advance tax liability resulting in avoidable payment of penal interest of ₹ 3.59 crore.

(Paragraph 4.2)

Uttar Pradesh State Bridge Corporation Limited suffered loss of ₹ 2.20 crore due to extension of undue favour in award and execution of work to a contractor.

(Paragraph 4.3)

Uttar Pradesh Jal Nigam made avoidable payment of electricity charges of ₹ 3.54 crore due to verification of incorrect electricity bills and excess contracted load.

(Paragraph 4.4)

Part-B: Departments and Entities (other than Public Sector Undertakings) under Economic Sector

Chapter-V: Functioning of Departments and Entities (other than Public Sector Undertakings) under Economic Sector

Eighteen departments of Government of Uttar Pradesh fall under the Economic Sector. The trend of expenditure of five major departments under the Economic Sector during 2016-17 to 2018-19 is given in the following Table.

Table: Trend of Expenditure of major departments under the Economic Sector

(₹ in crore)			
Department	2016-17	2017-18	2018-19
Energy	33,976.69	17,265.50 ²	31,270.17 ³
Infrastructure and Industrial Development Department	6,296.11	1,740.56 ⁴	4,114.53 ⁵
Housing and Urban Planning	2,888.06	723.39 ⁶	983.69 ⁷
Revenue (Except Collectorate)	2,721.56	2,987.80	3,051.80
Forest	1,231.72	808.21 ⁸	811.33

Source: Appropriation Accounts of respective years.

(Paragraph 5.2)

Recoveries at the instance of Audit

Recoveries of ₹ 18.97 crore were effected in five cases on being pointed out during the course of audit of departments/entities.

(Paragraph 5.7)

Chapter-VI: Compliance Audit Observations relating to Departments and Entities (other than Public Sector Undertakings) under Economic Sector

Gist of the compliance audit observations relating to departments and entities (other than PSUs) under the Economic Sector is given below:

Failure of the State Government in constituting the State Electricity Regulatory Commission Fund resulted in receipts of ₹ 102.01 crore of the **Uttar Pradesh Electricity Regulatory Commission** being kept out of Government account.

(Paragraph 6.1)

The **Housing and Urban Planning Department**'s decision to allow higher Floor Area Ratio retrospectively to Hi-tech Township Developers without levy of any charges led to undue benefit of ₹ 170.99 crore to the developer.

(Paragraph 6.2)

Lucknow Development Authority had to pay interest of ₹ 2.40 crore due to failure to incorporate standard clause in the contracts for deduction of security deposit.

(Paragraph 6.3)

- ² Reduction in expenditure during 2017-18 was mainly due to decrease in power subsidy, capital expenditure and loans for power projects.
- ³ Increase in expenditure during 2018-19 was mainly due to increase in expenditure on interest paid, electricity (aid to public sector and other undertakings and other expenses), capital expenditure on electricity projects and loans for electricity projects.
- ⁴ Reduction in expenditure during 2017-18 was mainly due to decrease in capital expenditure on roads and bridges.
- ⁵ Increase in expenditure during 2018-19 was mainly due to increase in expenditure on telecommunication and electronic industries, other expenses and capital expenditure on roads and bridges.
- ⁶ Reduction in expenditure during 2017-18 was mainly due to decrease in expenditure on urban development, other general economic services, capital expenditure on education, sports, arts & culture, housing and urban development and decrease in loans for urban development.
- ⁷ Increase in expenditure during 2018-19 was mainly due to increase in capital expenditure on urban development.
- ⁸ Reduction in expenditure during 2017-18 was mainly due to decrease in capital expenditure on forestry and wildlife.

Lucknow Development Authority executed extra item of pile work at a higher rate resulting in undue benefit to the contractor to the extent of ₹ 1.41 crore.

(Paragraph 6.4)

Meerut Development Authority incurred infructuous expenditure of ₹ 2.94 crore on a plot valuing ₹ 5.36 crore on construction of a residential house for its Vice Chairman in violation of the norms of the State Government.

(Paragraph 6.5)

Ghaziabad Development Authority granted undue favour to a developer by non-recovery of administrative charges of ₹ 2.51 crore.

(Paragraph 6.6)

The **Forest and Wildlife Department** failed to levy and realise premium and lease rent amounting to ₹ 22.53 crore on transfer of forest land for non-forest use.

(Paragraph 6.7)

Lack of due diligence by **Greater Noida Industrial Development Authority** in preparing cost analysis led to award of two sweeping contracts at higher rates resulting in extra expenditure of ₹ 1.60 crore which will further increase to ₹ 3.04 crore till the completion of the contract.

(Paragraph 6.8)

Greater Noida Industrial Development Authority recovered ₹ 1.10 crore from a contractor after being pointed out by Audit.

(Paragraph 6.9)

PART-A
Functioning of Public Sector
Undertakings (PSUs)

Introduction

Functioning of State Public Sector Undertakings

General

1. State Public Sector Undertakings (PSUs) consist of State Government Companies and Statutory Corporations. State PSUs are established to carry out activities of commercial nature keeping in view the welfare of people and occupy an important place in the State economy. As on 31 March 2019, there were 114 PSUs in Uttar Pradesh, including six Statutory Corporations¹ and 108 Government Companies (including 46 non-functional government companies) under the audit jurisdiction of the Comptroller and Auditor General of India. Seven Companies were added during the year 2018-19. None of these Government Companies were listed on the stock exchange. During the year, none of the PSUs was closed or amalgamated with other PSUs.

2. The nature of PSUs in Uttar Pradesh and the position of their accounts are indicated in **Table 1**.

Table 1: Nature of PSUs in Uttar Pradesh

Nature of PSUs	Total Number	Number of PSUs of which accounts received during the reporting period				Number of PSUs of which accounts were in arrear (total accounts in arrear) as on 31 December 2019
		Accounts upto 2018-19 ²	Accounts upto 2017-18	Accounts upto 2016-17	Total	
Functional Government Companies ³	62	15	15	25	55	47 (204)
Statutory Corporations	6	1	3	6	10	5 (12)
Total working PSUs	68	16	18	31	65	52 (216)
Non-functional Government Companies	46	3	4	6	13	41 ⁴ (654)
Total	114	19	22	37	78	93 (870)

The financial performance of 35 PSUs on the basis of latest finalised accounts upto 31 December 2019 is covered in this Report. This Chapter does not include 79 PSUs (including seven Government controlled companies) whose accounts are in arrears for three years or more or were defunct/under liquidation or first accounts were not received as detailed in **Appendix-3.2 and Table-1.2 (Chapter I)** of the Report. The PSUs covered in this Report

¹ Uttar Pradesh Avas Evam Vikas Parishad, Uttar Pradesh Jal Nigam, Uttar Pradesh Financial Corporation, Uttar Pradesh State Road Transport Corporation, Uttar Pradesh State Warehousing Corporation and Uttar Pradesh Forest Corporation.

² From 1 October 2018 to 31 December 2019.

³ Government PSUs include Government controlled other companies referred to in Section 139(5) and 139(7) of the Companies Act, 2013.

⁴ Two PSUs are under liquidation for which no accounts are in arrear upto the date of going into liquidation.

registered an annual turnover of ₹ 71,473 crore as per their latest finalised accounts as on 31 December 2019. This turnover was equal to 4.63 *per cent* of Gross State Domestic Product (GSDP) for the year 2018-19 (₹ 15,42,432 crore). The PSUs covered in this Report suffered a loss of ₹ 14,441.44 crore as per their latest finalised accounts. As of March 2019, these PSUs had employed around 76,500 employees.

As on 31 March 2019, 46 State PSUs (three power sector PSUs and 43 other than power sector PSUs) were non-functional having a total investment of ₹ 1,774.04 crore towards capital (₹ 1,051.52 crore) and long-term loans (₹ 722.52 crore). The non-functional PSUs included two power sector PSUs which have been subsequently wound up (April 2019) and 12 other than power sector PSUs which were under liquidation.

The Government may take appropriate decision regarding winding up of the remaining 32 non-functional PSUs.

Accountability framework

3. The procedure for audit of Government companies are laid down in Sections 139 and 143 of the Companies Act, 2013 (Act 2013). According to Section 2 (45) of the Act 2013, a Government Company means any company in which not less than 51 *per cent* of the paid-up share capital is held by the Central Government or by any State Government or Governments or partly by the Central Government and partly by one or more State Governments, and includes a company which is a subsidiary company of such a Government Company. Besides, any other company⁵ owned or controlled, directly or indirectly, by the Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments is referred to in this Report as Government Controlled other Company.

Comptroller and Auditor General of India (CAG) appoints the Statutory Auditors of a Government Company and Government Controlled other Company under Section 139 (5) and (7) of the Companies Act, 2013. Section 139 (5) of the Companies Act, 2013 provides that the Statutory Auditors in case of a Government Company or Government controlled other company are to be appointed by the CAG within a period of one hundred and eighty days from the commencement of the financial year. Section 139 (7) of the Companies Act, 2013 provides that in case of a Government Company or Government controlled other company, the first auditor is to be appointed by the CAG within sixty days from the date of registration of the company and in case CAG does not appoint such auditor within the said period, the Board of Directors of the Company or the members of the Company have to appoint such auditor.

Further, as per sub-Section 7 of Section 143 of the Act 2013, the CAG may, in case of any company covered under Section 139 (5) or (7), if considered necessary, by an order, cause test audit to be conducted of the accounts of such company and the provisions of Section 19A of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 shall apply to

⁵ The Companies (Removal of Difficulties) Seventh Order 2014 dated 4 September 2014 issued by Ministry of Corporate Affairs, Government of India.

the report of such test Audit. Thus, a Government Company or any other Company owned or controlled, directly or indirectly, by the Central Government, or by any State Government or Governments or partly by Central Government and partly by one or more State Governments is subject to audit by the CAG. An audit of the financial statements of a Company in respect of the financial years that commenced on or before 31 March 2014 shall continue to be governed by the provisions of the Companies Act, 1956.

Statutory Audit

4. The financial statements of the Government Companies (as defined in Section 2 (45) of the Act 2013) are audited by Statutory Auditors who are appointed by the CAG as per the provisions of Section 139 (5) or (7) of the Act 2013. The Statutory Auditors submit a copy of the Audit Report to the CAG including, among other things, financial statements of the Company under Section 143(5) of the Act 2013. These financial statements are also subject to supplementary audit by the CAG within sixty days from the date of receipt of the audit report under the provisions of Section 143 (6) of the Act 2013.

Audit of Statutory Corporations is governed by their respective legislations. Out of six Statutory Corporations, the CAG is the sole auditor for four Statutory Corporations namely Uttar Pradesh Avas Evam Vikas Parishad, Uttar Pradesh Jal Nigam, Uttar Pradesh State Road Transport Corporation and Uttar Pradesh Forest Corporation. In respect of Uttar Pradesh State Warehousing Corporation and Uttar Pradesh Financial Corporation, the audit is conducted by Chartered Accountants and supplementary audit is conducted by the CAG.

Submission of accounts by PSUs

Need for timely finalisation and submission

5. According to Sections 394 and 395 of the Companies Act, 2013, Annual Report on the working and affairs of a Government Company, is to be prepared within three months of its Annual General Meeting (AGM) and as soon as may be after such preparation laid before the Houses or both the Houses of State Legislature together with a copy of the Audit Report and any comments upon or supplement to the Audit Report, made by the CAG. Almost similar provisions exist in the respective Acts regulating the Statutory Corporations. This mechanism provides the necessary legislative control over the utilisation of public funds invested in the Government companies and Statutory Corporations from the Consolidated Fund of the State.

Section 96 of the Companies Act, 2013 requires every company to hold AGM of the shareholders once in every calendar year. It is also stated that not more than 15 months shall elapse between the date of one AGM and that of the next. Further, Section 129 of the Companies Act, 2013 stipulates that the audited financial statements for the financial year has to be placed in the said AGM for their consideration. Section 129 (7) of the Companies Act, 2013 provides for levy of penalty like fine and imprisonment on the persons including directors of the company responsible for non-compliance with the provisions of Section 129 of the Companies Act, 2013.

Role of Government and Legislature

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

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

Investment by Government of Uttar Pradesh in State PSUs

7. The Government of Uttar Pradesh (GoUP) has high financial stakes in the PSUs. This is of mainly three types:

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

8. The total sector-wise summary of investment in the PSUs as on 31 March 2019 is given in **Table 2**.

Table 2: Sector-wise total investment in PSUs

(₹ in crore)

Name of sector	Government Companies		Statutory Corporations		Total	Total Investment in the form of-	
	Covered in this Report	Not covered in this Report	Covered in this Report	Not covered in this Report		Equity	Long term loans
Power	1,97,352.73	2.27	-	-	1,97,355.00	1,17,914.35	79,440.65
Other than Power	11,608.62	8,549.16	1,518.94	872.34	22,549.06	8,614.00	13,935.06
Total	2,08,961.35	8,551.43	1,518.94	872.34	2,19,904.06	1,26,528.35	93,375.71

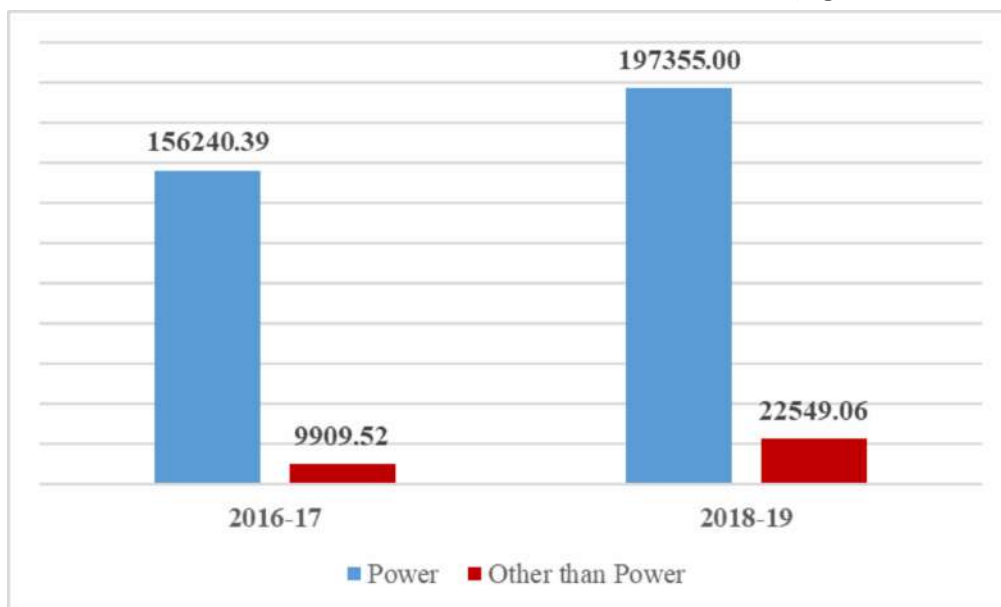
Source: Compiled based on annual accounts of PSUs, sanction/release orders for equity and loans and information provided by PSUs.

The thrust of PSU investment was mainly in power sector during the last three years. The power sector received investments of ₹ 41,114.61 crore (76.49 per cent) out of total investment of ₹ 53,754.15 crore made during the period from 2016-17 to 2018-19.

9. The investment in power and other than power sector at the end of 31 March 2017 and 31 March 2019 is indicated in **Chart 1**.

Chart 1: Sector-wise investment in PSUs

(Figures ₹ in crore)



Keeping in view the huge investment in the power sector, the results of audit of 15 power sector PSUs have been presented separately in Part-I⁶ and of 99 PSUs (other than power sector) in Part-II⁷ of Part-A of the Report.

⁶ Part-I includes Chapter-I (Functioning of Power Sector Undertakings) and Chapter-II (Compliance Audit Observations relating to Power Sector Undertakings).

⁷ Part-II includes Chapter-III (Functioning of PSUs other than Power Sector) and Chapter-IV (Compliance Audit Observations relating to PSUs other than Power Sector).

PART-I

Power Sector Undertakings

CHAPTER–I

Functioning of Power Sector Undertakings

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Chapter-I

Functioning of Power Sector Undertakings

Introduction

1.1 The power sector undertakings play an important role in the economy of the State. Apart from providing critical infrastructure required for development of the State's economy, the sector also adds significantly to the GDP of the State. The ratio of power sector PSUs' turnover to Gross State Domestic Product (GSDP) shows the extent of activities of PSUs in the State economy. **Table 1.1** provides the details of turnover of the power sector undertakings and GSDP of Uttar Pradesh for a period of four years ending 31 March 2019¹.

Table 1.1: Details of turnover of Power Sector Undertakings vis-a-vis GSDP of Uttar Pradesh

Particulars	(₹ in crore)			
	2015-16	2016-17	2017-18	2018-19
Turnover	46,977	54,223	56,661	61,856
Percentage change in turnover as compared to turnover of preceding year	-	15.42	4.50	9.17
GSDP of Uttar Pradesh	11,37,210	12,48,374	13,76,324	15,42,432
Percentage change in GSDP as compared to GSDP of preceding year	-	9.78	10.25	12.07
Percentage of turnover to GSDP of Uttar Pradesh	4.13	4.34	4.12	4.01

Source: Compiled based on turnover figures of power sector PSUs and GSDP figures issued by Ministry of Statistics and Programme Implementation, Government of India dated 01 August 2019.

The turnover of power sector undertakings recorded a continuous increase during the years 2016-17 to 2018-19, with growth ranging between 4.50 *per cent* and 15.42 *per cent*. GSDP of Uttar Pradesh also recorded continuous increase during the same period ranging between 9.78 *per cent* and 12.07 *per cent*. Compounded annual growth is a useful method to measure growth rate over multiple time periods. Against the compounded annual growth² of 10.69 *per cent* of GSDP, the turnover of power sector undertakings recorded lower compounded annual growth of 9.61 *per cent* during the last three years. This resulted in decrease in share of turnover of these power sector undertakings to GSDP from 4.13 *per cent* in the year 2015-16 to 4.01 *per cent* in the year 2018-19.

Formation of Power Sector Undertakings

1.2 To make energy sector commercially viable, Government of Uttar Pradesh (GoUP) restructured (January 2000) erstwhile Uttar Pradesh State Electricity Board (UPSEB) and a new Company Uttar Pradesh Power Corporation Limited (UPPCL) was formed under the Companies Act, 1956.

¹ As per latest finalised accounts till 31 December 2019.

² Rate of Compounded Annual Growth $[(\text{Value of 2018-19}/\text{Value of 2015-16})^{(1/3 \text{ years})} - 1] \times 100$.

The transmission and distribution functions³ of UPSEB were transferred to UPPCL. Thermal and hydro generation functions were continued to be vested to the existing PSUs namely, Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited (UPRVUNL) and Uttar Pradesh Jal Vidyut Nigam Limited (UPJVNL). All the assets and liabilities of UPSEB (including equity of ₹ 5,554.96 crore⁴ and loan of ₹ 2,709.78 crore) were distributed among four power sector PSUs⁵. Further, in August 2003, the distribution business of UPPCL was transferred to subsidiary companies viz. Madhyanchal Vidyut Vitran Nigam Limited, Lucknow (MNVNL), Paschimanchal Vidyut Vitran Nigam Limited, Meerut (PVVNL), Purvanchal Vidyut Vitran Nigam Limited, Varanasi (PuVVNL) and Dakshinanchal Vidyut Vitran Nigam Limited, Agra (DVVNL) (known as DISCOMs-subsidaries of UPPCL).

Further, Uttar Pradesh Power Transmission Corporation Limited (UPPTCL) was incorporated in July 2006. Subsequently, in December 2010, GoUP notified the Uttar Pradesh Electricity Reforms (Transfer of Transmission and related activities including the assets, liabilities) Scheme, 2010, for the purpose of transfer of the transmission activities from UPPCL to UPPTCL with effect from April 2007. From this date UPPCL and UPPTCL started working as separate entities for purchase/sale of bulk power and transmission work respectively.

In addition to above, four PSUs⁶ were formed for the purpose of generation of power. Similarly, Southern UP Power Transmission Company Limited (SUPPTCL) (incorporated on 08 August 2013), subsidiary of UPPCL was formed to carry out business of transmission. Besides, one more company namely UCM Coal Company Limited (incorporated on 16 October 2008), joint venture of UPRVUNL was formed for the purpose of extraction of coal and sale of coal to State Power Utilities.

Thus, there were 15 power sector undertakings⁷ in the State as on 31 March 2019. Of these 15 power sector undertakings, three PSUs⁸ were non-functional and three PSUs⁹ did not commence commercial activities till 2018-19¹⁰.

³ Distribution business of Kanpur Electricity Supply Authority (KESA) Zone of UPSEB was transferred to Kanpur Electricity Supply Company Limited (KESCo) formed as a wholly owned subsidiary company of UPPCL.

⁴ Accumulated loss was nil at the time of unbundling of UPSEB.

⁵ UPRVUNL, UPJVNL, KESCo and UPPCL.

⁶ UPSIDC Power Company Limited incorporated on 11 April 2000 as a subsidiary of Uttar Pradesh State Industrial Development Corporation Limited, Sonebhadra Power Generation Company Limited (SPGCL) incorporated on 14 February 2007 as a subsidiary of UPPCL, Jawaharpur Vidyut Utpadan Nigam Limited (JVUNL) incorporated on 04 September 2009 as a subsidiary of UPRVUNL and Yamuna Power Generation Company Limited (YPGCL) incorporated on 20 April 2010 as an associate of UPPCL.

⁷ Two companies namely Sonebhadra Power Generation Company Limited and Yamuna Power Generation Company Limited has been wound up by the decision taken in their BoD meetings dated 01 April 2019.

⁸ Sonebhadra Power Generation Company Limited (SPGCL), Yamuna Power Generation Company Limited (YPGCL) and Southern UP Power Transmission Company Limited (SUPPTCL).

⁹ Jawaharpur Vidyut Utpadan Nigam Limited, UCM Coal Company Limited and UPSIDC Power Generation Company Limited.

¹⁰ As per latest finalised accounts till 31 December 2019.

Disinvestment, restructuring and privatisation of Power Sector Undertakings

1.3 No disinvestment, restructuring and privatisation of power sector undertakings was done during 2018-19 in Uttar Pradesh.

Investment in Power Sector Undertakings

1.4 The activity-wise summary of investment in the power sector undertakings as on 31 March 2019 is given in **Table 1.2**.

Table 1.2: Activity-wise investment in Power Sector Undertakings

Activity	Number of Power Sector Undertakings	Investment (₹ in crore)		
		Equity	Long Term Loans	Total
PSUs covered in this Chapter				
Generation of Power	3	12,740.88	12,426.67	25,167.55
Transmission of Power	1	14,060.07	10,901.70	24,961.77
Distribution of Power	6 ¹¹	91,110.97	56,109.78	1,47,220.75
Others	1	0.16	2.50	2.66
Total PSUs covered in this Chapter	11	1,17,912.08	79,440.65	1,97,352.73
PSUs not covered in this Chapter ¹²	4	2.27	0.00	2.27
Grand Total	15	1,17,914.35	79,440.65	1,97,355.00

Source: Compiled figures based on Annual Accounts and information received from power sector PSUs.

As on 31 March 2019, the total investment (equity and long-term loans) in 11 power sector undertakings covered in this Chapter was ₹ 1,97,352.73 crore. The investment consisted of 59.75 per cent towards equity and 40.25 per cent in long-term loans.

The long-term loans advanced by the State Government (₹ 5,571.82 crore) constituted 7.01 per cent of the total long-term loans whereas 92.99 per cent (₹ 73,868.83 crore) of the total long-term loans was availed from financial institutions. Besides, during the years 2015-16 and 2016-17, the State Government had taken over ₹ 44,403.89 crore¹³ (75 per cent) of the outstanding debts (₹ 59,205.19 crore¹⁴) of the DISCOMs due to banks and financial institutions under Financial Restructuring Plan/Ujwal DISCOM Assurance Yojana (UDAY¹⁵) scheme.

¹¹ Including UPPCL (Holding Company).

¹² This Chapter does not include four PSUs, out of which three PSUs (SPGCL, YPGCL and SUPPTCL) were non-functional and accounts of one PSU (UPSIDC Power Company Limited) were in arrears for more than three years.

¹³ It includes ₹ 39,133.76 crore taken over by State Government in 2015-16 and 2016-17 under UDAY and ₹ 5,270.13 crore which has already been taken over by State Government under Financial Restructuring Plan (FRP)-2012 during 2015-16.

¹⁴ Total debts of DISCOMs were ₹ 59,205.19 crore which includes ₹ 53,935.06 crore outstanding as on 30 September 2015 and bonds of ₹ 5,270.13 crore already taken over under Financial Restructuring Plan (FRP)-2012 by State Government during 2015-16.

¹⁵ Scheme launched by Ministry of Power (MoP), Government of India (GoI) for financial and operational turnaround of DISCOMs.

Budgetary Support to Power Sector Undertakings

1.5 The Government of Uttar Pradesh (GoUP) provides financial support to power sector undertakings in various forms through the annual budget. The summarised details of budgetary outgo towards equity, loans, grants/subsidies, loans written off and loans converted into equity during the year in respect of power sector undertakings for the last three years ending 31 March 2019 are given in **Table 1.3**.

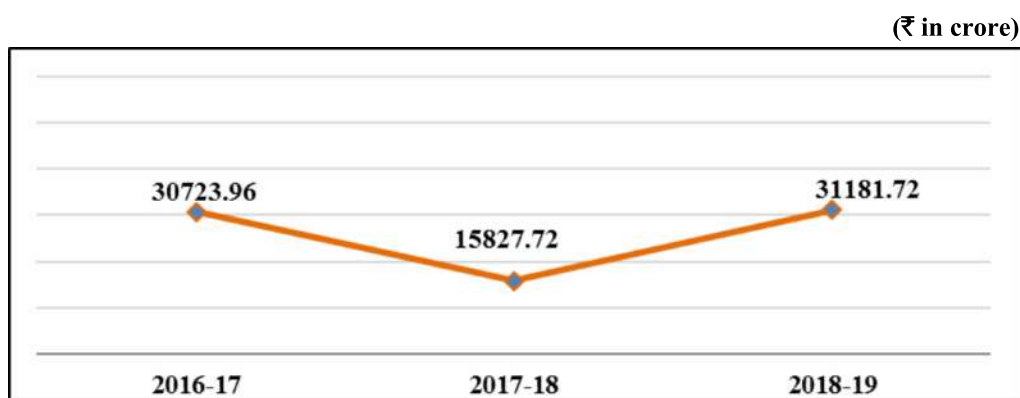
Table 1.3: Details of budgetary support to Power Sector Undertakings during the last three years ending 31 March 2019

Particulars ¹⁶	2016-17		2017-18		2018-19	
	No of PSUs ¹⁷	Amount (₹ in crore)	No of PSU ¹⁷	Amount (₹ in crore)	No of PSUs ¹⁷	Amount (₹ in crore)
Equity Capital outgo (i)	3	12,205.98	4	8,234.53	3	13,409.18
Loans given (ii)	1	3,700.32	-	0.00	1	615.45
Grants/Subsidies provided (iii)	1	14,817.66	2	7,593.19	2	17,157.09
Total Outgo (i+ii+iii)	3¹⁸	30,723.96	4¹⁸	15,827.72	3¹⁸	31,181.72
Loan written off/converted into Grant	-	-	-	-	1	4,891.72
Loans converted into Equity	-	-	-	-	-	-
Guarantees Outstanding	3	52,791.17	3	57,912.93	4	85,998.73
Guarantee Commitment	2	62,518.98	2	31,488.20	3	13,198.56

Source: Compiled figures based on Annual Accounts, Government orders and information received from PSUs.

The details of budgetary support towards equity, loans and grants/subsidies for the last three years ending March 2019 is given in **Chart 1.1**.

Chart 1.1: Budgetary support towards Equity, Loans and Grants/Subsidies



The budgetary assistance received by the power sector PSUs during the year ranged between ₹ 15,827.72 crore and ₹ 31,181.72 crore during the period 2016-17 to 2018-19. The budgetary assistance of ₹ 31,181.72 crore received during 2018-19 included ₹ 13,409.18 crore, ₹ 615.45 crore and ₹ 17,157.09 crore in the form of equity, loans and grants/subsidy respectively.

¹⁶ Amount represents outgo from the State Budget only.

¹⁷ GoUP release equity to UPPCL and UPRVUNL on behalf of their subsidiaries. Therefore, for the purpose of infusion of Government's fund, only holding companies on behalf of their subsidiaries have been considered. Remaining two Power Sector PSUs are UPPTCL and UPJVNL. During 2016-17 and 2018-19, no budgetary support in the form of Equity, Loans and Grants/Subsidies was provided to UPJVNL by GoUP.

¹⁸ The figure represents number of PSUs which have received outgo from budget under one or more heads i.e. equity, loans and grants/subsidy.

Besides, the Ministry of Power (MoP), Government of India also launched (20 November 2015) UDAY Scheme for operational and financial turnaround of State owned Power Distribution Companies (DISCOMs). The provisions of UDAY and status of implementation of the scheme by five DISCOMs are discussed under **Paragraph 1.20** of this Chapter.

In order to enable PSUs to obtain financial assistance from banks and financial institutions, Government of Uttar Pradesh (GoUP) gives guarantee for which the guarantee commission is being charged at the rate of 0.25 *per cent* to one *per cent* depending upon the loanees as decided by GoUP (15 September 2000). Outstanding guarantee stood at ₹ 85,998.73 crore as on 31 March 2019. During the year 2018-19, guarantee commission of ₹ 0.25 crore was paid by two PSUs¹⁹.

Reconciliation with Finance Accounts of Government of Uttar Pradesh

1.6 The figures in respect of equity, loans and guarantees outstanding as per records of State PSUs should agree with that of the figures appearing in the Finance Accounts of the Government of Uttar Pradesh. In case the figures do not agree, the concerned PSUs and the Finance Department should carry out reconciliation of the differences. The position in this regard as on 31 March 2019 is given in **Table 1.4**.

Table 1.4: Equity, Loans and Guarantee outstanding as per Finance Accounts vis-à-vis records of Power Sector Undertakings

(₹ in crore)

Name of Power Sector Undertaking	Equity		Difference	Loans		Difference	Guarantees		Difference
	As per Finance Accounts	As per records of PSU		As per Finance Accounts	As per records of PSU		As per Finance Accounts	As per records of PSU	
Kanpur Electricity Supply Company Limited	0.07	0.00	0.07	-	-	-	-	-	-
Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited	10,796.79	12,305.55	1,508.76	-	-	-	-	-	-
Uttar Pradesh Power Transmission Corporation Limited	11,382.00	11,846.80	464.80	-	-	-	-	-	-
Uttar Pradesh Power Corporation Limited	-	-	-	10,398.89	5,507.17	4,891.72	-	-	-
Uttar Pradesh Jal Vidyut Nigam Limited	-	-	-	0.00	64.65	64.65	-	-	-
Total Difference			1,973.63			4,956.37			

Source: Compiled based on information received from PSUs and Finance Accounts.

Audit observed that such difference occurred in respect of five power sector PSUs as shown in the table above. The reasons for differences in equity of Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited and Uttar Pradesh Transmission Corporation Limited are (as seen from the accounts of these PSUs) non/short accounting of equity in the Finance Accounts of 2018-19 released by the Government during the year 2018-19. Moreover, reason for

¹⁹ UPRVUNL and UPPTCL.

difference in loan of Uttar Pradesh Power Corporation Limited is that conversion of loan of ₹ 4,891.72 crore into grant by the Government during the year 2018-19 has not been accounted in the Finance Accounts for the year. The difference in figures of Kanpur Electricity Supply Company Limited and Uttar Pradesh Jal Vidyut Nigam Limited are persisting since the last many years.

The issue of reconciliation of differences was taken up by audit with the PSUs and the Department from time to time. **Audit, therefore, recommends that the State Government and the respective PSUs should reconcile the differences in a time-bound manner.**

Submission of accounts by Power Sector Undertakings

Timeliness in preparation of accounts by Power Sector Undertakings

1.7.1 There were 15 power sector undertakings²⁰ under the audit purview of CAG as of 31 December 2019. Accounts for the year 2018-19 were submitted by 11 PSUs by 31 December 2019. Details of arrears in submission of accounts of power sector undertakings as on 31 December²¹ of each financial year for the last three years ending 31 March 2019 are given in **Table 1.5**.

Table 1.5: Status of submission of accounts of Power Sector Undertakings

Sl. No.	Particulars	2016-17	2017-18	2018-19
1.	Number of PSUs	15	15	15
2.	Number of accounts due	48	43	37
3.	Number of accounts submitted during the current year	20	21	28
4.	Number of PSUs which finalised accounts for the current year	1	2	11
5.	Number of previous year accounts finalised during the current year	19	19	17
6.	Number of PSUs with arrears in accounts	14	13	4
7.	Number of accounts in arrears	28	22	9
8.	Extent of arrears	One to Three Years	One to Four Years	One to Five Years

Source: Compiled based on accounts of PSUs received upto December 2019.

Of these 15 power sector PSUs, 14 PSUs had finalised 28 annual accounts during the period 01 October 2018 to 31 December 2019 which included 11 annual accounts for the year 2018-19 and 17 annual accounts for previous years. Further, nine annual accounts of four PSUs were in arrears.

The GoUP had provided ₹ 28,012.33 crore (Equity: ₹ 10,335.58 crore, Loan: ₹ 615.45 crore, Grant: ₹ 6,032.59 crore and Subsidy: ₹ 11,028.71 crore) during 2017-18 and 2018-19 to two of the four power sector PSUs, accounts of which were in arrears as of 31 December 2019, whereas no investment was made by GoUP in the remaining two PSUs during the period for which accounts were in arrears as detailed in **Appendix-1.3**.

²⁰ Two companies namely Sonebhadra Power Generation Company Limited and Yamuna Power Generation Company Limited have been wound up by the decision taken in their BoD meetings dated 01 April 2019. Further, names of both companies have also been struck off the register of companies in August 2020.

²¹ For the years 2016-17 and 2017-18, accounts received till 30 September 2017 and 30 September 2018 respectively were considered.

The administrative departments have the responsibility to oversee the activities of these PSUs and to ensure that the accounts are finalised and adopted by these PSUs within the stipulated period. The concerned departments were informed regularly regarding arrears in accounts.

Impact of non-finalisation of accounts of State Power Sector PSUs

1.7.2 Delay in finalisation of accounts may also result in risk of fraud and leakage of public money apart from violation of the provisions of the Companies Act, 2013. In view of the above status of arrears of accounts, the actual performance including loss incurred/profit earned and contribution of these four State power sector PSUs to State GDP during the period of arrear accounts could not be ascertained/reported to the State Legislature. In the absence of finalisation of accounts by these PSUs and their subsequent audit, it could not be ensured whether the investments and expenditure incurred had been properly accounted for and the funds were utilised for the purpose for which these were provided by the State Government.

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

Winding up of non-functional State Power Sector PSUs

1.8 As on 31 March 2019, three power sector PSUs namely Yamuna Power Generation Company Limited, Sonebhadra Power Generation Company Limited and Southern UP Power Transmission Company Limited were non-functional companies. Decision of winding up of two power sector PSUs namely Yamuna Power Generation Company Limited and Sonebhadra Power Generation Company Limited was taken by the GoUP on 05 May 2015 and 02 July 2018 respectively. Subsequently, both the companies have been wound up by their respective Board of Directors in April 2019.

Further, in respect of the remaining power sector PSU i.e. Southern UP Power Transmission Company Limited, the Government may take appropriate decision regarding winding up of the same.

Performance of Power Sector Undertakings

1.9 The financial position and working results of 11 power sector undertakings as per their latest finalised accounts as of 31 December 2019 are detailed in *Appendix-1.1*.

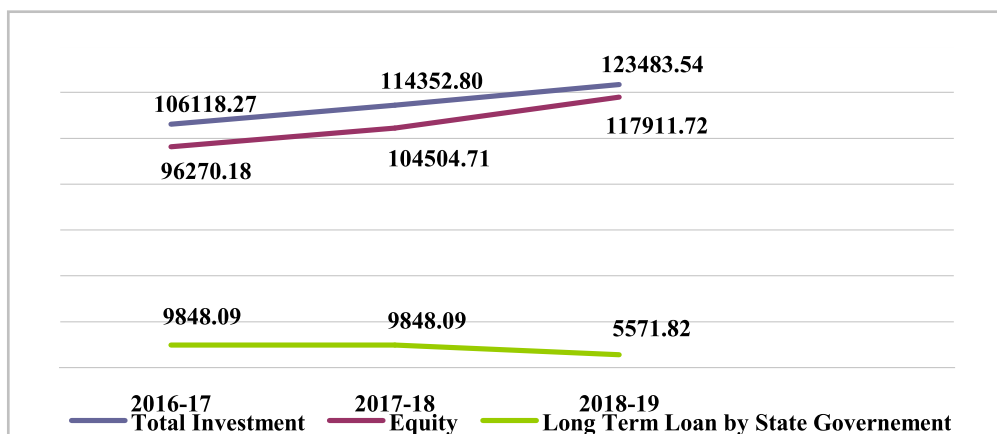
The Public Sector Undertakings are expected to yield reasonable return on investment made by Government in the undertakings. The total investment of the State Government and others in the power sector PSUs as on 31 March 2019 was ₹ 1,97,352.73 crore consisting of ₹ 1,17,912.08 crore as equity and ₹ 79,440.65 crore as long-term loans as detailed in *Appendix-1.2*. Out of this, GoUP has investment of ₹ 1,23,483.54 crore in four power sector PSUs²² consisting of equity of ₹ 1,17,911.72 crore and long-term loans of

²² GoUP released equity to UPPCL and UPRVUNL on behalf of their subsidiaries. Therefore, for the purpose of infusion of Government's fund, only holding companies on behalf of their subsidiaries have been considered. Remaining two Power Sector PSUs are UPPTCL and UPJVNL.

₹ 5,571.82 crore. The cumulative status of investment of GoUP in the form of equity and long-term loans in the power sector PSUs at the end of the period 2016-17 to 2018-19 is depicted in **Chart 1.2**.

Chart 1.2: Total investment of GoUP in Power Sector Undertakings

(₹ in crore)



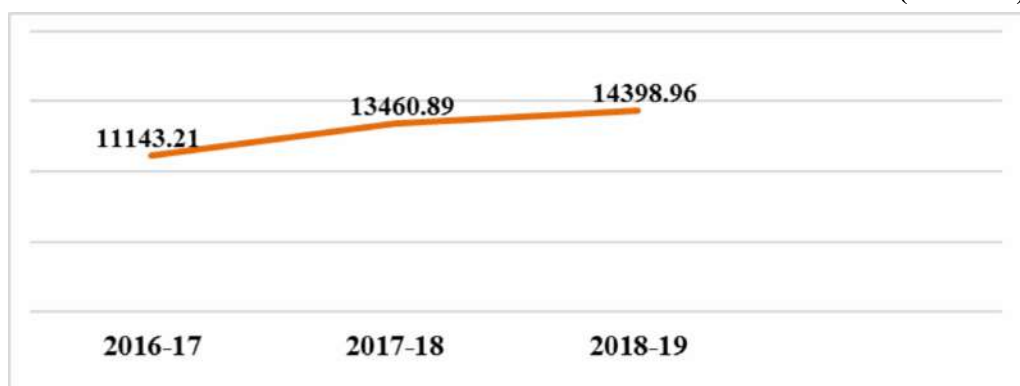
The profitability of a company is traditionally assessed through return on investment, return on equity and return on capital employed. Return on investment measures the profit or loss made in a fixed year relating to the amount of money invested in the form of equity and long-term loans and is expressed as a percentage of profit to total investment. Return on Equity is a measure of performance calculated by dividing net profit after tax by shareholders' fund. Return on capital employed is a financial ratio that measures the company's profitability and the efficiency with which its capital is used and is calculated by dividing the company's earnings before interest and tax by capital employed.

Return on Investment

1.10 Return on investment is the percentage of profit or loss to the total investment. The overall loss²³ incurred by 11 power sector undertakings during 2016-17 to 2018-19 is depicted in **Chart 1.3**.

Chart 1.3: Loss incurred by Power Sector Undertakings

(₹ in crore)



²³ Figures are as per the latest finalised accounts upto 31 December 2019.

The loss incurred by these 11 power sector PSUs was ₹ 14,398.96 crore (*Appendix-1.1*) in the year 2018-19 against losses of ₹ 11,143.21 crore and ₹ 13,460.89 crore incurred in the years 2016-17 and 2017-18 respectively. According to the latest finalised accounts of PSUs, two PSUs earned profit of ₹ 126.39 crore and nine PSUs incurred loss of ₹ 14,525.35 crore as detailed in *Appendix-1.4*.

The position of power sector undertakings which earned profit/incurred loss during the period 2016-17 to 2018-19 is given in **Table 1.6**.

Table 1.6: Power Sector Undertakings which earned profit /incurred loss

During the year	Total PSUs in Power Sector covered in this chapter	Number of PSUs which earned profits during the year	Number of PSUs which incurred loss during the year	Number of PSUs which had no profit/ loss during the year
2016-17	11	2	8	1
2017-18	11	3	8	-
2018-19	11	2	9	-

Real Return on the basis of Present Value of Investment

1.11 In view of the significant investment by the State Government in all power sector undertakings, return on such investment is essential from the perspective of the Government. The return on investment has been calculated after considering the present value of money to arrive at the real return on investment made by GoUP in the 11 power sector undertakings. Present value of the State Government investment was computed where funds had been infused by the State Government in the form of equity, interest-free long-term loans and grants/subsidies given for operational and management expenses since finalisation of the balance sheets of these power sector undertakings after unbundling of erstwhile Electricity Board (2000-01) till 31 March 2019.

The present value (PV) of the State Government investment in power sector undertakings was computed on the basis of the following assumptions:

- Interest-free long-term loans and grants/subsidies given for operational and management expenses have been considered as investment infusion by the State Government. Further, in those cases where interest-free loans given to the PSUs were later converted into equity, the amount of loan converted into equity has been deducted from the amount of interest free loans and added to the equity of that year.
- The average rate of interest on government borrowings for the concerned financial year²⁴ was adopted as compounded rate for arriving at present value since they represent the cost incurred by the Government towards investment of funds for the year and therefore considered as the minimum expected rate of return on investment made by the Government.

For the period 2016-17 to 2018-19 when eight to nine PSUs incurred losses, a more appropriate measure of performance is the erosion of net worth due to the losses. The erosion of net worth of the companies is commented upon in *Paragraph 1.13*.

²⁴ The average rate of interest on government borrowings for the concerned year = Interest Payment/ [(Amount of previous year's Fiscal Liabilities + Current year's Fiscal Liabilities)/2]*100.

1.12 The position of State Government investment in the power sector undertakings in the form of equity, loans and grants/subsidies since inception of these PSUs till 31 March 2019 is indicated in **Appendix-1.5** and the consolidated position of PV of the State Government investment relating to them since 2000-01 till 31 March 2019 is indicated in **Table 1.7**.

Table 1.7: Year wise details of investment by the State Government and present value (PV) of Government funds from 2000-01 to 2018-19.

(₹ in crore)

Financial year	Present value of total investment at the beginning of the year	Equity infused by GoUP during the year	Interest free loan given by GoUP	Grant/ Subsidies given by GoUP	Total investment during the year	Total investment at the end of the year	Average rate of interest on Govt. borrowings (in per cent)	Present value of total investment at the end of the year	Minimum expected return to recover cost of funds for the year	Total Earnings for the year as per Profit & Loss Statement
i	ii	iii	iv	v	vi= iii+iv+v	vii=ii+vi	viii	ix= vii* (1+viii/100)	x= vii* viii/100	xi
up to 2000-01		6,336.47	3.55	294.23	6,634.25	6,634.25	9.58	7,269.81	635.56	-2,760.04
2001-02	7,269.81	315.03	0.00	1,060.39	1,375.42	8,645.23	9.49	9,465.66	820.43	-1,562.66
2002-03	9,465.66	225.90	0.00	972.15	1,198.05	10,663.71	7.22	11,433.63	769.92	-1,453.67
2003-04	11,433.63	6,051.30	0.00	1,171.14	7,222.44	18,656.07	9.13	20,359.37	1,703.30	-1,420.28
2004-05	20,359.37	906.80	0.00	1,229.06	2,135.86	22,495.23	9.47	24,625.53	2,130.30	-2,404.25
2005-06	24,625.53	794.60	0.00	1,372.33	2,166.93	26,792.46	6.49	28,531.29	1,738.83	-3,146.92
2006-07	28,531.29	3,113.53	0.00	1,588.90	4,702.43	33,233.72	6.74	35,473.68	2,239.95	-4,288.59
2007-08	35,473.68	5,046.98	0.00	1,984.15	7,031.13	42,504.81	6.43	45,237.86	2,733.06	-7,930.94
2008-09	45,237.86	6,222.34	0.00	1,920.15	8,142.49	53,380.35	6.29	56,737.98	3,357.62	-10,585.24
2009-10	56,737.98	5,322.37	0.00	1,909.04	7,231.41	63,969.39	6.16	67,909.90	3,940.51	-8,915.78
2010-11	67,909.90	4,383.52	0.00	2,169.41	6,552.93	74,462.83	6.67	79,429.50	4,966.67	-8,678.69
2011-12	79,429.50	4,314.36	0.00	3,811.85	8,126.21	87,555.71	6.62	93,351.90	5,796.19	-11,912.16
2012-13	93,351.90	3,825.53	0.00	5,010.13	8,835.66	1,02,187.56	6.73	1,09,064.79	6,877.22	-13,149.52
2013-14	1,09,064.79	6,580.90	0.00	5,315.37	11,896.27	1,20,961.06	6.43	1,28,738.85	7,777.80	-17,718.16
2014-15	1,28,738.85	11,546.16	0.00	12,647.70	24,193.86	1,52,932.71	6.40	1,62,720.40	9,787.69	-19,110.93
2015-16	1,62,720.40	19,078.43	6,083.12	22,385.92	47,547.47	2,10,267.87	6.35	2,23,619.88	13,352.01	-18,126.21
2016-17	2,23,619.88	12,205.97	3,700.32	14,817.66	30,723.95	2,54,343.83	6.82	2,71,690.08	17,346.25	-11,143.21
2017-18	2,71,690.08	8,234.52	0.00	7,593.19	15,827.71	2,87,517.79	6.54	3,06,321.46	18,803.66	-13,460.89
2018-19	3,06,321.46	13,407.01	-4,891.72	17,157.09	25,672.38	3,31,993.84	6.50	3,53,573.44	21,579.60	-14,398.96
Total for the period		1,17,911.72	4,895.27	1,04,409.86	2,27,216.85					

The investment of the State Government in these 11 PSUs at the end of the year increased to ₹ 2,27,216.85 crore in 2018-19 from ₹ 6,634.25 crore in 2000-01 as the State Government made further investments in shape of equity (₹ 1,11,575.25 crore) and interest-free loans and grants/subsidies (₹ 1,09,007.35 crore). The present value of investments of the State Government upto 31 March 2019 worked out to ₹ 3,53,573.44 crore.

It could be seen that total earnings for the year relating to these PSUs remained negative during the period 2000-01 to 2018-19 which indicates that these PSUs did not recover the cost of funds to the Government.

Erosion of Net Worth

1.13 Net worth means the sum total of the paid-up capital and free reserves and surplus minus accumulated losses and deferred revenue expenditure. Essentially it is a measure of what an entity is worth to the owners. A negative net worth indicates that the entire investment of the owners has been wiped out by accumulated losses and deferred revenue expenditure.

As on 31 March 2019, overall accumulated loss of 11 PSUs covered in this Chapter was ₹ 1,62,180.07 crore. Of these 11 PSUs, nine PSUs incurred losses

in the year 2018-19 amounting to ₹ 14,525.35 crore. Further, two PSUs earned profit in the year 2018-19 and were having accumulated profit of ₹ 1,176.05 crore.

Net worth of six out of 11 PSUs had been completely eroded by accumulated loss. The net worth of these six PSUs was negative (-₹ 74,102.48 crore) against equity investment of ₹ 72,338.46 crore in these PSUs as on 31 March 2019 (*Appendix-1.1*).

Net worth was less than half of the paid-up capital in respect of two²⁵ out of five²⁶ PSUs, whose net worth was positive at the end of March 2019, indicating their potential financial sickness.

Table 1.8 indicates paid-up capital, accumulated profit/loss and net worth of the 11 power sector undertakings (where funds were infused²⁷ by GoUP) during the period 2016-17 to 2018-19 as per latest finalised accounts till 31 December 2019.

Table 1.8: Net worth of Power Sector Undertakings during 2016-17 to 2018-19

(₹ in crore)				
During the year	Paid up Capital at the end of the year	Accumulated Loss at the end of the year	Deferred revenue Expenditure	Net worth
2016-17	96,089.59	1,42,612.30	4.13	-46,526.84
2017-18	1,04,323.31	1,56,236.42	3.95	-51,917.06
2018-19	1,16,578.99	1,62,180.07	0.18	-45,601.26

Dividend Payout

1.14 The State Government had formulated (October 2002) a dividend policy under which PSUs running in profit are required to pay a minimum dividend of five *per cent* on the share capital contributed by the State Government.

Dividend payout relating to power sector undertakings where equity was infused by GoUP during the period 2016-17 to 2018-19 is shown in **Table 1.9**.

Table 1.9: Dividend Payout of Power Sector Undertakings during 2016-17 to 2018-19

During the year	Total PSUs where equity infused by GoUP		PSUs running in profit during the year		PSUs which declared/paid dividend during the year		Dividend Payout Ratio (in <i>per cent</i>)
	Number of PSUs	Equity infused by GoUP (₹ in crore)	Number of PSUs	Equity infused by GoUP (₹ in crore)	Number of PSUs	Dividend declared/paid by PSUs (₹ in crore)	
1	2	3	4	5	6	7	8 (7/5*100)
2016-17	4	96,270.18	1	10,110.40	-	-	-
2017-18	4	1,04,504.71	1	10,796.79	-	-	-
2018-19	4	1,17,911.72	1	12,305.55			

Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited had earned profit of ₹ 123.75 crore in 2018-19 and also had accumulated profits of ₹ 1,173.67 crore as of 31 March 2019. However, the Company neither paid any dividend to the Government nor made any provision in the accounts for the same which

²⁵ MVVNL and UPJVNL.

²⁶ MVVNL, JVUNL, UPRVUNL, UPJVNL and UPPTCL.

²⁷ In case of subsidiary companies (Sl. No. 3, 5 to 9 and 11 of the *Appendix-1.1*) equity was infused through their respective holding companies.

is contrary to the State Government's policy regarding payment of minimum dividend.

Return on Equity

1.15 Return on Equity (ROE)²⁸ is a measure of financial performance of a company calculated by dividing net income (i.e. net profit after taxes) by shareholders' fund. It is expressed as a percentage and can be calculated for any company if shareholders' fund is positive.

RoE has been computed in respect of 11 power sector undertakings where funds have been infused by the State Government either directly or through the holding company (UPPCL and UPRVUNL in case of their subsidiaries). The details of shareholders' fund and ROE relating to these 11 power sector undertakings during the period from 2016-17 to 2018-19 are given in **Table 1.10**.

Table 1.10: Return on Equity relating to 11 Power Sector Undertakings

Year	Net Income/ total Earnings for the year (₹ in crore)	Shareholders' Fund (₹ in crore)	ROE (per cent)
2016-17	-11,143.21	-46,526.84	-
2017-18	-13,460.89	-51,917.06	-
2018-19	-14,398.96	-45,601.26	-

Source: Figures compiled based on latest finalised accounts till 31 December 2019.

As can be seen from the above table, during the last three years ending March 2019, the net income and shareholders' fund were negative throughout the period. RoE in respect of 2016-17 to 2018-19 could not be worked out as shareholders' fund was negative which indicates that the liabilities of these PSUs have exceeded the assets and instead of paying returns on the share capital, the accumulated losses have wiped out the entire share capital.

Return on Capital Employed

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

ROCE is calculated by dividing a company's earnings before interest and taxes (EBIT) by the capital employed²⁹. The details of ROCE of 11 power sector PSUs during the period from 2016-17 to 2018-19 are given in **Table 1.11**.

Table 1.11: Return on Capital Employed

During the year	EBIT (₹ in crore)	Capital Employed (₹ in crore)	ROCE (per cent)
2016-17	-7,749.34	13,442.86	-57.65
2017-18	-8,360.97	24,569.59	-34.03
2018-19	-7,955.17	33,841.62	-23.51

Source: Figures compiled based on latest finalised accounts till 31 December 2019.

The ROCE of the power sector undertakings ranged between (-) 23.51 per cent and (-) 57.65 per cent during the period 2016-17 to 2018-19.

²⁸ Return on Equity = (Net Profit after Tax and preference Dividend/Equity)*100 where equity = paid up capital + free reserves – accumulated losses – deferred revenue expenditure.

²⁹ Capital employed = Paid up share capital + free reserves and surplus + long term loans – accumulated losses - deferred revenue expenditure.

Analysis of Long term loans of Power Sector Undertakings

1.17 The analysis of the long-term loans of the companies which had leverage during 2016-17 to 2018-19 was carried out to assess the ability of the companies to service the debt owed by the companies to Government, banks and other financial institutions. This is assessed through the Interest Coverage Ratio.

Interest Coverage Ratio

1.18 Interest coverage ratio is used to determine the ability of a company to pay interest on outstanding debt and is calculated by dividing a company's earnings before interest and taxes (EBIT) by interest expenses of the same period. The lower the ratio, the less is the ability of the company to pay interest on debt. An interest coverage ratio of below one indicates that the company was not generating sufficient revenues to meet its expenses on interest. The details of interest coverage ratio of PSUs which had outstanding loans during the period from 2016-17 to 2018-19 are given in **Table 1.12**.

Table 1.12: Interest coverage ratio of the Power Sector PSUs having liability of interest on Long Term Loans

During the year	Interest (₹ in crore)	Earnings before interest and tax (₹ in crore)	Number of PSUs having liability of interest on loans from Government and Banks and other financial institutions	Number of PSUs having interest coverage ratio more than 1	Number of PSUs having interest coverage ratio less than 1
2016-17	3,200.22	822.67	8	2	6
2017-18	5,064.12	-241.87	8	2	6
2018-19	6,405.53	161.08	8	1	7

It was observed that of the eight PSUs having liability of interest-bearing loan during the period 2016-17 to 2018-19, two PSUs³⁰ during 2016-17 and 2017-18 and one PSU³¹ during 2018-19 had interest coverage ratio of more than one whereas the remaining six PSUs had negative/less than one interest coverage ratio. This indicates that these PSUs could not generate sufficient revenues to meet their expenses on interest during the period.

Age-wise analysis of interest outstanding on State Government Loans

1.19 As on 31 March 2019, interest amounting to ₹ 247.93 crore in respect of two PSUs was outstanding on the long-term loans provided by GoUP. The age-wise analysis of interest outstanding is depicted in **Table 1.13**.

Table 1.13: Age wise analysis of interest outstanding on State Government Loans (₹ in crore)

Name of PSU	Outstanding interest on loans	Outstanding for less than 1 year	Outstanding for 1 to 3 years	Outstanding for more than 3 years
UP Jal Vidyut Nigam Limited	214.77	10.59	21.19	182.99
UP Power Corporation Limited ³²	33.16	33.16	0.00	0.00
Total	247.93	43.75	21.19	182.99

³⁰ KESCO and UPRVUNL.

³¹ UPRVUNL.

³² Outstanding interest was towards GoUP loan received by UPPCL during 2018-19 on behalf of its five subsidiary DISCOMs.

Assistance under Ujwal DISCOM Assurance Yojana (UDAY)

1.20 The Ministry of Power (MoP), Government of India launched (20 November 2015) the Ujwal DISCOM Assurance Yojana (UDAY Scheme) for operational and financial turnaround of State-owned power distribution companies (DISCOMs). As per the provisions of the UDAY scheme, the participating States were required to undertake the following measures for operational and financial turnaround of DISCOMs.

Scheme for improving operational efficiency

1.20.1 The participating States were required to undertake various targeted activities like compulsory feeder and Distribution Transformer (DT) metering, consumer indexing and GIS mapping of losses, upgrading or changing transformers and meters, smart metering of all consumers consuming above 200 units per month, Demand Side Management (DSM) through energy efficient equipment, quarterly revision of tariff, comprehensive Information, Education and Communication (IEC) campaign to check theft of power and assured increased power supply in areas where Aggregate Technical and Commercial (AT&C) losses have been reduced for improving the operational efficiencies. The timeline prescribed for these targeted activities were also required to be followed so as to ensure achievement of the targeted benefits viz. ability to track losses at feeder and DT level, identification of loss making areas, reduce technical losses and minimise outages, reduce power theft and enhance public participation for reducing the theft, reduce peak load and energy consumption *etc.* The outcomes of operational improvements were to be measured through indicators viz. reduction in gap between average cost of supply and average revenue realised to zero by 2018-19 and reduction of AT&C losses to 15 *per cent* in 2018-19 as per loss reduction trajectory finalised by the MoP and States. Further, in the Tripartite Memorandum of Understanding which was executed (30 January 2016) amongst MoP, Government of India, GoUP and UPPCL, target for reduction of AT&C losses to 14.86 *per cent* by financial year 2019-20 was fixed.

Scheme for financial turnaround

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

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

Implementation of the UDAY Scheme

1.20.3 The status of implementation of the UDAY scheme is as follows:

A. Achievement of operational parameters

The achievements *vis-a-vis* targets under the UDAY scheme regarding different operational parameters relating to the five State DISCOMs are given in **Table 1.14**.

Table 1.14: Parameter-wise achievements *vis-a-vis* targets of operational performance upto March 2020

Parameter of UDAY Scheme	Target under UDAY Scheme	Status under UDAY Scheme	Achievement (in per cent)
Feeder metering (in Nos.) (100 per cent by 30 September 2016)	16,072	20,559	127.92
Metering at DTs (in Nos.) (100 per cent by 30 September 2017)	3,82,460	1,66,030	43.41
Feeder Segregation (in Nos.) ³³	10,564	3,484	32.98
Rural Feeder Audit (in Nos.) ³³	9,722	30,162	310.24
Electricity to unconnected household (in lakh Nos.) ³³	184.56	83.06	45.00
Smart metering above 200 and up to 500 kWh (Nos. in lakh)	23.94	10.07	42.06
Distribution of LED UJALA (in lakh Nos.) ³³	264.53	269.42	101.85
AT&C losses (in per cent) (as on 31 March 2020)	14.86	30.30	Not achieved
ACS-ARR gap ³⁴ (₹ per unit)	-0.05	0.07	Not achieved

Source: Information provided by the PSUs.

On the basis of the above data, it is evident that the performance of DISCOMs was not up to the mark in areas of metering at DTs, feeder segregation, electricity to unconnected households, smart metering, AT&C losses and ACS-ARR gap. As a result, all the five DISCOMs in the State were in the red incurring total loss of ₹ 6,031.89 crore as per their latest finalised accounts for the year 2018-19. However, according to data available on the UDAY dashboard of MoP, GoI, the State of Uttar Pradesh stood at second position³⁵ amongst all the States on the basis of overall achievements made by State DISCOMs under the UDAY scheme upto 30 June 2020.

B. Implementation of Financial Turnaround

1.20.4 Memorandum of Understanding (MoU) was signed (30 January 2016) among MoP, GoUP and UPPCL on behalf of DISCOMs. As per provisions of the UDAY scheme and MoU, out of the total outstanding debt (₹ 53,935.06 crore) pertaining to DISCOMs as on 30 September 2015, GoUP took over total debt of ₹ 39,133.76 crore during the period 2015-16 and 2016-17 by providing equity of ₹ 9,783.44 crore, grant of ₹ 19,566.88 crore and loan of ₹ 9,783.44 crore as detailed in **Table 1.15**.

³³ UDAY MoU does not have any target for the financial year 2019-20 against the said parameters. The targets indicated there against are up to 2018-19.

³⁴ Average Cost of Supply (ACS) – Average Revenue Realisation (ARR) gap.

³⁵ As per latest quarterly ranking of States depicted on website of UDAY for the quarter ended 30 June 2020.

Table 1.15: Implementation of UDAY Scheme

(₹ in crore)				
Year	Equity Investment	Grant	Loan	Total
2015-16	6,083.12	12,166.24	6,083.12	24,332.48
2016-17	3,700.32	7,400.64	3,700.32	14,801.28
Total	9,783.44	19,566.88	9,783.44	39,133.76

Source: Information provided by the PSUs.

Besides, the GoUP provided subsidy of ₹ 669 crore (5 per cent of the loss of 2016-17) in the year 2017-18 and ₹ 1,417 crore (10 per cent of the loss of 2017-18) in the year 2018-19. Further, against subsidy of ₹ 4,267 crore (25 per cent of the loss of 2018-19) to be provided in the year 2019-20, an amount of ₹ 1,485 crore was given in the year 2019-20 and against the remaining amount of ₹ 2,782 crore, provision of ₹ 2,200 crore was made in the budget of 2020-21 and the balance amount of ₹ 582 crore shall be given in the supplementary budget for meeting future financial losses.

Comments on Accounts of Power Sector Undertakings

1.21 Fourteen power sector undertakings³⁶ forwarded their 28 audited accounts to the Principal Accountant General during the period 1 October 2018 to 31 December 2019. Of these, 23 accounts were selected for Supplementary Audit. The Audit Reports of Statutory Auditors and Supplementary Audit conducted by the CAG indicated that the quality of accounts need to be improved substantially. The details of aggregate money value of the comments of Statutory Auditors and the CAG for the accounts of 2016-19 are given in Table 1.16.

Table 1.16: Impact of audit comments on Power Sector Undertakings

Sl. No.	Particulars	2016-17		2017-18		2018-19	
		No. of accounts	Amount (₹ in crore)	No. of accounts	Amount (₹ in crore)	No. of accounts	Amount (₹ in crore)
1.	Decrease in profit	2	4.21	1	3.99	-	-
2.	Increase in profit	-	-	-	-	1	0.91
3.	Increase in loss	5	292.89	4	956.51	8	451.44
4.	Decrease in loss	2	13.37	1	2.97	5	49.02
5.	Non-disclosure of material facts	2	693.34	3	9.65	1	0.15
6.	Errors of classification	6	256.52	4	37.47	10	1602.56

Source: Compiled from comments of the Statutory Auditors and the C&AG in respect of Government PSUs.

During the year 2018-19, the Statutory Auditors had issued qualified opinion on 19 accounts. Compliance to the Accounting Standards by the PSUs remained poor as the Statutory Auditors pointed out 70 instances of non-compliance to the Accounting Standards in 16 Accounts.

Compliance Audit Paragraphs

1.22 For Part-I of the Report of the Comptroller and Auditor General of India on Economic Sector and Public Sector Undertakings for the year ended 31 March 2019, two compliance audit paragraphs relating to power sector undertakings were issued to the Principal Secretary of Energy Department, GoUP with request to furnish replies. Reply in respect of one compliance audit

³⁶ One PSU namely UPSIDC Power Company Limited has not submitted its annual accounts after 2013-14.

paragraph has been received from the State Government and suitably incorporated in the respective audit paragraph in the succeeding chapter II of this Report. The total financial impact of two compliance audit paragraphs is ₹ 3.07 crore.

Follow-up action on Audit Reports

Replies outstanding

1.23 The Reports of the Comptroller and Auditor General of India represent the culmination of the process of audit scrutiny. It is, therefore, necessary that they elicit appropriate and timely response from the Executive. The Finance Department, Government of Uttar Pradesh issued (June 1987) instructions to all Administrative Departments to submit replies/explanatory notes to Paragraphs/Performance Audits included in the Audit Reports of the CAG of India within a period of two to three months of their presentation to the State Legislature, in the prescribed format, without waiting for any questionnaires from the Committee on Public Undertakings (COPU). The position of explanatory notes not received is given in **Table 1.17**.

Table 1.17: Explanatory notes not received (as on 30 September 2020)

Year of the Audit Report (Commercial/PSUs)	Date of placement of Audit Report in the State Legislature	Total Performance Audits (PAs) and Paragraphs in the Audit Report		Number of PAs/ Paragraphs for which explanatory notes were not received	
		PA	Paragraphs	PA	Paragraphs
2011-12	16 September 2013	1	8	1	2
2012-13	20 June 2014	0	8	0	1
2013-14	17 August 2015	1	6	1	3
2014-15	8 March 2016	4	8	0	4
2015-16	18 May 2017	2	5	1	1
2016-17	7 February 2019	1	4	1	4
2017-18	21 August 2020	1	4	1	4
Total		10	43	5	19

Source: Information compiled by Audit.

From the above, it could be seen that out of 43 Paragraphs and 10 Performance Audits, explanatory notes to 19 Paragraphs and five Performance Audits in respect of Energy Department were awaited (September 2020).

Discussion of Audit Reports by COPU

1.24 The status as on 30 September 2020 of Performance Audits and Paragraphs that appeared in Audit Reports (Commercial/PSUs) and on which discussion was completed by COPU is given in **Table 1.18**.

Table 1.18: Performance Audits/Paragraphs appeared in Audit Reports vis-a-vis discussed as on 30 September 2020

Period of Audit Report	Number of Performance Audits (PAs)/Paragraphs			
	Appeared in Audit Report		PAs and Paragraphs on which discussion completed	
	PAs	Paragraphs	PAs	Paragraphs
1982-83 to 2010-11	62	439	25	216
2011-12	1	8	0	3
2012-13	0	8	0	2
2013-14	1	6	0	1
2014-15	4	8	1	3
2015-16	2	5	0	2
2016-17	1	4	0	0
2017-18	1	4	0	0
Total	72	482	26	227

Source: Information compiled by Audit.

Compliance to Reports of the Committee on Public Undertakings

1.25 The internal working rules of COPU do not provide for vetting of Action Taken Notes (ATNs) by the Principal Accountant General. Hence, the ATNs on the recommendations of COPU are furnished by the Departments to the Principal Accountant General only at the time of discussion of ATNs by COPU. Therefore, the status of ATNs is not discussed here.

Recoveries at the instance of Audit

1.26 During the course of audit, recoveries of ₹ 20.40 crore pointed out in three cases in various power sector undertakings, were accepted. Against this, 142.20 *per cent* recoveries (₹ 29.01 crore in three cases) were effected during 1 October 2017 to 31 March 2020 as per the details given in **Table 1.19**.

Table 1.19: Recoveries pointed out by audit and accepted/recovered by the public sector undertakings

Department	Particulars of recoveries	Nature of audit observation	Recoveries pointed out in Audit and accepted by the Department during 1 October 2017 to 31 March 2020		Recoveries effected during 1 October 2017 to 31 March 2020	
			Number of cases	Amount involved (₹ in crore)	Number of cases	Amount involved (₹ in crore)
Energy Department	Purvanchal Vidyut Vitran Nigam Limited	Loss of revenue due to application of incorrect tariff	1	5.80	1	5.80
	Dakshinanchal Vidyut Vitran Nigam Limited	Non-recovery of penalty	1	11.72	1	20.19
	Uttar Pradesh Power Transmission Corporation Limited	Short levy of supervision charges	1	2.88	1	3.02
Total			3	20.40	3	29.01

Source: Information compiled by Audit.

CHAPTER–II

Compliance Audit observations relating to Power Sector Undertakings

CHAPTER-II

2. Compliance Audit Observations relating to Power Sector Undertakings

Important audit findings emerging from test check of transactions made by the Public Sector Undertakings relating to Power Sector are included in this Chapter.

Energy Department

Uttar Pradesh Power Transmission Corporation Limited

2.1 Infructuous expenditure on construction of transmission line

The construction of transmission line was poorly planned by the Company which resulted in loss of ₹ 2.08 crore being the cost of erection and interest on borrowed funds besides blocking of funds of ₹ 4.21 crore on material procured.

The Transmission Works Approval Committee¹ (TWAC) of Uttar Pradesh Power Transmission Corporation Limited (Company) approved (17 May 2013) construction of a new 25 km 132 KV single circuit (SC) Bhadaura-Kundesar transmission line (Line) emanating from proposed new 220 KV substation, Bhadaura, Ghazipur to provide alternate source to 132 KV substation Kundesar, Ghazipur at an estimated cost of ₹ 8.34 crore. This was based on preliminary estimate submitted by the Electricity Transmission Division-II, Varanasi (Division). The Company awarded (July 2015) the work of construction of line to a contractor² for the contracted value of ₹ 5.73 crore on turnkey basis (excluding supply of conductor and earthwire) and executed an agreement with the contractor in August 2015.

Clause 1.2.3.1 of Technical Conditions of Contract (TCC) stipulated that on placement of order for erection, the contractor shall make a detailed survey of the route of the proposed transmission line and will prepare and submit drawings showing each and every proposed structure position, length of spans and type of structure. Further, Clause 1.2.7 of TCC stipulated that a check survey shall be conducted to check the detailed survey and thereafter, the contractor shall submit a final profile sheet and tower schedule for approval of the Supervising Engineer. The tower schedule shall show the position of all towers, type of towers, type of foundation for each tower and spans for river crossing *etc.* The work must not be started in any length until the schedule has been approved by the Supervising Engineer.

Audit noticed (October 2018) that the work of construction of transmission line involved crossing of Ganga river. However, the estimate prepared by the Division and approved by TWAC did not include the cost of special foundation required for river crossing towers. Moreover, the work was started (03 October 2015) without approval of tower schedule of all towers. The contractor had erected 40 towers upto October 2017 out of a total of 63 towers

¹ TWAC consists of Managing Director, Director (Finance), Director (Operation), Director (Works and Projects), Director (Commercial and Planning) and Superintending Engineer (Transmission Planning & Power System Study).

² M/s EMC Limited.

to be erected, against which the Company made payment of ₹ 5.22 crore³ to the contractor. Besides, the Company also incurred an amount of ₹ 0.06 crore on crop compensation.

Audit further noticed that the Electricity Civil Transmission Division, Varanasi (ECTD) submitted (May 2017) an estimate of ₹ 30.32 crore for the special foundation required for river crossing towers. After cost-benefit analysis, the TWAC decided (February 2018) to construct a new 132 KV SC Kashimabad-Kundesar line with estimated cost of ₹ 10.40 crore to provide alternate source to 132 KV substation Kundesar to avoid the huge additional cost of ₹ 30.32 crore on river crossing work. The Company further decided (March 2018) to dismantle the already erected 40 towers of Bhadaura-Kundesar line but the same were not dismantled as of 31 July 2020.

Thus, due to poor planning by the Company and commencement of the work without approval of tower schedule of all towers as required under the contract, an amount of ₹ 1.07 crore⁴ incurred on the work became infructuous and was a loss to the Company. Besides this, ₹ 4.21 crore released to the contractor on procurement of material for erection of towers remained blocked. Moreover, as the Company has borrowed funds from Rural Electrification Corporation Limited, it has to bear the burden of interest amounting to ₹ 1.01 crore on the work of the abandoned line as on 31 March 2019.

The Government and Management accepted (May/June 2020) the shortcomings on the part of field officers in preparation of estimate of Bhadaura-Kundesar line and stated that the shortcomings are being investigated separately and appropriate action shall be taken. The reply confirms the improper planning on part of the Company resulting in loss/blocking of funds.

Purvanchal Vidyut Vitran Nigam Limited

2.2 Undue benefit to the Contractor

The Company suffered loss of ₹ 99.27 lakh due to non-recovery of interest free mobilisation advance from a contractor in a time-bound manner.

Central Vigilance Commission (CVC) guidelines (April 2007) provides that the recovery of interest free mobilisation advance (MA) should be time based and not linked with progress of the work. The amount of MA, interest to be charged, if any, its recovery schedule and any other detail should be explicitly stipulated in the tender documents. It further states that there should be a clear stipulation of interest to be charged on delayed recoveries.

A reference is invited to para 3.3 of CAG's Audit Report on Public Sector Undertakings for the year ended 31 March 2018, wherein an observation on recovery towards interest on mobilisation advance by Madhyanchal Vidyut Vitran Nigam Limited (subsidiary of UPPCL) was reported. A similar issue has again been observed in another subsidiary of UPPCL i.e. Purvanchal Vidyut Vitran Nigam Limited.

³ ₹ 1.01 crore towards cost of erection and ₹ 4.21 crore towards procurement of material.

⁴ ₹ 1.01 crore towards cost of erection and ₹ 0.06 crore towards crop compensation.

Uttar Pradesh Power Corporation Limited⁵ (UPPCL), resolved in its Board meeting (31 July 2013) that in respect of agreements finalised before 02 May 2013 under R-APDRP⁶ Part B scheme, interest would not be charged on MA. However, MA would be recovered as per terms and conditions of the tenders. In respect of tenders finalised after 02 May 2013 under R-APDRP Part-B scheme, interest would be charged at the rate of 12 *per cent* per annum on MA and MA would be recovered within one year in installments. In both cases *viz.* pre and post 02 May 2013 tenders, recovery of MA was to be made in the prescribed time period.

Purvanchal Vidyut Vitran Nigam Limited (Company) executed (February 2013) two agreements with a contractor⁷ for supply and erection work of System Improvement, Strengthening and Augmentation of Distribution System in order to bring down the AT&C⁸ losses and to improve consumer supply in Mirzapur and Bhadohi towns of Uttar Pradesh under R-APDRP Part-B scheme on turnkey basis at a total cost of ₹ 66.82 crore (₹ 48.24 crore for Mirzapur and ₹ 18.58 crore for Bhadohi).

The scheduled completion date of the work was 15 April 2014 *i.e.* 15 months from issue (15 January 2013) of Letter of Indent (LOI). The payment to the contractor was to be made by the Superintending Engineer, Electricity Distribution Circle, Mirzapur (nodal officer) after approval of the Managing Director of the Company. As per terms and conditions of the tender and agreement, 10 *per cent* of the contract value was to be paid as interest free mobilisation advance. However, it neither stipulated the mode and period of recovery of MA nor the rate of interest in case of delayed recovery of MA.

Audit noticed (January 2019) that interest free MA of ₹ 6.68 crore was given (October 2013) to the contractor well after the Board decision of July 2013. As recovery of MA was to be made in the prescribed time period in compliance to the Board decision (31 July 2013) and the tender and agreement did not stipulate the period of recovery of MA and interest to be charged in case of delayed recovery of MA, the Company should have ensured recovery of MA within one year of its release and recovery of interest at the rate of 12 *per cent* per annum on the balance amount of unrecovered MA given after the date of decision of UPPCL's Board.

However, the nodal officer failed to recover MA within one year from its release (October 2013). The nodal officer deducted only 10 *per cent* of the value of bills against MA from the bills submitted by the contractor. Thus, only ₹ 2.71 crore could be recovered against the MA within one year *i.e.* upto September 2014. The process of recovery of MA in installments was completed only in February 2018 *i.e.* after four years and five months against the stipulated period of one year. Due to this, the Company suffered loss of interest of ₹ 99.27 lakh (*Appendix-2.1*) on unrecovered amount of MA during the delayed recovery period from October 2014 to February 2018.

The instant case points to the continuation of similar nature of irregularity in spite of the matter having been pointed in a previous Audit Report of the CAG.

⁵ Holding Company of Power DISCOMs in Uttar Pradesh.

⁶ Restructured Accelerated Power Development & Reforms Program.

⁷ M/s Capital Power Infrastructure Limited.

⁸ Aggregate Technical and Commercial.

In reply, the Management accepted the observation and apprised (May 2020) that the efforts were being made to recover the amount of interest from the Contractor. It was further stated that Audit will be informed after the interest is recovered.

The fact remains that the amount is yet to be recovered (June 2020) due to non-compliance of decision of the UPPCL Board in time.

The matter was reported to the Government (January 2020). The reply is still awaited (September 2020).

PART-II
State Public Sector Undertakings
(other than Power Sector)

CHAPTER–III
Functioning of State Public Sector
Undertakings
(other than Power Sector)

PART-II

Chapter-III

Functioning of State Public Sector Undertakings (other than power sector)

Introduction

3.1 There were 99 State Public Sector Undertakings (PSUs) as on 31 March 2019 which were related to sectors other than the power sector. These State PSUs were incorporated during the period between 1954-55 and 2018-19 and included 93 Government Companies and six Statutory Corporations *i.e.* Uttar Pradesh Avas Evam Vikas Parishad, Uttar Pradesh Jal Nigam, Uttar Pradesh Financial Corporation, Uttar Pradesh State Road Transport Corporation, Uttar Pradesh State Warehousing Corporation and Uttar Pradesh Forest Corporation. The Government Companies further included 43 non-functional companies and 16 subsidiary companies¹ owned by other Government Companies. Seven companies² were added during the year 2018-19.

The nature of these PSUs in other than power sector is indicated in **Table 3.1**.

Table 3.1: Nature of PSUs (other than power sector) in Uttar Pradesh

Nature of the PSUs	Total number	Number of PSUs covered in this Chapter			Number of PSUs not covered in this Chapter	
		Accounts up to 2018-19	Accounts up to			Total
			2017-18	2016-17		
Government Companies	82	3	7	5	15	67
Statutory Corporations	6	1	2	2	5	1
Total Companies/ Corporations	88	4	9	7	20	68
Government-controlled other companies	11	3	-	1	4	7
Total	99	7	9	8	24	75

This Chapter covers financial performance of 24 PSUs as detailed in **Appendix-3.1**. It does not include 75 PSUs (including seven Government controlled other companies) whose accounts were in arrears for three years or more or were defunct/under liquidation or first accounts were not received or were not due as detailed in **Appendix-3.2**.

The State Government provides financial support to the State PSUs in the shape of equity, loans and grants/subsidy from time to time. Of the 99 State PSUs, the State Government invested funds in 70 State PSUs (in 68 PSUs equity and in two PSUs³ only loans). The State Government did not directly infuse any equity in 31 PSUs which includes 15 subsidiary companies in

¹ Sl. No. 14 and 15 of *Appendix-3.1* and 16, 33, 35, 36, 37, 39, 42, 67 and 69 to 74 of *Appendix-3.2*.

² (i) Aligarh Smart City Limited, (ii) Uttar Pradesh Medical Supply Corporation Limited, (iii) Uttar Pradesh Rajya Krishi Evam Gramin Vikas Nigam Limited, (iv) Kanpur Smart City Limited, (v) Bareilly Smart City Limited, (vi) Prayagraj Smart City Limited and (vii) Varanasi Smart City Limited.

³ Uttar Pradesh Jal Nigam and Uttar Pradesh Carbide and Chemical Limited.

which equity was contributed through their holding companies⁴, three companies⁵ in which equity was jointly contributed by more than one Government company, eight smart city companies⁶, two companies⁷ in which equity was contributed by Government entities and cooperative bodies and three Statutory Corporations⁸ in which there was no equity of the State Government.

Contribution to Economy of the State

3.2 The ratio of turnover of the 24 PSUs covered in this Chapter to the Gross State Domestic Product (GSDP) shows the extent of activities of these PSUs in the State economy. **Table 3.2** below provides the details of turnover of these 24 State PSUs (other than power sector) and GSDP of Uttar Pradesh for a period of four years ending March 2019:

Table 3.2: Details of turnover of State PSUs (other than power sector) vis-a-vis GSDP of Uttar Pradesh

(₹ in crore)				
Particulars	2015-16	2016-17	2017-18	2018-19
Turnover ⁹	7,316	8,584	9,453	9,617
Percentage change in turnover as compared to turnover of preceding year	-	17.33	10.13	1.73
GSDP of Uttar Pradesh	11,37,210	12,48,374	13,76,324	15,42,432
Percentage change in GSDP as compared to GSDP of preceding year	-	9.78	10.25	12.07
Percentage of turnover to GSDP of Uttar Pradesh	0.64	0.69	0.69	0.62

Source: Compiled based on turnover figures of PSUs (other than power sector) and GSDP figures issued by Ministry of Statistics and Program Implementation, Government of India dated 01 August 2019.

The turnover of these 24 PSUs has shown an increasing trend during the period 2016-17 to 2018-19. The increase in turnover ranged between 1.73 per cent and 17.33 per cent during 2016-19 whereas increase in GSDP of Uttar Pradesh ranged between 9.78 per cent and 12.07 per cent during the same period. The Compounded annual growth is a useful method to measure growth rate over multiple time periods. Against the compounded annual growth¹⁰ of 10.69 per cent of GSDP, the turnover of non-power sector undertakings recorded lower compounded annual growth of 9.54 per cent during the last three years. This resulted in a marginal decrease in the share of turnover of these PSUs to GSDP from 0.64 per cent in 2015-16 to 0.62 per cent in 2018-19.

Investment in State PSUs (other than power sector)

3.3 Details of investment in equity and long term loans in 24 State PSUs covered in this Chapter upto 31 March 2019 are detailed in **Appendix-3.3**.

⁴ Government of Uttar Pradesh released equity to six holding companies (Sl. No. 16 of *Appendix-3.1* and Sl. No. 1, 12, 17, 34 and 41 of *Appendix-3.2*) on behalf of their subsidiary companies.

⁵ Sl. No. 3 of *Appendix-3.1* and Sl. No. 63 and 75 of *Appendix-3.2*.

⁶ Sl. No. 4, 5, 6 of *Appendix-3.1* and Sl. No. 27 to 31 of *Appendix-3.2*.

⁷ Uttar Pradesh Rajya Krishi Evam Gramin Vikas Nigam Limited and Noida Metro Rail Corporation Limited.

⁸ Uttar Pradesh Avas Evam Vikas Parishad, Uttar Pradesh Forest Corporation and Uttar Pradesh Jal Nigam.

⁹ As per latest finalised accounts till 31 December 2019.

¹⁰ Rate of Compounded Annual Growth= $\left[\left(\frac{\text{Value of 2018-19}}{\text{Value of 2015-16}} \right)^{1/3} - 1 \right] \times 100$.

The PSUs covered in this Chapter fall in the following three categories:

- PSUs not in open market competition (monopolistic PSUs): In Uttar Pradesh, out of 24 functional PSUs, 11 PSUs¹¹ fall under this category as they have monopolistic/oligopolistic nature of operations *i.e.* their operations do not have any competition or have very limited competition.
- PSUs with assured source of income: This category includes PSUs whose major income comes from assured sources of income such as centage, commission, revenue grants/subsidies given by the Government, interest on bank deposits *etc.* 11 PSUs¹² fall under this category.
- PSUs in competitive sector: This category includes two PSUs¹³, which are open to market competition.

3.4 The sector-wise summary of investment in these State PSUs as on 31 March 2019 is given in **Table 3.3**.

Table 3.3: Sector-wise investment in State PSUs (other than power sector)

Sector	No. of PSUs	Investment (₹ in crore)								Grand Total
		Equity				Long-term loans				
		GoUP	GoI	Others ¹⁴	Total	GoUP	GoI	Others	Total	
PSUs covered in this Chapter										
PSUs in monopolistic Sector	11	1,911.74	1,946.63	1,098.80	4,957.17	1,392.79	412.00	4,632.07	6,436.86	11,394.03
PSUs with assured source of income	11	101.77	1.00	7.20	109.97	117.48	0.00	9.41	126.89	236.86
PSUs in competitive sector	2	203.82	0.00	25.00	228.82	1,263.75	4.10	0.00	1,267.85	1,496.67
Total of PSUs covered in this Chapter	24	2,217.33	1,947.63	1,131.00	5,295.96	2,774.02	416.10	4,641.48	7,831.60	13,127.56
PSUs not covered in this Chapter	75	2,597.98	319.58	400.48	3,318.04	1,640.41	1.10	4,461.95	6,103.46	9,421.50
Grand Total	99	4,815.31	2,267.21	1,531.48	8,614.00	4,414.43	417.20	9,103.43	13,935.06	22,549.06

Source: Compiled based on annual accounts of PSUs, sanction/release orders for equity and loans and information provided by PSUs.

As on 31 March 2019, the face value¹⁵ of total investment (equity and long term loans) in 24 PSUs covered in this Chapter was ₹ 13,127.56 crore. The investment consisted of 40.34 *per cent* towards equity and 59.66 *per cent* in long-term loans. The long-term loans advanced by the State Government constituted 35.42 *per cent* (₹ 2,774.02 crore) of the total long-term loans whereas 64.58 *per cent* (₹ 5,057.58 crore) of the total long term loans were availed from Government of India and financial institutions.

The investment has grown by 72.97 *per cent* from ₹ 7,589.30 crore in 2016-17 to ₹ 13,127.56 crore in 2018-19 and increased due to addition of

¹¹ Sl. No. 1 to 11 of *Appendix-3.1*.

¹² Sl. No. 12 to 22 of *Appendix-3.1*.

¹³ Sl. No. 23 and 24 of *Appendix-3.1*.

¹⁴ Others includes investment by holding companies, financial institutions, banks *etc.*

¹⁵ The original cost of the equity shares paid by the subscribers to the equity shares.

₹ 2,185.15 crore and ₹ 3,353.11 crore towards equity and long-term loans respectively during 2016-17 to 2018-19.

Disinvestment, restructuring and privatisation of State PSUs (other than power sector)

3.5 During the year 2018-19, no disinvestment, restructuring or privatisation of other than power sector PSUs was done in Uttar Pradesh.

Budgetary Support to State PSUs (other than power sector)

3.6 The Government of Uttar Pradesh (GoUP) provides financial support to State PSUs in various forms through the annual budget. The summarised details of budgetary outgo towards equity, loans, grants/subsidies, loans written off and loans converted into equity in respect of State PSUs during the last three years ending March 2019 are given in **Table 3.4**.

Table 3.4: Details regarding budgetary support to State PSUs (other than power sector) during the years

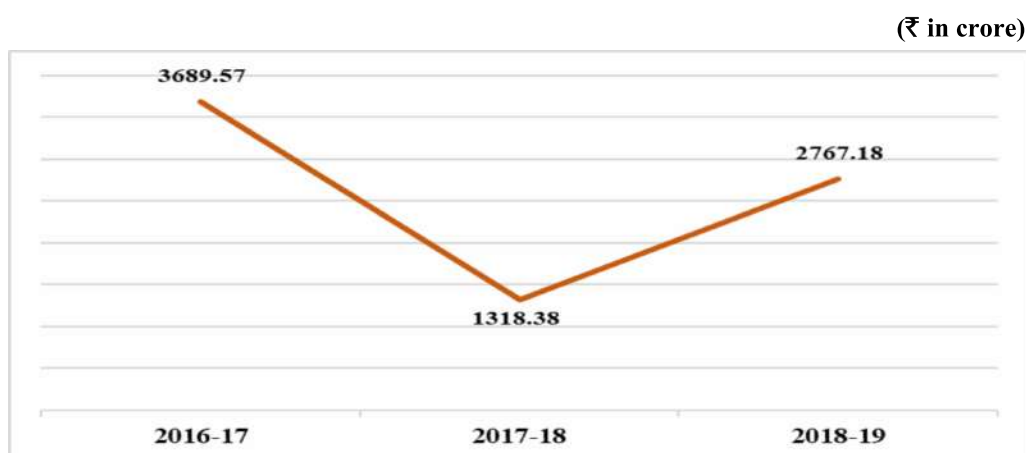
(₹ in crore)

Particulars ¹⁶	2016-17		2017-18		2018-19	
	Number of PSUs	Amount	Number of PSUs	Amount	Number of PSUs	Amount
Equity Capital outgo (i)	5	506.71	3	136.26	3	55.60
Loans given (ii)	10	736.42	6	372.40	8	990.49
Grants/Subsidy provided (iii)	11	2,446.44	10	809.72	15	1,721.09
Total Outgo (i+ii+iii)¹⁷	20	3,689.57	18	1,318.38	25	2,767.18
Loan written off/converted into grant	-	-	-	-	-	-
Loans converted into equity	1	6.83	-	-	-	-
Guarantees outstanding	1	52.65	4	154.62	6	3,518.37
Guarantee Commitment	-	-	-	-	-	-

Source: Compiled based on annual accounts of PSUs, sanction/release orders for equity, loans and guarantees and information provided by PSUs.

The details regarding budgetary outgo towards equity, loans and grants/subsidies for the last three years ending March 2019 are given in **Chart 3.1**.

Chart 3.1: Budgetary outgo towards Equity, Loans and Grants/Subsidies



¹⁶ Amount represents outgo from State Budget only.

¹⁷ The figures represent number of PSUs which have received outgo from budget under one or more heads i.e. equity, loans and grants/subsidies.

The annual budgetary assistance to these PSUs during the year ranged between ₹ 1,318.38 crore and ₹ 3,689.57 crore during the period 2016-17 to 2018-19. The budgetary assistance of ₹ 2,767.18 crore received during 2018-19 included ₹ 55.60 crore, ₹ 990.49 crore and ₹ 1,721.09 crore in the form of equity, loans and grants/subsidy respectively. Out of grants of ₹ 1,721.09 crore given by the State Government, ₹ 912.92 crore was provided to Uttar Pradesh Jal Nigam to meet project expenditure.

In order to enable PSUs to obtain financial assistance from banks and financial institutions, GoUP gives guarantee for which guarantee commission is being charged at the rate of 0.25 *per cent* to one *per cent* as decided by GoUP (15 September 2000) depending upon the loanees. Outstanding guarantee stood at ₹ 3,518.37 crore in 2018-19. During the year 2018-19, no guarantee commission was paid by the PSUs.

Reconciliation with Finance Accounts of Uttar Pradesh

3.7 The figures in respect of equity, loans and guarantees outstanding as per records of all State PSUs should agree with that of the figures appearing in the Finance Accounts of the Government of Uttar Pradesh. In case the figures do not agree, the concerned PSUs and the Finance Department should carry out reconciliation of the differences. Audit observed that as on 31 March 2019 such differences existed in respect of 58 ‘other than power sector’ PSUs as detailed in **Appendix-3.4** and summarised in **Table 3.5** below:

Table 3.5: Equity, loans and guarantees outstanding as per Finance Accounts of Government of Uttar Pradesh vis-à-vis records of State PSUs (other than power sector)
(₹ in crore)

Outstanding in respect of	Amount as per records of State PSUs	Amount as per Finance Accounts	Difference
Equity	4,648.75	5,807.25	-1,158.50
Loans	4,412.73	3,047.30	1,365.43
Guarantees	1,138.37	664.75	473.62

Source: Compiled based on annual accounts of PSUs, sanction/release orders for equity, loans and guarantees, information received from PSUs and Finance Accounts.

The differences between the figures are persisting since last many years.

The issue of reconciliation of differences was also taken up by the audit with the PSUs and the Departments from time to time. Major difference in balances was observed in, Uttar Pradesh Jal Nigam, The Pradeshia Industrial and Investment Corporation of UP Limited, Uttar Pradesh State Bridge Corporation Limited and Uttar Pradesh Rajya Chini Evam Ganna Vikas Nigam Limited (Sl. No. 5, 11, 17, 19 of **Appendix 3.4**).

Audit, therefore, recommends that the State Government and the respective PSUs should reconcile the differences in a time-bound manner.

Submission of accounts by State PSUs (other than power sector)

3.8 Of the total 99 State PSUs (other than power sector), there were 56 functional PSUs *i.e.* 50 Government companies and six Statutory Corporations and 43 non-functional PSUs under the purview of CAG as of 31 March 2019. The status of timelines followed by the State PSUs in preparation of accounts is as follows:

Timeliness in preparation of accounts by the State PSUs

3.8.1 Accounts for the year 2018-19 were required to be submitted by all the PSUs by 30 September 2019. However, out of 50 functional Government

companies, only six Government companies¹⁸ (including Government controlled other companies) submitted their accounts for the year 2018-19 for audit by CAG on or before even 31 December 2019 whereas accounts of 44 functional Government companies were in arrears. Out of six Statutory Corporations, the CAG is the sole auditor in four Statutory Corporations (Uttar Pradesh State Road Transport Corporation, Uttar Pradesh Avas Evam Vikas Parishad, Uttar Pradesh Jal Nigam and Uttar Pradesh Forest Corporation). Out of six Statutory Corporations only one Statutory Corporation (Uttar Pradesh State Road Transport Corporation) has submitted accounts for the year 2018-19 for audit by the CAG upto 31 December 2019.

Details of arrears in submission of accounts by all PSUs (other than power sector) as on 31 December 2019 are given in **Table 3.6**.

Table 3.6: Position relating to submission of accounts by all the State PSUs (other than power sector)

Particulars		Position relating to submission of accounts			
		Government companies	Government controlled other companies	Statutory corporations	Total
Total number of PSUs under the purview of CAG's audit as on 31 March 2019		82	11	6	99
Less: New PSUs from which accounts for 2018-19 were not due		-	-	-	-
Less: PSUs under liquidation from which accounts for 2018-19 were not due		11	1	-	12
Number of PSUs from which accounts for 2018-19 were due		71	10	6	87
Number of PSUs which presented their accounts of 2018-19 for CAG's audit by 31 December 2019.		4	3	1	8
Number of PSUs ¹⁹ whose accounts were in arrears		76	8	5	89
Number of accounts in arrears		803	46	12	861
Break-up of Arrears	(i) Under Liquidation	94	8	-	102
	(ii) Non-functional	527	24	-	551
	(iii) First accounts not submitted	39	12	-	51
	(iv) Others	143	2	12	157
Age-wise analysis of arrears against 'Others' category	One year (2018-19)	7	-	2	9
	Two years (2017-18 and 2018-19)	10	2	4	16
	Three years or more	126	-	6	132

GoUP had provided ₹ 3,685.90 crore (Equity: ₹ 48.84 crore, Loan: ₹ 1,161.24 crore and Grant: ₹ 2,475.82 crore) to 27 of the 89 State PSUs

¹⁸ Sl. No. 1, 2, 3, 5, 6 and 21 of *Appendix-3.1 viz.* (i) Uttar Pradesh Metro Rail Corporation Limited, (ii) NOIDA Metro Rail Corporation Limited, (iii) Almorah Magnesite Limited, (iv) Agra Smart City Limited, (v) Aligarh Smart City Limited and (vi) Uttar Pradesh Export Promotion Council.

¹⁹ This include 10 PSUs under liquidation having arrear accounts upto date of their going into liquidation.

accounts of which had not been finalised by 31 December 2019 whereas no investment was made in the remaining 62 PSUs during the period for which accounts were in arrears. PSU-wise details of investment made by State Government during the years for which accounts were in arrears are shown in *Appendix-3.5*.

The administrative departments have the responsibility to oversee the activities of these PSUs and to ensure that the accounts are finalised and adopted by these PSUs within the stipulated period. The concerned departments were informed regularly regarding arrears in accounts.

Impact of non-finalisation of accounts of State PSUs (other than power sector)

3.9 The delay in finalisation of accounts may also result in risk of fraud and leakage of public money apart from violation of the provisions of the Companies Act, 2013 and relevant statutes. In view of the above status of arrears of accounts, the actual performance including loss incurred/profit earned and contribution of these 89 PSUs (other than power sector) to State GDP during the period of arrear accounts could not be ascertained/reported to the State Legislature. In the absence of finalisation of accounts by these PSUs and their subsequent audit, it could not be ensured whether the investments and expenditure incurred had been properly accounted for and the funds were utilised for the purpose for which these were provided by the State Government.

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

Winding up of non-functional State PSUs

3.10 As on 31 March 2019, 43 State PSUs were non-functional having a total investment of ₹ 1,771.82 crore in the form of capital (₹ 1,049.30 crore) and long-term loans (₹ 722.52 crore). The major investment was in Uttar Pradesh State Textile Corporation Limited (₹ 286.75 crore), Nandganj-Sihori Sugar Company Limited (₹ 256.80 crore) and Uttar Pradesh State Handloom Corporation Limited (₹ 232.18 crore). The non-functional PSUs includes 12 PSUs which were under liquidation.

The Government may take appropriate decision regarding winding up of these 31 non-functional PSUs.

Placement of Separate Audit Reports of Statutory Corporations

3.11 Out of six Statutory Corporations, only one Corporation (Uttar Pradesh State Road Transport Corporation) had submitted its accounts for 2018-19 by 31 December 2019.

Separate Audit Reports (SARs) are Audit Reports of the CAG on the accounts of Statutory Corporations. Under the provisions of the Acts governing these Statutory Corporations, the SARs are to be laid before the State Legislature.

However, Audit observed that in spite of the statutory provisions making it obligatory to lay the SARs before the State Legislature, SARs of these Statutory Corporations were not placed before the State Legislature for one to four years as detailed in **Table 3.7**.

Table 3.7: Status of placement of SAR of the Statutory Corporations

Sl. No.	Name of Corporation	Relevant section of the Act envisaging SAR to be placed in State Legislature	Year of accounts up to which SARs placed in State Legislature	Date of placement of SAR	Years for which SARs not placed in State Legislature	
					Year of accounts	Date of issue to the Government
1	Uttar Pradesh State Road Transport Corporation	Section 33 (4) of State Road Transport Corporation Act, 1952	2012-13	12 February 2016	2013-14 2014-15 2015-16 2016-17	2 September 2015 24 March 2017 18 June 2019 23 September 2019
2	Uttar Pradesh Financial Corporation	Section 37 (7) of State Financial Corporation Act, 1952	2011-12	19 November 2014	2012-13	12 November 2015
3	Uttar Pradesh Forest Corporation	Clause 6 (e) of Chapter-IV of Uttar Pradesh Forest Corporation Act, 1974	2015-16	14 February 2019	2016-17 2017-18	20 November 2018 19 September 2019
4	Uttar Pradesh Avas Evam Vikas Parishad	Chapter-V of the Uttar Pradesh Avas Evam Vikas Parishad Adhiniyam, 1965.	2016-17	27 February 2020	2017-18	08 July 2020
5	Uttar Pradesh Jal Nigam	Section 50(5)(a) of U. P. Water Supply and Sewerage Act, 1975	2007-08	4 December 2012	2008-09 2009-10 2010-11 2011-12	3 August 2011 20 May 2013 12 December 2013 25 May 2017
6	Uttar Pradesh State Warehousing Corporation	Section 31 (11) of Warehousing Corporation Act, 1962	2012-13	29 August 2016	2013-14 2014-15 2015-16	20 July 2016 27 June 2017 30 April 2019

Source: Information furnished by the Corporations and website of GoUP.

Performance of State PSUs (other than power sector)

3.12 The financial position and working results of the 24 State PSUs covered in this Chapter as per their latest finalised accounts²⁰ as of 31 December 2019 are detailed in **Appendix-3.1**.

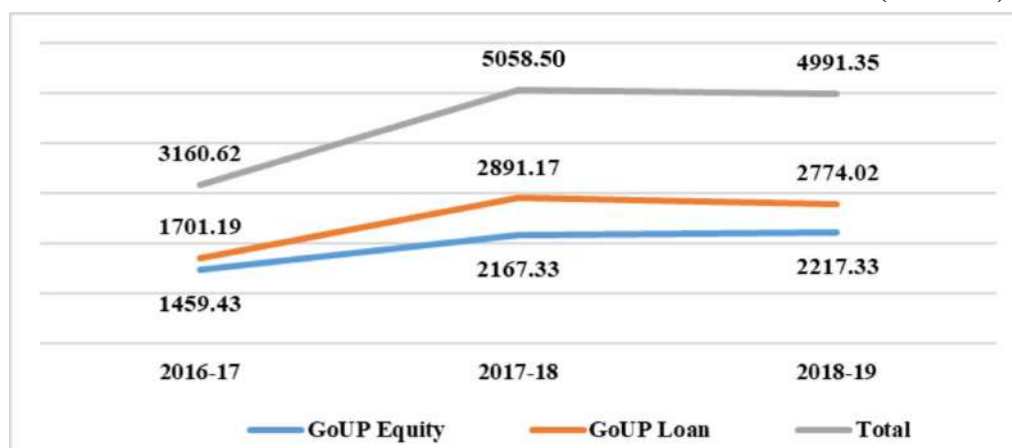
The PSUs are expected to yield reasonable return on investments made by Government in the undertakings. The total investment of the State Government and others in the PSUs was ₹ 13,127.56 crore consisting of equity of ₹ 5,295.96 crore and long-term loans of ₹ 7,831.60 crore (**Appendix-3.3**). Out of this, GoUP has investment of ₹ 4,991.35 crore in 15 PSUs consisting of equity of ₹ 2,217.33 crore and long-term loans of ₹ 2,774.02 crore.

The cumulative status of investment of GoUP in the PSUs (other than power sector) covered in this Chapter at the end of the years 2016-17 to 2018-19 is given in **Chart 3.2**.

²⁰ Latest finalised accounts for the years 2016-17 to 2018-19.

Chart 3.2: Total investment of GoUP in PSUs (other than power sector)

(₹ in crore)



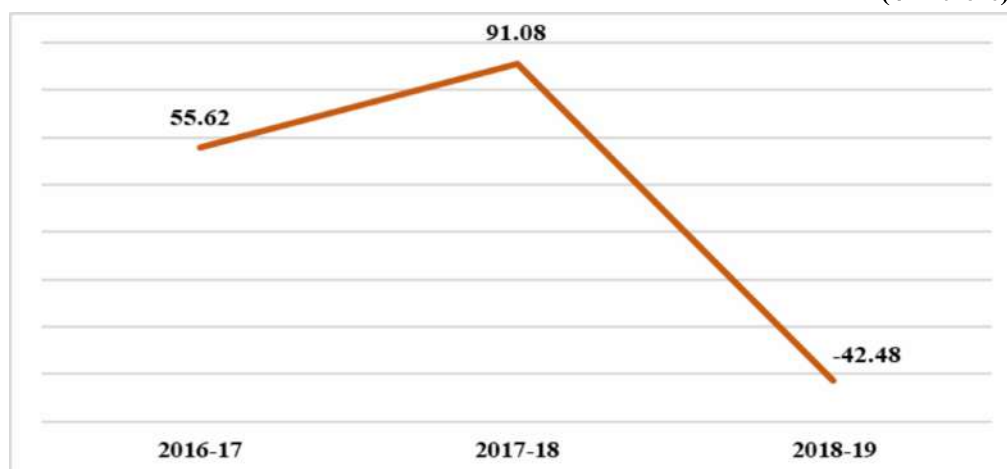
The profitability of a company is traditionally assessed through return on investment (ROI), return on equity (ROE) and return on capital employed (ROCE). Return on investment measures the profit or loss made in a fixed year relating to the amount of money invested in the form of equity and long-term loans and is expressed as a percentage of profit to total investment. Return on Equity is a measure of performance calculated by dividing net profit after tax by shareholders' fund. Return on capital employed is a financial ratio that measures the company's profitability and the efficiency with which its capital is used and is calculated by dividing the company's earnings before interest and taxes by capital employed.

Return on Investment

3.13 Return on investment is the percentage of profit or loss to the total investment. The overall position of profit/losses²¹ earned/incurred by the 24 functional State PSUs during 2016-17 to 2018-19 is depicted in **Chart 3.3**.

Chart 3.3: Profit/Losses earned/incurred by 24 functional PSUs (other than power sector) during last three years

(₹ in crore)



3.13.1 The profit of ₹ 55.62 crore earned by these functional PSUs in the year 2016-17 decreased to loss of ₹ 42.48 crore in the year 2018-19. According to the latest finalised accounts of these 24 functional State PSUs, 15 PSUs earned

²¹ Figures are as per the latest finalised accounts of the respective years.

profit of ₹ 374.35 crore and nine PSUs incurred losses of ₹ 416.83 crore as detailed in **Appendix-3.1**. The top profit-making PSUs were Uttar Pradesh Avas Evam Vikas Parishad (₹ 118.11 crore) and Uttar Pradesh Forest Corporation (₹ 80.38 crore). The top loss-making PSUs were Uttar Pradesh Jal Nigam (₹ 317.07 crore) and Uttar Pradesh Metro Rail Corporation Limited (₹ 72.11 crore). The details of sector-wise profit of these PSUs during 2018-19 are summarised in **Table 3.8**.

Table 3.8: Sector wise profitability of PSUs

Sector	Number of PSUs	Profit after Tax (₹ in crore)	Percentage of profit/loss to total loss after tax
PSUs in monopolistic sector	11	-113.15	-
PSUs with assured source of income	11	79.01	-
PSUs in competitive sector	2	-8.34	-
Total	24	-42.48	-

Source: Compiled based on latest finalised annual accounts of PSUs.

Out of 15 PSUs who earned profit during 2018-19, five PSUs belonged to monopolistic category, nine PSUs belonged to assured source of income category and one PSU belonged to competitive sector. Thus, profits of these PSUs were mainly either due to having monopolistic advantage or having assured source of income from budgetary support, centage, commission, interest on bank deposits *etc.* Further, one PSU working in competitive environment incurred loss of ₹ 11.69 crore during 2018-19.

Real Return on Investment on the basis of Present Value of Investment

3.14 An analysis of the earnings *vis-a-vis* investments in respect of those 15 State PSUs where funds had been infused by the State Government was carried out to assess the profitability of these PSUs. The return on investment has been calculated after considering the present value (PV) of investment to arrive at the real return on investment made by GoUP. PV of the State Government investment was computed where funds had been infused by the State Government in the shape of equity, interest-free loan and revenue grant/subsidy given for operational and management expenses in these companies starting from 1999-2000 till 31 March 2019. During the period from 1999-2000 to 2018-19, these PSUs had a positive return on investment during the years 2005-06 to 2012-13. The return on investment for these years have, therefore, been calculated and depicted on the basis of PV.

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

- Interest-free long-term loans and grants/subsidies for operational and management expenses have been considered as investment infusion by the State Government. Further, in those cases where interest free loans given to the PSUs were later converted into equity, the amount of loan converted into equity has been deducted from the amount of interest-free loans and added to the equity of that year.
- The average rate of interest on Government borrowings for the concerned financial year²² was adopted as compounded rate for arriving at present value

²² The average rate of interest on Government borrowings for the concerned year = Interest Payment/ [(Amount of previous year's Fiscal Liabilities + Current year's Fiscal Liabilities)/2]*100.

since they represent the cost incurred by the Government towards investment of funds for the year and therefore considered as the minimum expected rate of return on investments made by the Government.

3.15 PSU-wise position of State Government investment in these 15 State PSUs in the form of equity, interest-free loan and revenue grant/subsidy on historical cost basis for the period from 2000-01 to 2018-19 is indicated in *Appendix-3.6*. Further, the consolidated position of PV of the State Government investment relating to these PSUs for the same period is indicated in **Table 3.9**.

Table 3.9: Year wise details of investment by the State Government and present value (PV) of government investment for the period from 2000-01 to 2018-19

(₹ in crore)

Financial year	Present value of total investment at the beginning of the year	Equity infused by the State Government during the year	Interest free loan given by the State Government during the year	Grant/subsidy given by GoUP during the year	Total investment during the year	Total investment at the end of the year	Average rate of interest on government borrowings (in %)	Present value of total investment at the end of the year	Minimum expected return to recover cost of funds for the year	Total Earnings for the year
i	ii	iii	iv	v	vi=iii+iv+v	vii=ii+vi	viii	ix=vii* (1+ viii/100)	x=vii* viii/100	xi
Upto 1999-2000		546.77	76.10	1.05	623.92	623.92	9.50	683.19	59.27	-191.61
2000-01	683.19	0.00	17.75	1.05	18.80	701.99	9.58	769.24	67.25	-162.10
2001-02	769.24	0.00	-33.53	1.05	-32.48	736.76	9.49	806.68	69.92	-172.76
2002-03	806.68	10.15	18.75	1.05	29.95	836.63	7.22	897.04	60.40	-130.24
2003-04	897.04	0.00	6.25	1.05	7.30	904.34	9.13	986.90	82.57	-204.84
2004-05	986.90	4.59	11.17	1.05	16.81	1,003.71	9.47	1,098.76	95.05	-9.74
2005-06	1,098.76	0.00	68.54	1.45	69.99	1,168.75	6.49	1,244.61	75.85	89.00
2006-07	1,244.61	47.00	82.22	1.45	130.67	1,375.28	6.74	1,467.97	92.69	103.65
2007-08	1,467.97	0.00	0.00	0.80	0.80	1,468.77	6.43	1,563.21	94.44	132.53
2008-09	1,563.21	13.88	-0.44	0.65	14.09	1,577.30	6.29	1,676.51	99.21	179.38
2009-10	1,676.51	0.00	0.00	4.08	4.08	1,680.59	6.16	1,784.12	103.52	106.92
2010-11	1,784.12	0.05	51.52	4.78	56.35	1,840.47	6.67	1,963.23	122.76	46.57
2011-12	1,963.23	39.52	33.11	2.00	74.63	2,037.86	6.62	2,172.76	134.91	64.54
2012-13	2,172.76	6.00	9.88	2.00	17.88	2,190.64	6.73	2,338.08	147.43	35.42
2013-14	2,338.08	23.43	-0.94	0.00	22.49	2,360.57	6.43	2,512.35	151.78	-149.89
2014-15	2,512.35	211.14	175.61	2.00	388.75	2,901.10	6.40	3,086.77	185.67	-173.10
2015-16	3,086.77	633.47	161.79	2.00	797.26	3,884.03	6.35	4,130.67	246.64	-191.58
2016-17	4,130.67	498.38	654.72	7.49	1,160.59	5,291.26	6.82	5,652.12	360.86	-125.51
2017-18	5,652.12	132.95	-115.49	9.89	27.35	5,679.47	6.54	6,050.91	371.44	-104.65
2018-19	6,050.91	50.00	129.97	20.17	200.14	6,251.05	6.50	6,657.36	406.32	-233.82
Total	40,885.12	2,217.33	1,346.98	65.06	3,629.37					

The balance of investment by the State Government in these PSUs at the end of the year increased to ₹ 3,629.37 crore in 2018-19 from ₹ 623.92 crore in 1999-2000 as the State Government made further investments in the shape of equity (₹ 1,670.56 crore) and interest free loans/grant/subsidy (₹ 1,334.89 crore) during the period 2000-01 to 2018-19. PV of funds infused by the State Government upto 31 March 2019 amounted to ₹ 6,657.36 crore. During the period 2000-01 to 2004-05, these PSUs continued to suffer overall losses but during the period 2005-06 to 2009-10 earned profit which was more than the minimum expected return to recover cost of funds infused in these PSUs. However, during the years 2010-11 to 2012-13, though these PSUs

earned profits, the total earnings remained below the minimum expected return to recover cost of funds infused in these PSUs during this period. From 2013-14 these PSUs were again in overall losses.

Return on Equity

3.16 Return on equity (ROE)²³ is a measure of the financial performance of companies calculated by dividing net income by shareholders' fund. Sector wise ROE of PSUs during 2016-17 to 2018-19 is depicted in **Table 3.10**.

Table 3.10: Sector wise Return on Equity

Sl. No.	Sector	ROE during 2016-17		ROE during 2017-18		ROE during 2018-19	
		No of PSUs	ROE (in per cent)	No of PSUs	ROE (in per cent)	No of PSUs	ROE (in per cent)
1	PSUs in monopolistic sector	9	-0.12	11	0.25	11	-1.26
2	PSUs with assured source of income	11	14.76	11	14.43	11	14.49
3	PSUs in competitive sector	2	-	2	-	2	-
Total		22²⁴	0.72	24	1.08	24	-0.46

The net income and shareholders' fund both were negative in case of PSUs in the competitive environment sector, hence, their ROE could not be worked out. In case of PSUs in monopolistic environment sector, ROE was negative during 2016-17 and 2018-19 despite their monopolistic advantage while in case of PSUs with assured source of income, ROE was positive during the period 2016-17 to 2018-19.

A comparison of ROE of PSUs under monopolistic environment/with assured source of income vs PSUs in competitive environment is depicted in **Table 3.11**.

Table 3.11: Comparison of ROE of PSUs in monopolistic environment/ with assured source of income vs PSUs in competitive environment Sectors

Year	Monopolistic/Assured Source of Income PSUs		Competitive PSUs	
	No. of PSUs	ROE (per cent)	No. of PSUs	ROE (per cent)
2016-17	20	0.79	2	-
2017-18	22	1.13	2	-
2018-19	22	-0.36	2	-

Return on Capital Employed

3.17 Return on Capital Employed (ROCE) is a ratio that measures a company's profitability and the efficiency with which its capital is employed. ROCE is calculated by dividing a company's earnings before interest and tax (EBIT) by the capital employed²⁵.

The details of ROCE of 24 PSUs covered in this Chapter during the period from 2016-17 to 2018-19 are given in **Table 3.12**.

²³ Return on Equity = (Net Profit after Tax and preference Dividend/Equity)*100 where Equity = Paid up Capital + Free Reserves – Accumulated Loss – Deferred Revenue Expenditure.

²⁴ Two PSUs namely Agra Smart City and Aligarh Smart City was incorporated in 2017-18.

²⁵ Capital Employed = Paid up Share capital + Free Reserves and surplus + Long term loans – Accumulated losses – Deferred Revenue Expenditure.

Table 3.12: Return on Capital Employed

Year wise Sector wise break-up	EBIT (₹ in crore)	Capital Employed (₹ in crore)	ROCE (in per cent)
2016-17			
PSUs in monopolistic environment	93.63	10,853.78	0.86
PSUs with assured source of income	95.39	621.39	15.35
PSUs in competitive sector	-2.38	223.13	-1.07
Total	186.64	11,698.30	1.60
2017-18			
PSUs in monopolistic environment	119.27	13,288.24	0.90
PSUs with assured source of income	98.14	674.08	14.56
PSUs in competitive sector	-2.38	223.13	-1.07
Total	215.03	14,185.45	1.52
2018-19			
PSUs in monopolistic environment	-10.74	15,966.16	-0.07
PSUs with assured source of income	98.54	674.70	14.61
PSUs in competitive sector	-2.38	223.13	-1.07
Total	85.42	16,863.99	0.51

It was observed that overall ROCE decreased from 1.60 *per cent* during 2016-17 to 0.51 *per cent* during 2018-19 due to significant increase in capital employed in Uttar Pradesh Metro Rail Corporation Limited (₹ 3,783.00 crore) and Noida Metro Rail Corporation Limited (₹ 998.51 crore) during 2017-18 and 2018-19. The ROCE of two PSUs²⁶ in competitive environment was negative during 2016-17 to 2018-19 as EBIT was negative in all the three years. Further, capital employed of one PSU (Uttar Pradesh State Spinning Company Limited) in competitive sector was also negative during 2016-17 to 2018-19.

PSUs incurring losses

3.18 Out of 24 PSUs covered in this Chapter, six to nine PSUs incurred losses during the period 2016-17 to 2018-19. The losses incurred by these PSUs increased to ₹ 416.83 crore in 2018-19 from ₹ 360.03 crore during 2016-17 as given in **Table 3.13**.

²⁶ Uttar Pradesh State Spinning Company Limited and The Pradeshia Industrial and Investment Corporation of UP Limited.

Table 3.13: Number of PSUs that incurred losses during 2016-17 to 2018-19

During the year	No of PSUs incurring loss	Net loss for the year (₹ in crore)	Accumulated Profit/ Loss (₹ in crore)	Net Worth ²⁷ (₹ in crore)
PSUs in monopolistic sector				
2016-17	4	343.38	-1,209.34	1,085.48
2017-18	6	348.50	-1,242.10	1,646.49
2018-19	6	397.53	-1,366.36	2,268.11
PSUs with assured source of income				
2016-17	1	4.96	-12.69	-7.78
2017-18	2	7.61	10.24	18.15
2018-19	2	7.61	10.24	18.15
PSUs in competitive sector				
2016-17	1	11.69	-260.77	-167.53
2017-18	1	11.69	-260.77	-167.53
2018-19	1	11.69	-260.77	-167.53

Out of total loss of ₹ 416.83 crore incurred by nine PSUs during the year 2018-19, loss of ₹ 317.07 crore was incurred by one PSU alone (Uttar Pradesh Jal Nigam) in monopolistic sector despite not being open to market competition. In competitive sector, one (Uttar Pradesh State Spinning Company Limited) out of two PSUs, has incurred loss as per latest finalised account, however both PSUs have accumulated losses. This reflects adversely on the sustainability of these PSUs.

Erosion of Net worth of PSUs

3.19 Net worth is the sum total of the paid-up share capital and free reserves and surplus less accumulated loss and deferred revenue expenditure.

As on 31 March 2019, out of the 24 PSUs (covered in this Chapter), there were 12 PSUs with accumulated losses of ₹ 3,057.98 crore. Of these 12 PSUs, eight PSUs incurred losses in the year 2018-19 amounting to ₹ 416.38 crore. These included one PSU (Uttar Pradesh State Spinning Company Limited) in competitive sector which incurred loss of ₹ 11.69 crore during the year. Further, four PSUs had not incurred loss in the year 2018-19, though they had an accumulated loss of ₹ 1,410.99 crore.

Net worth of seven PSUs including both the PSUs in competitive sector had been completely eroded by accumulated loss and their net worth was (-) ₹ 1,686.44 crore against an equity investment of ₹ 1,162.17 crore as on 31 March 2019. This included negative net worth of (-) ₹ 398.14 crore in two PSUs of competitive sector against equity investment of ₹ 228.82 crore. However, out of seven PSUs whose net worth had been eroded, three PSUs had earned profit of ₹ 43.24 crore during 2018-19 largely on account of profit of ₹ 39.85 crore earned by the Uttar Pradesh State Road Transport Corporation due to its monopolistic advantage.

In all the seven PSUs whose net worth had been eroded, Government loans outstanding as on 31 March 2019 amounted to ₹ 1,729.79 crore.

²⁷ Net worth means the sum total of the paid-up share capital and free reserves and surplus less accumulated loss and deferred revenue expenditure. Free reserves mean all reserves created out of profits and share premium account but do not include reserves created out of revaluation of assets and write back of depreciation provision.

Dividend Payout

3.20 The State Government had formulated (October 2002) a dividend policy under which PSUs running in profit are required to pay a minimum return of five *per cent* on the paid up share capital contributed by the State Government. Dividend payout relating to 14 out of 24 PSUs (covered in this Chapter) where equity was infused by the State Government during the period from 2016-17 to 2018-19 is shown in **Table 3.14**.

Table 3.14: Dividend Payout of PSUs (other than power sector) during 2016-17 to 2018-19

Year	Total PSUs where equity infused by GoUP		PSUs which were running in profit ²⁸		PSUs which declared/paid dividend for the year		Dividend Payout Ratio (in per cent)
	Number of PSUs	Equity infused by GoUP (₹ in crore)	Number of PSUs	Equity infused by GoUP (₹ in crore)	Number of PSUs	Dividend declared/paid by PSUs (₹ in crore)	
1	2	3	4	5	6	7	8=7/5*100
2016-17	14	1,459.43	8	109.18	7	3.13	2.87
2017-18	14	2,167.33	3	1.48	2	0.07	4.73
2018-19	14	2,217.33	1	0.05	-	-	-

During the period 2016-17 to 2018-19, the number of PSUs running in profits ranged between one and eight. During this period, the number of PSUs which declared/paid dividend to GoUP ranged from none to seven²⁹.

The dividend payout ratio increased from 2.87 *per cent* in 2016-17 to 4.73 *per cent* in 2017-18. However, no dividend was paid by any profit-earning PSU during 2018-19.

Analysis of Long Term Loans of the PSUs (other than power sector)

3.21 Analysis of the long term loans of the PSUs which had leverage during 2016-17 to 2018-19 was carried out to assess the ability of the PSUs to serve the debt owed by them to the Government, banks and other financial institutions. This is assessed through the interest coverage ratio.

Interest Coverage Ratio

3.22 Interest coverage ratio is used to determine the ability of a PSU to pay interest on outstanding debt and is calculated by dividing earnings before interest and tax (EBIT) of a PSU by interest expenses of the same period. The lower the ratio, the less is the ability of the PSU to pay interest on debt. An interest coverage ratio below one indicates that the PSU was not generating sufficient revenues to meet its expenses on interest. The details of positive and negative interest coverage ratio of PSUs covered in this Chapter which had outstanding loans during the period from 2016-17 to 2018-19 are given in **Table 3.15**.

²⁸ The PSUs which earned profit as per the current accounts for the year and had no accumulated loss have been considered.

²⁹ SI. No. 10, 12, 13, 16, 17, 18 and 20 of *Appendix-3.1*.

Table 3.15: Interest coverage ratio of functional State PSUs (other than power sector) having interest liability of loans

During the year	Number of PSUs having interest liability of loans	Interest (₹ in crore)	Earnings before interest and tax (EBIT) (₹ in crore)	Number of PSUs having interest coverage ratio more than one	Number of PSUs having interest coverage ratio less than one
2016-17	6	78.89	-116.06	4	2
2017-18	7	78.23	-65.92	4	3
2018-19	7	83.19	-238.38	3	4

Of the seven State PSUs (other than power sector) having liability of loans during 2018-19, three PSUs had interest coverage ratio of more than one and four PSUs had interest coverage ratio below one which indicates that these four PSUs could not generate sufficient revenues to meet their expenses on interest during the period.

Age-wise analysis of interest outstanding on State Government Loans

3.23 As on 31 March 2019, interest amounting to ₹ 704.39 crore was outstanding on the long-term loans of five PSUs provided by GoUP. The age wise analysis of interest outstanding on GoUP loans in PSUs is depicted in **Table 3.16**.

Table 3.16: Interest outstanding on State Government Loans

Sl. No.	Name of PSU	Outstanding interest on loans as on 31 March 2019 (₹ in crore)	Outstanding for less than 1 year (₹ in crore)	Outstanding for 1 to 3 years (₹ in crore)	Outstanding for more than 3 years (₹ in crore)
1	Uttar Pradesh Jal Nigam	604.44	13.44	40.32	550.68
2	Uttar Pradesh Electronics Corporation Limited	47.14	2.20	4.41	40.53
3	Uttar Pradesh Development Systems Corporation Limited	7.00	0.00	7.00	0.00
4	Uttar Pradesh State Spinning Company Limited	16.43	0.00	6.08	10.35
5	The Pradeshia Industrial and Investment Corporation of UP Limited	29.38	1.75	0.00	27.63
Total		704.39	17.39	57.81	629.19

Comments on Accounts of State PSUs (other than power sector)

3.24 Twenty five functional companies forwarded 35 audited accounts to the Principal Accountant General during the period from 1 October 2018 to 31 December 2019. Of these, 27 accounts were selected for supplementary audit. The Audit Reports of Statutory Auditors and supplementary audit conducted by the CAG indicated that the quality of accounts needs to be improved substantially. The details of aggregate money value of the comments of Statutory Auditors and the CAG are given **Table 3.17**.

Table 3.17: Impact of audit comments on functional companies (other than power sector)

Sl. No.	Particulars	2016-17		2017-18		2018-19	
		Number of accounts	Amount (₹ in crore)	Number of accounts	Amount (₹ in crore)	Number of accounts	Amount (₹ in crore)
1.	Decrease in profit	13	379.22	12	132.71	12	162.85
2.	Increase in profit	2	0.18	2	0.71	4	32.90
3.	Increase in loss	5	7.23	4	352.13	4	30.23
4.	Decrease in loss	1	0.18	3	5.05	1	0.01
5.	Non-disclosure of material facts	8	121.18	12	718.68	12	385.17
6.	Errors of classification	9	124.80	6	159.23	10	159.94

Source: Compiled from comments of the Statutory Auditors/CAG in respect of Government Companies.

During the year 2018-19, the Statutory Auditors had issued qualified certificates on 15 accounts and in case of accounts of Uttar Pradesh Food and Essential Commodities Corporation Limited for the year 2010-11, the Statutory Auditors had given disclaimer/no opinion. In case of accounts of Uttar Pradesh Pichhara Varg Vitta Evam Vikas Nigam Limited, the Statutory Auditors had given adverse opinion for three years viz. 2012-13, 2013-14 and 2014-15. Compliance to the Accounting Standards by the PSUs remained poor as the Statutory Auditors pointed out 80 instances of non-compliance to the Accounting Standards in 18 accounts. The CAG had also issued adverse certificates (not true and fair view presented by the financial statements) in three accounts namely Uttar Pradesh Rajkiya Nirman Nigam Limited for financial year 2013-14, Uttar Pradesh State Bridge Corporation Limited for financial year 2015-16 and for Allahabad City Transport Services Limited for the financial year 2015-16.

3.25 The State has six Statutory Corporations i.e. (i) Uttar Pradesh Avas Evam Vikas Parishad (UPAEVP), (ii) Uttar Pradesh Jal Nigam (UPJN), (iii) Uttar Pradesh Financial Corporation (UPFC), (iv) Uttar Pradesh State Road Transport Corporation (UPSRTC), (v) Uttar Pradesh State Warehousing Corporation (UPSWC) and (vi) Uttar Pradesh Forest Corporation. The CAG is the sole auditor of these Statutory Corporations except UPSWC and UPFC in which CAG conducts supplementary audit as per the provisions of governing Acts.

Out of six functional Statutory Corporations, five Corporations (UPSWC, UPAEVP, UPSRTC, Uttar Pradesh Jal Nigam and Uttar Pradesh Forest Corporation) forwarded 10 annual accounts pertaining to the years 2012-13 to 2018-19 during the period from 01 October 2018 to 31 December 2019. Of these, five accounts were selected for audit. The Statutory Auditors had given qualified certificates on annual accounts of UPSWC for the year 2016-17. Further, CAG had given 'True and Fair' certificate on accounts of Uttar Pradesh Forest Corporation and also given 'Not True and Fair' certificate on accounts of Uttar Pradesh Avas Vikash Parishad for the year 2017-18.

The details of aggregate money value of the comments of Statutory Auditors and sole/supplementary audit by the CAG in respect of Statutory Corporations are given in **Table 3.18**.

Table 3.18: Impact of audit comments on Statutory Corporations

Sl. No.	Particulars	2016-17		2017-18		2018-19	
		Number of accounts	Amounts (₹ in crore)	Number of accounts	Amounts (₹ in crore)	Number of accounts	Amounts (₹ in crore)
1.	Decrease in profit	5	7.27	3	26.33	3	65.90
2.	Increase in profit	-	-	2	2.09	3	5.61
3.	Increase in loss	-	-	-	-	-	-
4.	Decrease in loss	-	-	-	-	-	-
5.	Non-disclosure of material facts	5	1,114.38	-	-	1	236.36
6.	Errors of classification	4	1,472.19	1	0.71	2	5.86

Source: Compiled from comments of the Statutory Auditors/CAG in respect of Statutory Corporations.

Compliance Audits Paragraphs

3.26 For the Report of the Comptroller and Auditor General of India (Economic and Public Sector Undertakings) for the year ended 31 March 2019, four compliance audit paragraphs related to Uttar Pradesh Rajkiya Nirman Nigam Limited, Uttar Pradesh State Bridge Corporation Limited and Uttar Pradesh Jal Nigam were issued to the Principal Secretaries/Secretaries of the respective Administrative Departments with request to furnish replies. The replies of two compliance audit paragraphs are awaited (September 2020) from the State Government. The total financial impact of these compliance audit paragraphs is ₹ 13.88 crore.

Follow-up action on Audit Reports

Replies outstanding

3.27 The Report of the Comptroller and Auditor General of India represents the culmination of the process of audit scrutiny. It is, therefore, necessary that they elicit appropriate and timely response from the executive. The Finance Department, Government of Uttar Pradesh issued (June 1987) instructions to all administrative departments to submit replies/explanatory notes to paragraphs/performance audits included in the Audit Reports of the CAG of India within a period of two to three months of their presentation to the State Legislature, in the prescribed format without waiting for any questionnaires from the Committee on Public Undertakings (COPU). The position of explanatory notes not received is given in **Table 3.19**.

Table 3.19: Explanatory notes not received (as on 30 September 2020)

Year of the Audit Report (Commercial/ PSUs)	Date of placement of Audit Report in the State Legislature	Total Performance Audit (PA) and Paragraphs in the Audit Report		Number of PA/ Paragraphs for which explanatory notes were not received	
		PA	Paragraphs	PA	Paragraphs
2011-12	16 September 2013	1	6	0	0
2012-13	20 June 2014	1	11	0	0
2013-14	17 August 2015	1	9	0	0
2014-15	8 March 2016	2	4	2	0
2015-16	18 May 2017	4	6	2	0
2016-17	7 February 2019	2	3	1	2
2017-18	21-22 August 2020	-	8	-	8
Total		11	47	5	10

Source: Information compiled by Audit.

From the above, it may be seen that, out of 47 paragraphs and 11 Performance Audits, explanatory notes to 10 paragraphs and five Performance Audits in respect of seven Departments³⁰, which were commented upon, were awaited (September 2020).

Discussion of Audit Reports by COPU

3.28 The status as on 30 September 2020 of Performance Audits and paragraphs that appeared in Audit Reports (Commercial/PSUs) and on which discussion completed by COPU is given in **Table 3.20**.

Table 3.20: Performance Audits/Paragraphs appeared in Audit Reports *vis-a-vis* discussed as on 30 September 2020

Period of Audit Report	Number of Performance Audits (PAs)/Paragraphs			
	Appeared in Audit Report		PAs and Paragraphs on which discussion completed	
	PAs	Paragraphs	PAs	Paragraphs
1982-83 to 2010-11	76 ³¹	475	56	417
2011-12	1	6	0	5
2012-13	1	11	0	7
2013-14	1	9	0	7
2014-15	2	4	0	3
2015-16	4	6	0	0
2016-17	2	3	0	1
2017-18	-	8	-	-
Total	87	522	56	440

Source: Information compiled by Audit.

Compliance to Reports of the Committee on Public Undertakings

3.29 The internal working rules of COPU do not provide for vetting of Action Taken Notes (ATNs) by the Principal Accountant General. Hence, the ATNs on the recommendations of COPU are furnished by the Departments to the Principal Accountant General only at the time of discussion of ATNs by COPU. Therefore, the status of ATNs is not discussed here.

³⁰ Department of Forest, Department of Finance, Housing & Urban Planning Department, Public Work Department, Infrastructure and Industrial Development Department, Urban Development Department and Transport Department.

³¹ Included Standalone Performance Audit Report on Sale of Sugar Mills of Uttar Pradesh State Sugar Corporation Limited.

CHAPTER–IV

Compliance Audit observations relating to State Public Sector Undertakings (other than Power Sector)

CHAPTER-IV

4. Compliance Audit Observations relating to State Public Sector Undertakings (other than Power Sector)

Important audit findings emerging from test check of transactions made by the Public Sector Undertakings other than Power Sector are included in this Chapter.

Public Works Department

Uttar Pradesh Rajkiya Nirman Nigam Limited

4.1 Avoidable expenditure and loss of revenue

The Company failed to comply with its own order for sale of surplus earth, which resulted in avoidable expenditure of ₹ 3.14 crore on disposal of surplus earth which was ultimately borne by GoUP besides depriving the State exchequer of revenue amounting to ₹ 1.41 crore.

Earth work is an important element in all civil construction works. As earth is a saleable commodity, the District Magistrate prescribes the selling rate of earth.

A reference is invited to paras 3.3 and 3.1.5 of CAG's Audit Reports on Public Sector Undertakings for the year ending 31 March 2013 and 31 March 2014 respectively, wherein observations on avoidable expenditure on disposal of surplus earth were reported. A similar nature of irregularity has again been observed in the Company.

Uttar Pradesh Rajkiya Nirman Nigam Limited (Company) is primarily engaged in civil construction works. Considering the importance of earth work in its projects, the Company prescribed (02 November 2015) the manner of procurement/disposal of earth required for/excavated from its projects. The order of the Company *inter alia* prescribed that the concerned unit will first enquire from other units in the same district for any requirement of earth. In case of non-requirement of earth by them, the surplus earth will be sold in a transparent manner by giving notice in the newspaper.

The Company was assigned (March 2015) the construction work of Academic Block in the new premises of Dr. Ram Manohar Lohia Institute of Medical Sciences, Lucknow (Client) by the Government of Uttar Pradesh (GoUP) at a sanctioned cost of ₹ 363.89 crore¹. Technical sanction of the work was accorded by the Managing Director of the Company on 29 May 2015². As per the approved estimate, the work involved construction of basement and, therefore, required disposal of huge quantity of earth, excavated from the foundation and basement and left over after backfilling.

Audit noticed (August 2018) that the executing unit³ of the Company was aware of the requirement for disposal of earth in course of execution of the work but it failed to make arrangement to sell the surplus earth from the construction site. Instead of selling the surplus earth, the unit disposed of

¹ Vide G.O. No. 25/2-15/328/71-2-15-RM-9/2011, dt. 04.02.2015.

² Vide TS No. 39/2015-16.

³ PGU Unit-I, Lucknow.

1,76,224.93 cum surplus earth after incurring expenditure of ₹ 3.14 crore⁴ on cartage of the excavated earth during 10 November 2015 to 8 February 2016. Thus, due to the irregular decision by the executing unit of the Company, the Company incurred avoidable expenditure of ₹ 3.14 crore on disposal of surplus earth which was ultimately borne by GoUP besides depriving the State exchequer of revenue amounting to ₹ 1.41 crore⁵.

The instant case points to the continuation of similar nature of irregularity in spite of the matter having been pointed out in previous Audit Reports of the CAG.

In reply, the Management accepted (February/June 2020) the audit observation and stated that an enquiry Committee was set up (23 December 2019) and charge-sheets have been issued (June 2020) to three officials⁶ who were found guilty of disposing of surplus earth without inviting tender.

Thus, due to non-compliance of its own order, the Company caused an avoidable expenditure to GoUP and loss of revenue to the State exchequer (June 2020).

The matter was reported to the Government (November 2019). The reply is still awaited (September 2020).

Uttar Pradesh State Bridge Corporation Limited

4.2 Avoidable payment of interest

Due to improper accounting system the Company failed to correctly assess its income and advance tax liability resulting in avoidable payment of penal interest of ₹ 3.59 crore.

As per Section 129 read with Sections 96 and 134 of the Companies Act, 2013, it is the responsibility of the Board of Directors of the Company to place the accounts of the Company along with the Auditor's Report in the Annual General Meeting (AGM) of the shareholders within six months of the close of the financial year. Further, Section 208 of the Income Tax Act, 1961 (Act), provides that every assessee having a tax liability of ₹ 10,000 or more shall pay advance tax in the manner and at the rate prescribed under the Act. Failure to deposit minimum 90 *per cent* of the tax in advance as well as shortfall in depositing tax as per the prescribed slab⁷ attracts penal interest at the rate of one *per cent* per month or part of a month separately as prescribed under Sections 234B and 234C of the Act.

Uttar Pradesh State Bridge Corporation Limited (Company) was established mainly for construction of bridges in the State of Uttar Pradesh. The Company is liable to pay advance tax on its income under the provisions of the Act *ibid*.

⁴ 1,76,224.93 cum x ₹ 187.75 per cum less five *per cent* for the work executed departmentally.

⁵ Calculated at the rate of ₹ 80 *per* cum provided in the District Magistrate Circle rate of Lucknow *w.e.f.* dated 15.12.2014.

⁶ Assistant Resident Engineer, Sub-Engineer (Civil) and Assistant Accounts Officer-2 (retired).

⁷ On or before 15 June (not less than 15 *per cent* of such advance tax), 15 September (not less than 45 *per cent* of such advance tax as reduced by the amount paid in earlier instalment), 15 December (not less than 75 *per cent* of such advance tax as reduced by the amount paid in earlier instalments) and 15 March of the financial year (the whole amount of such advance tax as reduced by the amounts paid in earlier instalments).

The Company deposited an amount of ₹ 16.51 crore⁸ as advance tax for the financial year 2015-16. It prepared (28 September 2016) its provisional accounts and exhibited total income of ₹ 36 crore on which the income tax liability worked out to ₹ 12.45 crore. Based on the above financial results, the Company filed its income tax return on 28 September 2016. The Company finalised its accounts for the year 2015-16 in April 2018 which was approved by the Board of Directors on 3 October 2018. Thus, the Company could obtain the approval of Board of Directors on the accounts only after 24 months of the due date of placing the accounts in the AGM. Based on the finalised accounts, the Company exhibited total income of ₹ 79.67 crore on which the income tax liability worked out to ₹ 31.16 crore including interest liability of ₹ 3.59 crore under sections 234B and 234C of the Act. The balance amount of tax of ₹ 14.65 crore was deposited on 19 July 2019. Thus, the actual taxable income of the Company was more than double the taxable income calculated as per provisional accounts.

Audit noticed (August 2019) that the difference between the estimated income and the actual income was mainly due to increase in turnover by ₹ 147 crore and other income (mainly interest from banks) by ₹ 22 crore. It is pertinent to mention that though interest was credited by the banks in March 2016, the Company was not aware of the same as of September 2016 due to non-reconciliation of bank accounts.

It is imperative that a proper accounting system⁹ be in place for timely finalisation of annual accounts to ensure availability of all relevant information required for proper estimation of tax liability and deposit of advance tax to avoid the incidence of interest payment. However, even at the time of filing of return in September 2016 *i.e.*, after six months of the close of financial year, the Company was not aware of its turnover and interest income for the year 2015-16 indicating deficient accounting system of the Company to ensure timely finalisation of accounts and proper assessment of income of the Company and consequent tax liability.

In reply, the Management/Government accepted (February 2020/August 2020) the audit observation and stated that the main reason for increase in turnover and interest was non-accountal of material consumed/overheads and non-reconciliation of bank accounts by the units of the Company. Further, directions and warning have been issued to the concerned officials to avoid such a situation in future.

Thus, improper accounting system of the Company resulted in avoidable payment of interest of ₹ 3.59 crore.

4.3 Undue favour to contractor

Uttar Pradesh State Bridge Corporation Limited suffered loss of ₹ 2.20 crore due to extension of undue favour in award and execution of work to a contractor.

Uttar Pradesh State Bridge Corporation Limited¹⁰ (Company) entered into an agreement (January 2015) with M/s Global Steel Company (contractor) for

⁸ ₹ 12.00 crore as advance tax and ₹ 4.51 crore tax deducted at source.

⁹ Timely preparation of monthly accounts by units and compilation thereof and timely preparation of financial statements.

¹⁰ Unit-I, Varanasi.

construction of the super structure of navigational span (P7-P9) for a two-lane high level bridge across the river Ganga on Samnaghat-Ramnagar Road in district Varanasi at a cost of ₹ 3.10 crore. The scheduled dates for commencement and completion of the work were 21 January 2015 and 20 April 2015 respectively. The scope of work included design, fabrication, assembly and erection/launching of the steel girders.¹¹ Some of the specific conditions of the agreement were as follows:

- As per the terms and conditions of the agreement, the contractor was to submit performance security of 10 *per cent* of the contract price for the entire period of the work and one year after completion of the work (Clause 32.1: Instructions to Bidders).
- The contractor was to provide insurance cover against any losses/damages to the work to the Company (Clause 13.1: General Conditions of the contract).
- As per payment schedule, the contractor was to be paid 35 *per cent* on procurement and testing of steel material, 15 *per cent* on fabrication of all steel work, 10 *per cent* on successful test assembly in the workshop, 10 *per cent* on transportation of fabricated material at site, 15 *per cent* after final erection of the steel girders and aligning them in proper position and 15 *per cent* of the cost of the work after successful final launching and placing of respective supports, fixing of bracing, re-checking of nut-bolts, final painting *etc.*

The contractor, after preparing the design of the girders and their fabrication, started the work of erection and launching of the girders. Out of three girders, one girder G2 (Middle) was successfully launched (August 2015) and the work of launching of the other two girders G1 and G3 was started (September 2015). However, these girders after being launched up to a height of 42 meter, collapsed (September 2015) and fell into the river, including the girder launched previously. As a result, the work done by the contractor became infructuous. The contractor assured (September 2015) to complete the work at his own cost, however, he did not restart the work and stopped responding thereafter. Although a complaint was filed with the police (September 2015) against the contractor, however the Company is not aware of the action taken by the police. Moreover, no legal action has been taken against the contractor so far (June 2020) for recovery of loss despite availability of indemnity bond. After being pointed out by Audit, the Company belatedly blacklisted the contractor (November 2019) and appointed an arbitrator (December 2019). The Company got the work completed (July 2016) through another contractor (M/s JCL Infra Ltd., Meerut) at its own cost of ₹ 2.87 crore.

Audit noticed (August 2017) the following irregularities in award and execution of work by the Company:

- No tender was invited for the work. The contractor was awarded the work on selection basis by the Company without ensuring the technical competency of the contractor and without recording any justification. This deprived the Company from finding a technically competent contractor for the work.
- The Management obtained performance bank guarantee of only five *per cent* valid up to 14 May 2015 instead of ten *per cent* upto one year

¹¹ The term "girder" is often used interchangeably with "beam" in reference to bridge design. A girder may be made of concrete or steel.

after completion of work as required as per the terms and condition of the agreement. Thus, the Company failed to comply with the financial security mechanism.

- The Company also failed to obtain insurance cover from the contractor. As a result, the Company was not in a position to indemnify the losses/damages occurred from the insurance company.
- As per payment schedule, the Company was required to release ₹ 93 lakh (30 *per cent* of contract price) after final erection of the steel girders and aligning them in proper position (15 *per cent*) and successful final launching and placing of respective supports, fixing of bracing, re-checking of nut-bolts, final painting *etc.* (15 *per cent*). Therefore, the total payment was to be restricted to ₹ 2.17 crore¹², but the Company released ₹ 3.00 crore before successful completion of work.

A Committee set up (September 2015) for enquiry into the incident of the collapse of the girders reported (November 2015) that five concerned officials¹³ of the Company were responsible for selection of an inexperienced contractor without inviting tender and for improper monitoring of the execution of the work. Based on the above enquiry report, the Managing Director (MD) set up a Committee (December 2015) for disciplinary action against the above five officials. However, no time frame was fixed for completion of the enquiry and furnishing of report. The disciplinary Committee has not yet finalised its report (February 2020). Two officials (Chief Project Manager and Deputy Project Manager) who were found responsible by the enquiry Committee retired in December 2016/ June 2018 and therefore the enquiry against them has been dropped by the order of the Hon'ble Court. The superannuation benefits to both the officials have also been paid.

Thus, extension of various undue benefits to the contractor in award and execution of work has resulted in loss of ₹ 2.20 crore¹⁴ to the Company.

In reply, the Management/Government stated (March 2020/August 2020) that considering priority of completion, the work was awarded on selection basis instead of tender basis. The performance security of five *per cent* was obtained as per award letter of work issued by GM (Varanasi). An indemnity bond was obtained from the contractor in place of insurance cover. Advance payment to the contractor was made on its request in the interest of work.

The reply is not acceptable. The obtaining of performance security at lower rate was against the terms of agreement. Despite availability of indemnity bond no legal action has been taken so far (June 2020) for enforcing the same for recovery of loss. No bank guarantee was obtained before release of advance payment. Thus, the fact remains that not only undue favour was extended to the contractor in award and execution of the work but there was lack of concerted effort in taking action against the contractor and defaulting officers of the Company which resulted in loss of ₹ 2.20 crore to the Company, besides delay in completion of the bridge.

¹² 70 *per cent* of ₹ 3.10 crore (total contract value).

¹³ Joint Managing Director, Chief Project Manager, Deputy Project Manager, Assistant Engineer and Junior Engineer.

¹⁴ ₹ 3.00 crore total payment made to contractor minus ₹ 80.03 lakh retained as security by the Management in various works which was being undertaken by the contractor.

Urban Development Department

Uttar Pradesh Jal Nigam Limited

4.4 Avoidable payment of electricity charge

Uttar Pradesh Jal Nigam made avoidable payment of electricity charge of ₹ 3.54 crore due to verification of incorrect electricity bills and excess contracted load.

As per General Provisions notified (June 2015) by the Uttar Pradesh Electricity Regulatory Commission (UPERC), for all consumers with contracted load of 10 Kilo Watt (KW) and above, the billable load during a month shall be the actual maximum load as recorded by the meter or 75 *per cent* of the contracted load, whichever is higher.

Uttar Pradesh Jal Nigam¹⁵ (Nigam) operates Koniya Sewage Pumping Station (Koniya SPS) and Deenapur Sewage Treatment Plant (Deenapur STP) at Varanasi for which it had metered connections under Light Medium Voltage (LMV)¹⁶-7 category with contracted load of 2,000 and 1,200 Kilo Volt Ampere (KVA) respectively since 1993. During test check of electricity bills of Mechanical Division-II, Varanasi of the Nigam for the period June 2015 to March 2019¹⁷, Audit noticed (February and November 2019) that the actual maximum demand was less¹⁸ than 75 *per cent* of the contracted load. However, the Purvanchal Vidyut Vitran Nigam Limited (PuVVNL) incorrectly billed the demand charge on full contracted load which was also verified¹⁹ by the Junior Engineer in the Division. This resulted in excess billing and avoidable payment of electricity charge of ₹ 1.09 crore²⁰ (**Appendices-4.1 and 4.2**). After being pointed out by Audit, the electricity bills of both plants were rectified from December 2019 but the recovery/adjustment of bills of the earlier period is yet to be done (June 2020).

Further, the tariff rates issued by UPERC stipulate that if due to non-installation of capacitor, the power factor of the consumer is brought down below the obligatory norm²¹, then a surcharge of 15 *per cent* of the amount of bill shall be levied on the consumer. Although capacitors were installed (1994), yet PuVVNL incorrectly levied capacitor surcharge and the bills were verified by the Junior Engineer in the Division till December 2018. This resulted in excess billing and avoidable payment of capacitor surcharge of ₹ 1.63 crore²² (**Appendices-4.1 and 4.2**). The capacitor surcharge has been got removed from the bills of April 2019 and onwards, however, the recovery/adjustment of bills of earlier periods is yet to be done (June 2020).

¹⁵ Mechanical Division-II, Varanasi.

¹⁶ LMV-7 is categorised for Public water works.

¹⁷ Total billed amount during June 2015 to March 2019 was ₹ 10.45 crore and ₹ 9.20 crore for Deenapur STP and Koniya SPS respectively.

¹⁸ Except 970.20 KVA at Deenapur STP in April 2018.

¹⁹ The Division verifies the bills and the payment is made centrally by the Nigam.

²⁰ ₹ 0.68 crore at Koniya SPS (**Appendix-4.1**) and ₹ 0.41 crore at Deenapur STP (**Appendix-4.2**).

²¹ Power factor below 0.85 from August 2016 to November 2017 and 0.90 from December 2017 onwards.

²² ₹ 0.77 crore at Koniya SPS (**Appendix-4.1**) and ₹ 0.86 crore at Deenapur STP (**Appendix-4.2**).

Audit further noticed that against the contracted load of 2,000 KVA for Koniya SPS, the actual demand of electricity ranged between 277 to 758.60 KVA during the test checked period of June 2015 to March 2019. Therefore, to avoid excess payment, the Nigam was required to get its load reduced to 1,200 KVA²³ as per clause 4.41 of Supply code 2005 but it could not get the contracted load reduced till March 2019. This has resulted in avoidable payment of electricity charge of ₹ 0.82 crore (*Appendix-4.1*).

In reply, the Management stated (May 2020) that after becoming aware of UPERC provision, the matter was taken up with PuVVNL and the bills have been got revised from December 2019 for both the plants. The electricity load of Koniya SPS has since been got reduced to 1,200 KVA and capacitor surcharge has been got removed from bills with effect from April 2019. Further, correspondence with PuVVNL was being made for adjustment of earlier period bills.

The fact remains that recovery/adjustment of bills of earlier period pointed out by Audit is yet to be done (June 2020). Moreover, the avoidable payment pointed out by Audit is indicative and for a period of about four years. The actual avoidable payment may be considerably higher as the incorrect billing and excess contracted load may have been occurring since long ago. This is indicative of poor internal control and monitoring by the concerned officers of the Nigam.

The Nigam may review the electricity bills of earlier periods (prior to June 2015) and take up the matter of incorrect billing with PuVVNL for adjustment. The Nigam may also assess loss due to excess contracted load at Koniya SPS for earlier periods (prior to June 2015), analyse the causes and fix responsibility on the concerned officers.

The matter was reported to the Government (January 2020). The reply is still awaited (September 2020).

²³ The minimum billing of demand charge for a contracted load of 1,200 KVA works out to 900 KVA. The actual demand remained below 900 KVA during June 2015 to March 2019.

PART-B

**Departments and Entities (other than
Public Sector Undertakings) under
Economic Sector**

CHAPTER–V

Functioning of Departments and Entities (other than Public Sector Undertakings) under Economic Sector

CHAPTER-V

Functioning of Departments and Entities (other than Public Sector Undertakings) under Economic Sector

Introduction

5.1 This chapter presents the profile of audited entities, trends of expenditure under the Economic Sector, response of the Government to Audit, action taken on earlier Audit Reports, status of placement of Separate Audit Reports of entities (other than PSUs) under Economic Sector in the State Assembly and position of their arrears of accounts.

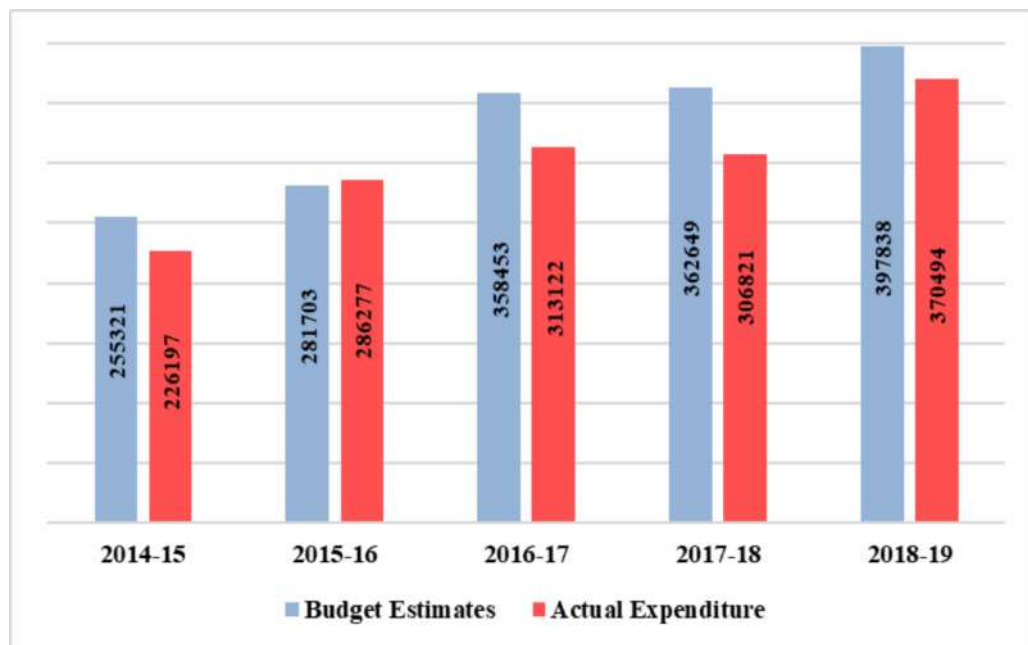
Profile of Departments and Authorities

5.2 Eighteen departments of Government of Uttar Pradesh and 45 Authorities fall under the Economic Sector. These departments are headed by Additional Chief Secretaries/Principal Secretaries, who are assisted by Commissioners/Directors and subordinate officers under them.

Trends of budget estimate and actual expenditure of the State Government during 2014-15 to 2018-19 are as detailed in **Chart-5.1**.

Chart-5.1: Budget estimate and actual expenditure of the State Government during 2014-15 to 2018-19

(₹ in crore)



Source: Annual Financial Statement and Explanatory Memorandum of the State Budget of respective years.

The trend of expenditure of five major departments under the Economic Sector during 2016-17 to 2018-19 is given in **Table 5.1**.

Table - 5.1: Trend of expenditure of major departments under Economic Sector

Department	(₹ in crore)		
	2016-17	2017-18	2018-19
Energy	33,976.69	17,265.50 ¹	31,270.17 ²
Infrastructure and Industrial Development Department	6,296.11	1,740.56 ³	4,114.53 ⁴
Housing and Urban Planning	2,888.06	723.39 ⁵	983.69 ⁶
Revenue (Except Collectorate)	2,721.56	2,987.80	3,051.80
Forest	1,231.72	808.21 ⁷	811.33

Source: Appropriation Accounts of respective years.

Audit Coverage

5.3 During the year 2018-19, the Principal Accountant General (Economic and Revenue Sector Audit), Uttar Pradesh⁸ conducted the compliance audit of 63 out of the total 486 auditable units under the 18 departments pertaining to the Economic Sector.

Response of Government to Audit

5.4 Audit provides opportunity at four stages to the audited units/departments to elicit their views on audit observations, viz.

- **Audit Memos:** Issued to the head of the audited unit during the field audit to be replied during the audit itself.
- **Inspection Reports (IRs):** Issued within a month of completion of audit to be replied by the head of the audited unit within four weeks.
- **Draft Paragraphs:** Issued to the heads of the departments under whom the audited units function for submission of departmental views within a period of six weeks for consideration prior to their being included in the Audit Report.
- **Exit Conference:** Opportunity is given to the head of departments and State Government to elicit departmental/Government views on the audit observations prior to finalisation of the Audit Report.

At all these stages, Audit strives to provide full scope to the audited units/head of departments/State Government to provide rebuttals and clarifications and only when the departmental replies are not received or are

¹ Reduction in expenditure during 2017-18 was mainly due to decrease in power subsidy, capital expenditure and loans for power projects.

² Increase in expenditure during 2018-19 was mainly due to increase in expenditure on interest paid, electricity (aid to public sector and other undertakings and other expenses), capital expenditure on electricity projects and loans for electricity projects.

³ Reduction in expenditure during 2017-18 was mainly due to decrease in capital expenditure on roads and bridges.

⁴ Increase in expenditure during 2018-19 was mainly due to increase in expenditure on telecommunication and electronic industries, other expenses and capital expenditure on roads and bridges.

⁵ Reduction in expenditure during 2017-18 was mainly due to decrease in expenditure on urban development, other general economic services, capital expenditure on education, sports, arts & culture, housing and urban development and decrease in loans for urban development.

⁶ Increase in expenditure during 2018-19 was mainly due to increase in capital expenditure on urban development.

⁷ Reduction in expenditure during 2017-18 was mainly due to decrease in capital expenditure on forestry and wildlife.

⁸ Presently Principal Accountant General (Audit-II), Uttar Pradesh.

not convincing, the audit observations are processed for inclusion in the Inspection Report or Audit Report, as the case may be. However, in most of the cases, the audited units/departments do not submit timely and satisfactory replies as indicated below:

5.4.1 Inspection Reports (IRs)

A detailed review of IRs issued up to March 2019 to 183 Drawing and Disbursing Officers (DDOs) pertaining to 18 departments revealed that 6,356 paragraphs contained in 1,732 IRs were outstanding for settlement for want of convincing replies as on 31 March 2019. Of these, the DDOs submitted initial replies against 12 paragraphs contained in one IR, while in respect of 6,344 paragraphs contained in 1,731 IRs, there was no response from the DDOs.

The status of outstanding IRs is given in **Table 5.2**.

Table - 5.2: Status of outstanding IRs and Paragraphs as on 31 March 2020

Sl. No.	Period	No. of outstanding IRs (per cent)	No. of outstanding Paras (per cent)
1	2018-19	40 (02)	276 (04)
2	1 year to 3 years	456 (26)	2,423 (38)
3	3 years to 5 years	260 (15)	1,023 (16)
4	More than 5 years	976 (57)	2,634 (42)
Total		1,732	6,356

Source: Information compiled by Audit.

During 2018-19, 29 meetings (Audit Committee Meetings) of Audit with the departmental officers were held, in which 32 paras were settled.

5.4.2 Performance and Compliance Audits

For the present Audit Report 2018-19, nine draft audit paragraphs were forwarded to the concerned Administrative Secretaries to elicit their views on the audit observations. However, reply/response in respect of only one audit paragraph has been received. Replies in respect of eight paragraphs are still awaited (September 2020) despite repeated reminders.

Action taken on earlier Audit Reports

5.5 Action taken on earlier Audit Reports

5.5.1 Replies outstanding

The Report of the Comptroller and Auditor General of India represents the culmination of the process of audit scrutiny. It is, therefore, necessary that they elicit appropriate and timely response from the Executive. The Finance Department, Government of Uttar Pradesh issued (June 1987) instructions to all the administrative departments to submit replies/explanatory notes to paragraphs/performance audits included in the Audit Reports of the CAG of India within a period of two to three months of their presentation to the State Legislature. The position of explanatory notes not received is given in **Table-5.3**.

Table - 5.3: Explanatory notes not received (as on 30 September 2020)

Year of the Audit Report (Economic Sector/Non-PSU)	Date of placement of Audit Report in the State Legislature	Total Performance Audit (PA)/ Thematic Audit (TA) and Compliance Audit (CA) Paragraphs in the Audit Report		Number of PA, TA and CA Paragraphs for which explanatory notes were not received ⁹	
		PA/ TA	CA Paragraphs	PA/ TA	CA Paragraphs
2012-13	1 July 2014	2	6	2	0
2013-14	17 August 2015	2	5	1	2
2014-15	8 March 2016	4	4	4	4
2015-16	18 May 2017	2	4	2	4
2016-17	19 July 2019	-	4	-	1
2017-18	21-22 August 2020	-	10	-	10
Total		10	33	9	21

Source: Information compiled by Audit.

5.5.2 Discussion of Audit Reports by the Public Accounts Committee

During the years 2012-13 to 2017-18, 10 Performance Audit/Thematic Audit and 33 Compliance Audit Paragraphs were reported in the Audit Reports on Economic Sector. Of these, Public Accounts Committee (PAC) had taken up nine paragraphs for written reply. However, Action Taken Notes (ATNs) have not been received in respect of these paragraphs. The status of PAC discussion as on 30 September 2020 is detailed in **Table-5.4**.

Table - 5.4: Status of discussion of the Audit Reports by PAC

Status	Audit Report on Economic Sector/Non-PSUs for the years 2012-13 to 2017-18
Total Number of audit Paras	43 (10 PAs/TAs + 33 CAs)
Taken up by PAC for discussion (Oral discussion)	Nil
Taken up by PAC for submission of written reply	9 (2 PAs/TAs + 7 CAs)
Recommendation made by PAC	Nil
ATN received	Nil
Action taken by the Department	-

Source: Information compiled by Audit.

Status of Audit of Accounts of Entities

5.6 In respect of entities of the State Government audit of which are entrusted to the Comptroller and Auditor General of India as per the Governing Acts of these entities/Government orders/provisions of the Constitution of India, Separate Audit Reports on the accounts of these entities are to be prepared by the Comptroller and Auditor General of India and laid in the State Legislature by the Government.

⁹ Pertaining to Forest Department, Public Works Department, Department of Micro, Small and Medium Enterprises and Export Promotion, Energy Department, Housing and Urban Planning Department, Infrastructure and Industrial Development Department, Department of Additional Sources of Energy, Environment Department, Tourism Department and Information Technology & Electronics Department.

Arrears in finalisation and submission of Accounts of Entities

5.6.1 As on 31 March 2019, audit of annual accounts of 45 entities under Economic Sector of Uttar Pradesh had been entrusted¹⁰ to the Comptroller and Auditor General of India. Out of these 45 entities, only one entity viz. Uttar Pradesh Electricity Regulatory Commission (UPERC) has finalised its accounts up to 2018-19. The remaining 44 entities have arrears of 147 accounts up to May 2020. Out of these 44 entities, accounts of three entities were in arrears for one year, accounts of 35 entities were in arrears for two years, accounts of one entity was in arrear for four years and accounts of five entities were in arrears for 14 years as detailed in **Table-5.5**.

Table-5.5: Arrears of accounts of various Entities falling under Economic Sector

Sl. No.	Name of Entity	Year(s) for which Accounts are in arrears	Number of accounts in arrears
1	New Okhla Industrial Development Authority	2005-06 to 2018-19	14
2	Yamuna Expressway Industrial Development Authority	2005-06 to 2018-19	14
3	Satharia Industrial Development Authority	2005-06 to 2018-19	14
4	Gorakhpur Industrial Development Authority	2005-06 to 2018-19	14
5	Lucknow Industrial Development Authority	2005-06 to 2018-19	14
6	Khadi & Village Industries Board	2015-16 to 2018-19	04
7	Uttar Pradesh Compensatory Afforestation Fund Management Planning Authority	2017-18 to 2018-19	02
8	UP Expressway Industrial Development Authority	2017-18 to 2018-19	02
9	Lucknow Development Authority	2017-18 to 2018-19	02
10	Ghaziabad Development Authority	2017-18 to 2018-19	02
11	Agra Development Authority	2017-18 to 2018-19	02
12	Meerut Development Authority	2017-18 to 2018-19	02
13	Prayagraj Development Authority	2017-18 to 2018-19	02
14	Hapur-Pilkhuwa Development Authority	2017-18 to 2018-19	02
15	Varanasi Development Authority	2017-18 to 2018-19	02
16	Moradabad Development Authority	2017-18 to 2018-19	02
17	Gorakhpur Development Authority	2017-18 to 2018-19	02
18	Mathura-Vrindavan Development Authority	2017-18 to 2018-19	02
19	Aligarh Development Authority	2017-18 to 2018-19	02
20	Bareilly Development Authority	2017-18 to 2018-19	02
21	Raebareli Development Authority	2017-18 to 2018-19	02
22	Saharanpur Development Authority	2017-18 to 2018-19	02
23	Ayodhya Development Authority	2017-18 to 2018-19	02
24	Firozabad-Shikohabad Development Authority	2017-18 to 2018-19	02
25	Kanpur Development Authority	2017-18 to 2018-19	02
26	Rampur Development Authority	2017-18 to 2018-19	02
27	Unnao-Shuklaganj Development Authority	2017-18 to 2018-19	02
28	Jhansi Development Authority	2017-18 to 2018-19	02
29	Muzaffarnagar Development Authority	2017-18 to 2018-19	02
30	Bulandshahar Development Authority	2017-18 to 2018-19	02
31	Khurja Development Authority	2017-18 to 2018-19	02
32	Urai Development Authority	2017-18 to 2018-19	02
33	Banda Development Authority	2017-18 to 2018-19	02
34	Baghpat Badaut Khekda Development Authority	2017-18 to 2018-19	02
35	Azamgarh Development Authority	2017-18 to 2018-19	02

¹⁰ Audit of seven Industrial Development Authorities was entrusted w.e.f. 2005-06 vide GoUP order dated 17 January 2018 and audit of 28 Housing Development Authorities and five Special Area Development Authorities was entrusted w.e.f. 2017-18 vide GoUP order dated 10 April 2017.

Sl. No.	Name of Entity	Year(s) for which Accounts are in arrears	Number of accounts in arrears
36	Basti Development Authority	2017-18 to 2018-19	02
37	Special Area Development Authority, Shakti Nagar	2017-18 to 2018-19	02
38	Special Area Development Authority, Chitrakoot	2017-18 to 2018-19	02
39	Special Area Development Authority, Kapilvastu	2017-18 to 2018-19	02
40	Special Area Development Authority, Vindhyachal-Mirzapur	2017-18 to 2018-19	02
41	Special Area Development Authority, Kushinagar	2017-18 to 2018-19	02
42	Greater Noida Industrial Development Authority ¹¹	2018-19	01
43	UP State Industrial Development Authority ¹²	2018-19	01
44	UP Real Estate Regulatory Authority	2018-19	01
45	Uttar Pradesh Electricity Regulatory Commission (UPERC).	NIL	NIL

Source: Information compiled by Audit.

Status of placement of Separate Audit Reports of Entities in the State Legislature

5.6.2 Separate Audit Reports (SARs) are audit reports of the Comptroller and Auditor General of India on the accounts of the statutory entities. Under the provisions as contained in the Uttar Pradesh Electricity Reforms Act, 1999 and the Compensatory Afforestation Fund Act, 2016 respectively Uttar Pradesh Electricity Regulatory Commission (UPERC) and Uttar Pradesh Compensatory Afforestation Fund Management Planning Authority (CAMPA) were mandated to lay the SARs in the State Legislature.

However, Audit observed that inspite of statutory provisions making it obligatory to lay the SARs before each House of the Legislature, the SARs of UPERC and CAMPA were not placed before the State Legislature for 15 years and 3 years respectively.

Particulars of SARs on the audit of accounts of both the entities which are yet to be placed (September 2020) before the State Legislature are detailed in **Table-5.6**.

Table-5.6: Status of outstanding Separate Audit Reports to be placed before the State Legislature

Sl. No.	Name of Entities	Year upto which SAR placed before Legislature	Position of SARs not placed before Legislature		Reasons for non-placing of SAR
			Year of SAR	Date of issue to Government	
1	UPERC	No SAR placed in legislature since its establishment (2003-04).	2003-04 2004-05 2005-06 2006-07 2007-08 2008-09 2009-10 2010-11	19 October 2006 5 October 2007 5 October 2007 3 October 2008 17 August 2009 15 August 2010 26 May 2011 08 June 2012	Reasons not furnished.

¹¹ Accounts for the years from 2005-06 to 2017-18 have been submitted by GNIDA.

¹² Constituted on 27 June 2018.

Sl. No.	Name of Entities	Year upto which SAR placed before Legislature	Position of SARs not placed before Legislature		Reasons for non-placing of SAR
			Year of SAR	Date of issue to Government	
			2011-12	24 September 2014	
			2012-13	20 February 2015	
			2013-14	22 June 2015	
			2014-15	28 December 2015	
			2015-16	18 May 2017	
			2016-17	08 March 2019	
			2017-18	15 May 2020	
2	CAMPA	NIL	2010-11	2 May 2019	Reasons not furnished.
			2011-12	1 October 2019	
			2012-13	1 October 2019	

Recoveries at the instance of Audit

5.7 During the course of audit, recoveries of ₹ 20.61 crore pointed out in seven cases in various departments/entities were accepted. Against this, recoveries of ₹ 18.97 crore in five cases were effected during 1 April 2018 to 31 July 2020 as per the details given in **Table-5.7**.

Table-5.7: Recoveries pointed out by audit and accepted/recovered by the departments/entities

(₹ in crore)					
Department	Particulars of recoveries	Recoveries pointed out in Audit and accepted by the Department during 1 April 2018 to 31 July 2020		Recoveries effected during 1 April 2018 to 31 July 2020	
		Number of cases	Amount involved	Number of cases	Amount involved
Infrastructure and Industrial Development Department	Extra expenditure in execution of extra items of work	1	1.09	1	1.10
	Loss due to non-submission of claims for refund of service tax in exempted works	1	1.49	1	1.48
	Avoidable loss due to not claiming refund of Service tax on exempted works	1	2.15	1	2.15
Environment, Forest and Climate Change Department	Loss due to non-realisation of premium and lease rent	3	2.25	1	1.87
	Non-recovery of net present value (NPV) and premium on renewal of lease	1	13.63	1	12.37
Total		7	20.61	5	18.97

Source: Information compiled by Audit.

CHAPTER–VI

**Compliance Audit observations relating
to Departments and Entities (other than
Public Sector Undertakings) under
Economic Sector**

CHAPTER-VI

6. Compliance Audit Observations relating to Departments and Entities (other than PSUs) under Economic Sector

Important audit findings emerging from test check of transactions made by the various departments/entities are included in this Chapter.

Energy Department

6.1 Government Receipt kept out of Government Account

Failure of the State Government in constituting the State Electricity Regulatory Commission Fund resulted into receipt of ₹ 102.01 crore of the Uttar Pradesh Electricity Regulatory Commission being kept out of Government Account.

Article 266 (1) of the Constitution of India *inter alia* stipulates that all revenue receipts and all loans raised by the State Government shall form part of the Consolidated Fund of the State. Further, Article 266 (2) stipulates that other public moneys received by or on behalf of the Government of a State shall be credited to the Public Account of the State.

Section 82 (1) of the Electricity Act, 2003 (Act) provides that every State Government shall, for the purpose of this Act, constitute a Commission for the State to be known as State Electricity Regulatory Commission, provided that the State Electricity Regulatory Commission, established by a State Government under Section 17 of the Electricity Regulatory Commission Act, 1998 and functioning as such shall be the State Commission for the purposes of this Act. At the level of the Union Government, Section 76 of the Act provides that there shall be a Commission to be known as the Central Electricity Regulatory Commission (CERC) for the purpose of the Act. The CERC, established under Section 3 of the Electricity Regulatory Commission Act, 1998 and functioning as such shall be deemed to be the Central Commission for the purposes of this Act. Sections 99 and 103 of the Act further provide that there shall be constituted a Fund to be called the Central Electricity Regulatory Commission Fund and State Electricity Regulatory Commission Fund respectively for the Central and State Government and there shall be credited all grants and loans given by the respective Government, all fees received and all other funds received by the respective Commission from such other sources as decided by the respective Government.

The power to make rules/regulations relating to constitution of fund/payment of fees and all other sums received from other sources by the Government/Commission flow from the following provisions of the Act:

Section 176/180: Power of Central Government/State Government to make rules respectively.

Section 178/181: Powers of Central Commission/State Commission to make regulations respectively.

Audit noticed (April 2019) that in exercise of the powers conferred by Section 176 of the Act, the Central Government constituted the “Central Electricity Regulatory Commission Fund (Constitution and the manner of application of the Fund) and Form and Time for preparation of Budget Rules, 2007”. These Rules prescribe that the Fund shall be called the Central Electricity Regulatory Commission Fund¹ and the Fund shall be opened under the Public Account of India.

It was further noticed that the Government of Uttar Pradesh did not make any rules for constitution of the State Electricity Regulatory Commission Fund inspite of the same powers being conferred on the State Government by Section 180 of the Act. The Uttar Pradesh Electricity Regulatory Commission (UPERC), however, made the “Uttar Pradesh Electricity Regulatory Commission (Fees and Fines) Regulations, 2010” under the powers conferred under Section 181 of the Act under which the fees received by the Commission shall be deposited in a bank account to be maintained by the Commission.

The receipts of the Uttar Pradesh Electricity Regulatory Commission need to be aligned to the provisions of the Constitution and the Electricity Act, 2003 on the lines of the Central Electricity Regulatory Commission.

Thus, due to non-constitution of rules for creation of the State Electricity Regulatory Commission Fund by the State Government, the fee collected by the UPERC are being kept in a nationalised bank account of UPERC, out of Public Account. As such, as of March 2019, an amount of ₹ 102.01 crore² was kept outside the Public Account of the State in violation of Article 266(2) of the Constitution.

In reply (June 2020), the Government accepted the contention of audit and directed the Energy Department to frame rules for the Uttar Pradesh Electricity Regulatory Commission Fund and transfer the amount of ₹ 102.01 crore to the Public Account of the State.

Housing and Urban Planning Department

6.2 Undue benefit to the developer by allowing higher FAR retrospectively without charging it

The Department’s decision to allow higher FAR retrospectively to Hi-tech township developers without levy of any charges led to undue benefit of ₹ 170.99 crore to a developer.

In order to mitigate the housing problems in urban areas and promote planned development of cities, Government of Uttar Pradesh (GoUP) formulated (November 2003) a Hi-tech Township Policy (Hi-tech Township Policy, 2003) with the objective of inviting private developers for the development of Hi-tech townships with minimum investment of ₹ 750 crore on land holding

¹ The Fund shall comprise of grants/loans given by the Central Government, all fees and all sums from other sources received by the Central Commission. CERC can withdraw the amount from the Fund against its annual budget after approval of the Central Government.

² Fee, fines and other charges collected: ₹ 95.74 crore + Interest received on bank deposits: ₹ 6.27 crore.

of 1,500 acre. The floor area ratio (FAR³) allowed to Hi-tech township developers was 1.5 along with density⁴ of 150 dwelling units/750 persons per hectare.

GoUP decided (September 2007) to levy City Development Charges (CDC) on Hi-tech township developers at the rate of ₹ 1.50 lakh per acre in cities having Municipal Corporations in order to augment the existing infrastructure of the concerned city. Further, Housing and Urban Planning Department, GoUP (Department) extended (August/December 2008) the benefit of higher density of 200 dwelling units/1000 persons per hectare and FAR of 2.5 to the Hi-tech township developers and also increased the rate of CDC to ₹ 3.00 lakh per acre.

The Department vide its order (23 April 2010) clarified that CDC will not be levied retrospectively in case of those developers who were selected under the Hi-tech Township Policy, 2003 and had signed MoUs in 2005 for the original approved area of the townships. However, the Department did not levy charges⁵ for higher density and higher FAR on the original approved area allowed retrospectively to these developers vide its order of August 2008.

Test check of records (January 2018) of Lucknow Development Authority (LDA) revealed that a developer⁶ was selected (May 2005) by GoUP for development of a Hi-tech Township in Lucknow. An MoU was signed between the developer and LDA in November 2005. Scrutiny of records further revealed that as per Government order (23 April 2010), the developer was exempted from paying CDC amounting to ₹ 34.92 crore (*Appendix-6.1*) on approved layout of 1,765 acre of land on the ground that it was introduced in 2007 and hence not applicable on the developer who was selected under the Hi-tech Township Policy, 2003 and entered into MoU with LDA in 2005. At the same time, the Department allowed higher FAR without levy of charges⁷ of ₹ 170.99 crore (*Appendix-6.2*) in 24 cases (216.38 acre) though the developer was selected way back in May 2005 and approval of layouts of the Hi-tech Township was made during the period from November 2006 to November 2008. This was, therefore, detrimental to the financial interest of LDA.

Thus, allowing exemption of CDC retrospectively to the developer on the ground that the developer was selected before imposition (2007) of CDC and yet not levying charges on the developer for higher FAR as allotment was made under the Hi-tech Township Policy, 2003 resulted in loss to LDA to the extent of ₹ 170.99 crore.

The matter was reported to the Government (March 2020). Reply is still awaited (September 2020).

³ The quotient obtained by dividing combined covered area of all floors of a building by total area of a plot.

⁴ The residential density expressed in terms of the number of dwelling units/persons per hectare.

⁵ As Department did not levy any charges for higher FAR allowed retrospectively to Hi-tech Township developers, Audit has considered the rate applicable for purchasable FAR for calculation of charges payable for higher FAR.

⁶ M/s Ansal Properties and Infrastructure Limited.

⁷ Calculated by Audit at the rate applicable for purchasable FAR.

Lucknow Development Authority

6.3 Avoidable payment of interest on security deposit due to deficient contract clause

The Lucknow Development Authority had to pay interest of ₹ 2.40 crore due to failure to incorporate standard clause in the contracts for deduction of security deposit.

Finance Department, Government of Uttar Pradesh (GoUP) vide its order dated 22 March 1983 directed that an amount of 10 *per cent* of the contract cost should be deposited as security deposit⁸ at the time of execution of the contract. Further, the standard contract document (G.P.W. Form-9) of the Lucknow Development Authority (Authority), approved by GoUP (March 1972), added that the contractor shall permit the Department to deduct security amount at the rate of 10 *per cent* from each running bill for work done till the required 10 *per cent* of the tender amount is reached including earnest money deposited along with the tender.

The Authority awarded (May 2010⁹ and June 2011¹⁰) two contracts for construction of multi-storey apartments (Shristi Apartments and Smriti Apartments at Sector-J, Jankipuram Scheme) to a contractor¹¹ at contract price of ₹ 82.84 crore and ₹ 92.23 crore respectively on turnkey basis.

Audit observed (March 2019) that the Authority inserted a security deposit clause in the General Conditions of the Contract entailing deposit by the contractor at the rate of two *per cent* of the contract cost in violation of the stipulated 10 *per cent* as per the GoUP Order and G.P.W. Form-9 approved by GoUP. Resultantly, security deposit of ₹ 1.66 crore in case of Shristi Apartments and ₹ 1.86 crore in case of Smriti Apartments was deposited by the contractor instead of ₹ 8.28 crore and ₹ 9.22 crore to be deposited respectively (being 10 *per cent* of the contract cost), thereby providing undue favour to the contractor in both the contracts and jeopardising the possible cost recovery in case of default by the contractor. Audit noticed that both the contracts were cancelled (Shristi Apartments in December 2017 and Smriti Apartments in February 2018) by the Authority due to delay in completion of the work, however, the Authority could not recover an amount of ₹ 12.06 crore (₹ 4.32 crore in case of Shristi Apartments and ₹ 7.74 crore in case of Smriti Apartments) from the contractor so far (September 2020). Had the Authority obtained applicable security deposit as per GoUP order/standard contract document, non-recovery of cost of ₹ 11.68 crore¹² from the contractor could have been avoided.

⁸ The amount of security deposit is inclusive of earnest money deposited by the contractor. The purpose of taking the security deposit is that in case the contractor defaults in execution of work, the security deposit can be forfeited and penalty can be imposed as per terms and conditions of the contract.

⁹ Contract bond No.2181/Chief Engineer dated 02.07.2010.

¹⁰ Contract bond No.2512 dated 28.06.2011.

¹¹ M/s Marg Limited.

¹² In case of contract for Shristi Apartments entire recoverable amount of ₹ 4.32 crore could have been recovered had the security deposit not been short recovered by ₹ 6.62 crore (₹ 8.28 crore - ₹ 1.66 crore) and in case of contract for Smriti Apartments, against the recoverable amount of ₹ 7.74 crore, the amount to the extent of short recovered security deposit i.e. ₹ 7.36 crore (₹ 9.22 crore - ₹ 1.86 crore) could have been recovered.

The Authority also failed to explicitly mention in the Notice Inviting Tender (NIT) or in the Letter of Award (LoA) for deposit or deduction of 10 *per cent* security deposit in terms of the extant orders of the Government. The Authority, however, started (February 2011 and February 2012) making deduction of the security deposit (at the rate of 8 *per cent*) from the running bills of the contractor in both the cases to undo the deficiency in the contract clause.

The deduction of security deposit from the running bills was challenged (May 2014) by the contractor in arbitration. The Arbitrator, in its interim order (May 2015) directed the Authority not to deduct security deposit from the running bills of the contractor. The Authority, however, kept on deducting security deposit from the running bills of the contractor upto January 2017 and deducted a total amount of ₹ 5.40 crore in the case of Shristi Apartments contract and ₹ 4.77 crore in case of Smriti Apartments contract.

Consequently, the Arbitrator, in its final Award (October 2016), directed the Authority to refund the deducted amount of security deposit to the contractor along with interest at the rate of 10 *per cent* per annum as it was deducted without any provision in the contracts. In compliance, the Authority refunded (March 2017) the excess deducted security deposit of ₹ 10.17 crore along with interest of ₹ 2.40 crore¹³ to the contractor.

Thus, the Authority had to refund the amount of deducted security deposit and also had to pay interest amounting to ₹ 2.40 crore due to its failure to incorporate the standard clause for deduction of security deposit at the rate of 10 *per cent* in the NIT/LoA/Contract document. This lapse occurred due to lack of due diligence by the officials¹⁴ of the Authority responsible for entering into the contracts.

The Authority in its reply (December 2019) stated that in compliance to the award of the Arbitrator, ₹ 2.40 crore was paid by the Authority as interest. This amount has been recouped by including it in costing of the apartments, hence there is no loss to the Authority.

The reply of the Authority refers only to the arbitration award and payment there against. However, it does not indicate the action it proposes to take against officials responsible for non-compliance of the extant GoUP orders and the standard contract document approved by GoUP. Further, recouping the cost by including it in costing of the apartments will only involve cost escalation for end users/buyers on account of non-compliance of the standard contract document by the officials of the Authority.

The matter was reported to the Government (July 2020). Reply is still awaited (September 2020).

¹³ Interest paid in case of Shristi Apartments: ₹ 1.53 crore and in case of Smriti Apartments: ₹ 0.87 crore.

¹⁴ Executive Engineer and Assistant Engineer.

Lucknow Development Authority

6.4 Undue favour to the Contractor

Execution of extra item of pile work at higher rate resulted in undue benefit to the contractor to the extent of ₹ 1.41 crore.

Government of Uttar Pradesh approved (March 2013) construction of Jai Prakash Narain International Centre (JPNIC)¹⁵ with a project cost of ₹ 265.59 crore¹⁶ and appointed Lucknow Development Authority (LDA) as executing agency. LDA awarded (May 2013) the work of construction of JPNIC¹⁷ to a contractor¹⁸ at a cost of ₹ 149.60 crore (12.35 per cent above the estimated cost).

The original building layout plan submitted (January 2013) by the consultant did not have provision for a helipad. However, as per the requirement of National Building Code, provision for roof top helipad was subsequently made in the work. Consequently in June 2013, 600 mm diameter pile work¹⁹ was substituted by 1,000 mm diameter pile work in the foundation as proposed by the consultant (June 2013) after considering the load factor on the building as per norms. LDA on the basis of aforesaid requirement approved (August 2013) use of 1,000 mm diameter pile work in the foundation work as an extra item.

Audit noticed (December 2017) that the rates of 1,000 mm pile work in the foundation were taken from Delhi Schedule of Rates (DSR) 2012 in the deviation statement²⁰ and got approved (23 August 2013) from the Vice Chairman without considering the lower rate of the item given in DSR 2013 which was released by the CPWD on 14 August 2013 (*i.e.* prior to approval of the deviation statement). It was further noticed that the deviation statement for all extra items²¹ involved in the execution of work was approved (May 2014) by misstating the fact that the rates of extra items have been taken as lower of DSR 2012 *plus* tender percentage above estimated cost (12.35 per cent) and DSR 2013 .

Thus, due to non-consideration of the rates of DSR 2013 in approval of deviation statement of extra items, LDA made payment of 1000 mm pile work to the contractor at the rate of ₹ 8,773.69 per metre (DSR 2012 *plus* 12.35 per cent) instead of at the rate of ₹ 8,201.40 per metre (DSR 2013). This led to undue benefit of ₹ 1.41 crore²² to the contractor against the total executed quantity of 24,680 metre and loss to Government exchequer to the same extent.

¹⁵ Project consisting of main building (convention centre), museum building, parking services, site development, Public Health Engineering facilities, electrical and fire systems, solar panels *etc.*

¹⁶ Revised to ₹ 864.99 crore in November 2016.

¹⁷ Construction of convention centre and museum building.

¹⁸ Shalimar Corp. Limited.

¹⁹ Proposed initially by the consultant.

²⁰ Deviation statement was prepared by Junior Engineers and Assistant Engineers of LDA.

²¹ Out of 36 items in the deviation statement, rate for item of 1,000 mm pile work was taken as per DSR-2012 and rate of item of extra cement was taken as per DSR 2013. For the remaining 34 items, the rates were not available in DSR 2013.

²² 24,680 metre x ₹ 572.29 (rate difference).

In reply, the Authority stated (March 2018) that while forwarding the deviation of 1,000 mm diameter pile work for approval (8 August 2013), DSR 2013 was not released by CPWD, hence the rate of DSR 2012 plus 12.35 *per cent* was considered and allowed. The reply is not acceptable as DSR 2013 was released by CPWD before approval of extra item rate by the Vice Chairman on 23 August 2013 and therefore the rate should have been revised as per DSR 2013, effective at the time of approval.

The matter was reported to the Government (December 2019). Reply is still awaited (September 2020).

Meerut Development Authority

6.5 Exorbitant expenditure on construction of residence for Vice Chairman

The Meerut Development Authority incurred infructuous expenditure of ₹ 2.94 crore on a plot of land valuing ₹ 5.36 crore for construction of a residential house for its Vice-Chairman in violation of the norms of the State Government.

As a matter of financial prudence, any work should be undertaken only after a proper assessment of entitlement, financial viability and feasibility to ensure the achievement of objectives of the proposed project and that funds are gainfully utilised.

Government of Uttar Pradesh (GoUP) prescribed (February 2009)²³ residential entitlement for State Government employees on the basis of revised pay scales applicable from 01 January 2006. As per this order, an officer in pay band PB-3 (₹ 15,600-39,100 with grade pay ₹ 7,600) was entitled for a residence of Type-V category. Further, Public Works Department (PWD), GoUP order (November 2011) provided plinth area of 225.40 square metres (2,426 square feet) for Type-V category residence. Accordingly, the Vice Chairman (VC) of the Meerut Development Authority (Authority) was entitled²⁴ for a Type-V residence having an area of 225.40 square metres (sqm.).

In its 99th Board meeting, the Authority approved (April 2013) the construction of a residential house for the VC at its *Ganga Nagar* Residential Scheme on a plot of area 2,000 sqm. (21,528 sq. feet). Further, due to encroachment and a court case at *Ganga Nagar* Scheme, the Authority at its 104th Board meeting (December 2014), approved shifting the site of the residential house for the VC to Sector 2 of its *Shatabdi Nagar* Residential Scheme on a plot of area of 4,664.46 sqm. (50,208 sq. feet) valuing ₹ 5.36 crore which was reclaimed from the Forest Department. The Authority awarded (May 2015) the work to a contractor for an estimated cost of ₹ 6.95 crore (revised to ₹ 7.17 crore²⁵ in September 2015) with scheduled completion period upto November 2016. Thus, the total estimated cost of the

²³ Vide order no. R-168/32-2-2009-27/2001.

²⁴ As the Authority has no rules/guidelines for residential entitlement of VC, the provisions of the GoUP/PWD order have been mentioned being criteria for residential entitlement for officers of All India Services in Uttar Pradesh.

²⁵ Due to provision of M-25 grade concrete in place of RCC (1:1.5:3) as per drawings submitted by consultant.

VC's residence amounted to ₹ 12.53 crore including land cost. The construction was started in May 2015 and continued up to October 2016.

Audit observed (November 2017) that the proposed VC residence comprised a triple storey residential building having covered area of 20,000 sq. feet²⁶ apart from a recreation area of 9,700 sq. feet. The recreation area consisted of facilities of a swimming pool and health club with gym, steam, sauna, snooker and table tennis.

Audit further observed that a Committee constituted (November 2016) by the Authority to propose alternative uses of the incomplete building, concluded in its feasibility report that the building cannot be used for residential purposes due to its impractical design having several architectural flaws, high maintenance costs, *etc.* They further suggested to auction the building, which indicates that the entire construction work was planned without assessing its feasibility and financial viability.

Consequently, the Board, in its 108th meeting (December 2016), considering excessive cost of the project, repair and maintenance expenditure to be incurred in future and utility of the building to the Authority decided to postpone the under-construction work and to explore its other usage or its sale through auction on *as-is-where-is* basis. Accordingly, the Authority, after incurring expenditure of ₹ 2.94 crore²⁷ on the building, stopped (December 2016) the construction work.

Thus, due to construction of the VC residence on an unjustified huge plot area without entitlement and financial viability, expenditure of ₹ 2.94 crore incurred on the construction work became infructuous along with further erosion of its value with the passage of time. Also, valuable land costing ₹ 5.36 crore remained blocked. Moreover, in the e-auction held during October 2019 and November 2019, no applicant applied to purchase the building.

It was highly imprudent and against established norms of propriety on the part of the Authority to incur expenditure of ₹ 8.30 crore (cost of land *plus* construction) for a residence for the VC on 20,000 sq. feet while he was only entitled to a Type-V house of area 2,426 sq. feet as per the GoUP order of February 2009.

In reply, the Authority stated (June/September 2020) that construction work was stopped considering excessive cost of construction, likely high expenditure on maintenance in future and utility of the building to the Authority. No decision has yet been taken (September 2020) for disposal of the half-constructed building. Efforts are being made to dispose it through auction.

The reply of the Authority does not explain how the Board of the Authority approved the proposal in the first place, in violation of norms of entitlement. Absence of participation in the e-auction held in October 2019 and November

²⁶ As per the feasibility report of the Committee constituted by the Authority in November 2016 to propose alternative uses of the incomplete building.

²⁷ ₹ 2.33 crore paid to the contractor + ₹ 0.12 crore on fees paid to architect + ₹ 0.01 crore on tendering process + ₹ 0.48 crore towards pending payments (₹ 0.43 crore of contractor and ₹ 0.05 crore of architect).

2019 also indicates its poor design and consequently poor sustainability and usage of the half-constructed building. The instant case points to abdication of due diligence by the Board in respect of the proposal related to the Vice Chairman of the Authority.

The matter was reported to the Government (July 2020). Reply is still awaited (September 2020).

Recommendation:

The Government should consider reviewing the existing procedure of according approvals in respect of proposals involving specifically the Chief Executive/Vice Chairman/equivalents of all Development Authorities in view of the control failure by the Board.

Ghaziabad Development Authority

6.6 Undue favour to the developer

The Ghaziabad Development Authority granted undue favour to a developer by non-recovery of administrative charges of ₹ 2.51 crore.

Government of Uttar Pradesh formulated a policy for acquisition and development of land through private capital investment in urban areas in May 2005 to meet the growing demand for housing and civic infrastructure and to promote private investment in the housing sector. As per the provisions of this policy, the concerned Development Authority/Uttar Pradesh Awas Evam Vikas Parishad shall facilitate in assembly and development of land by the developer at his cost. The policy further, provides that the developer shall pay acquisition charges for the land including ten *per cent* administrative charges to the Development Authority for acquisition of land through it.

Audit scrutiny (January 2016 and November 2019) revealed that the Ghaziabad Development Authority (Authority) moved two proposals during October 2010 to December 2010 for acquisition of 22.3608 hectare of land for an integrated township developer²⁸. The acquisition of land was done during the period February 2013 to May 2015 and sale deeds were executed in favour of the developer during the period February 2013 to June 2015 after realising land premium of ₹ 25.14 crore. Audit noticed that the Authority did not include administrative charges amounting to ₹ 2.51 crore (*Appendix-6.3*) in the acquisition charges of the land recovered from the developer.

Thus, due to non-inclusion of administrative charges in the amount to be paid by the developer to the Authority, undue favour amounting to ₹ 2.51 crore was extended to the developer.

The Authority in its reply (July 2018 and March 2020) accepted the audit contention and stated that administrative charges could not be levied due to lack of clarity on their recovery. Further, a demand letter has been issued (July 2020) to the integrated township developer for recovery of administrative charges. As such, the administrative charges are still to be recovered from the developer (September 2020). No responsibility has been fixed for failure to recover above administrative charges.

²⁸ Agarwal Associates Promoters Limited.

The matter was reported to the Government (March 2020). Reply is still awaited (September 2020).

Environment, Forest and Climate Change Department, GoUP

6.7 Non-levy and non-realisation of premium and lease rent

The Forest and Wildlife Department failed to levy and realise premium and lease rent amounting to ₹ 22.53 crore on transfer of forest land for non-forest use.

Government of India (GoI) approved diversion of forest land measuring 20.969 hectare to three lessees²⁹ in three Divisions³⁰ of the Forest and Wildlife Department (Department) during the period July 1999 to November 2015 for non-forest use. Accordingly, Government of Uttar Pradesh (GoUP) issued notifications for approval relating to transfer of forest land measuring 20.969 hectare on lease basis during the period August 2000 to October 2016. The lease deeds were to be executed for periods of 25 years and 30 years. As per GoUP approval, possession of land was to be handed over to the lessees only after deposit of premium equal to the value of land as per current market rate fixed by the District Magistrate (DM) and annual lease rent at the rate of 10 *per cent* of the value of premium by the lessees.

Audit noticed (October-November 2019) that despite the conditions in the GoUP approval, the forest officials³¹ of the respective divisions did not execute lease deeds with the lessees and realise lease premium of ₹ 16.91 crore at the prevailing market rate and annual lease rent at the rate of 10 *per cent* of the premium amounting to ₹ 5.62 crore³² (*Appendix-6.4*) so far (June 2020) although the land was in possession of the lessees. The reasons for the same were not found on records furnished to audit.

Thus, due to failure to ensure compliance of the Government orders related to handing over of forest land for non-forest use only after deposit of premium and lease rent and execution of the lease deeds by the divisional forest officials, the Department failed to realise premium and lease rent amounting to ₹ 22.53 crore³³.

In reply, the Department accepted the audit observation and stated (June 2020) that in case of M/s Bajaj Hindustan Sugar Limited, market rate of land from DM Gonda has not been received so far. After receipt of market rate, the assessment will be made and amount will be recovered from the lessee. In case of Dedicated Freight Corridor Corporation of India Ltd, it was stated that the matter has been referred to the State Government and recovery would be made as per decision of the Government. In case of UP State Electricity Board³⁴ (UPSEB), the recovery certificate has been issued to DM Jhansi for recovery of dues. Further, the Department stated that instructions have been issued in

²⁹ Bajaj Hindusthan Sugar Ltd, Dedicated Freight Corridor Corporation of India Ltd. and UP State Electricity Board.

³⁰ DFO Gonda, DFO G.B. Nagar and DDSF Lalitpur.

³¹ Conservator of Forest and Divisional Forest Officer.

³² The lease premium and lease rent has been calculated upto September 2019.

³³ The component of interest has not been taken into account.

³⁴ Presently Dakshinanchal Vidyut Vitran Nigam Limited.

May 2020 regarding handing over of forest land only after completing all legal formalities and recovery of dues from the user agencies.

The fact remains that the Forest Divisions in the above cases handed over the land without executing the lease deeds and realising the premium and lease rent. The Department also failed to monitor and safeguard the financial interest of the State Government and fix accountability for the lapses in the above cases.

The matter was reported to the Government (February 2020). Reply is still awaited (September 2020).

Infrastructure and Industrial Development Department

Greater Noida Industrial Development Authority

6.8 Extra expenditure due to award of sweeping contract at higher rate

Lack of due diligence by the Greater Noida Industrial Development Authority in preparing cost analysis led to award of two sweeping contracts at higher rate resulting in extra expenditure of ₹ 1.60 crore which will further increase to ₹ 3.04 crore till the completion of the contract.

Greater Noida Industrial Development Authority (GNIDA) invited (May 2016) two e-tenders for the Integrated Mechanical and Manual Sweeping (IMMS) of main roads of Greater Noida township. The first e-tender was for sweeping area of 260.27 hectare (Part-I) while the other e-tender was for sweeping area of 163.22 hectare (Part-III) for a period of seven years each.

The tender committee of GNIDA awarded (August 2016) contracts for both Parts-I and III sweeping areas to the lowest bidder³⁵ at a negotiated rate of ₹ 470 per hectare per day, which was lower than the analysed rate of ₹ 474.47 per hectare per day of GNIDA. The total contract value was ₹ 31.25 crore and ₹ 19.60 crore respectively for Part-I and Part-III.

Audit noticed (October 2018) that the rate of ₹ 474.47 per hectare per day analysed by GNIDA was on the higher side due to incorrectly adopting the following:

- cost of a set of two centre brushes per sweeping machine in place of cost of one centre brush per sweeping machine per month; and
- annual cost of uniform in place of monthly cost of uniform for the workers.

Audit also analysed the rate per hectare per day by applying the correct rates of centre brush and uniforms which worked out to ₹ 441.94 per hectare per day. Hence, the analysed rate of ₹ 474.47 per hectare per day calculated by GNIDA was on the higher side by ₹ 32.53 per hectare per day (*Appendix-6.5*) due to incorrect application of rates of centre brushes for the sweeping machines and uniforms for the workers in analysing the rates.

³⁵ M/s Antony Waste Handling Cell Private Limited.

Thus, due to lack of due diligence by the officials³⁶ of the Health Department of GNIDA while preparing cost analysis of rates for sweeping contracts, GNIDA incurred an excess expenditure of ₹ 1.60 crore³⁷ during the period from September 2016 to May 2020 on work executed under both the contracts on account of higher awarded rate by ₹ 28.06³⁸ per hectare per day. This excess expenditure will further increase up to ₹ 3.04 crore³⁹ till the completion of the contract period of seven years.

GNIDA, in its reply (June 2020), accepted the audit observation relating to incorrect rates for uniforms for the workers in the cost analysis. Further, GNIDA stated that it had rightly taken the cost of two centre brushes for two machines for each of the two packages (both Part-I and III) amounting to ₹ 1,41,961.42⁴⁰ per month.

The reply of the GNIDA regarding centre brushes is not acceptable as the rate for two brushes was wrongly taken in place of one brush resulting in excess costing per month. GNIDA had applied the rate of four brushes in monthly costing whereas only two brushes were required for two machines per month. Audit further observed from the cost analysis for the Part-II contract entered into (May 2012) with the same contractor that only two main (centre) brushes for two machines per month were taken, thereby confirming the audit contention.

The matter was reported to the Government (January 2020). Reply is still awaited (September 2020).

Audit Impact

6.9 Extra expenditure in execution of extra item of work

Greater Noida Industrial Development Authority (Authority) awarded (October 2011) work of construction of administrative office building of the Authority to a contractor for ₹ 188.81 crore at 33.66 *per cent* above the estimated cost of the work. As per clause 13 (iii) of the general conditions of contract, if the altered, additional or substituted work includes any work for which no rates are specified in the contract nor can the rates be derived from the similar class of work in the contract, then such work shall be carried out at the rates entered in the DSR-2007 minus/plus percentage which the total tendered amount bears to the estimated cost of the entire work put to tender.

Scrutiny of the extra items executed revealed that the Authority approved 6,340.24 sq. meter of 12 MM pre-laminated particle board (both side laminated with double sided self-adhesive high bonding tape to MS frame work) of “Greenlam Company Make” as an extra item. However, contrary to the above condition in clause 13 (iii) of the contract, the Authority allowed higher rate of ₹ 3,409.82 per sq. meter for the above extra item of particle board of “Greenlam Company Make” instead of ₹ 1,685.86⁴¹ per sq. meter

³⁶ Assistant Manager, Manager and Senior Manager.

³⁷ 1,350 days * 423.49 hectare*₹ 28.06 per hectare per day.

³⁸ Contract rate of ₹ 470 per hectare per day minus correct analysed rate of ₹ 441.94 per hectare per day.

³⁹ Excess Liability accrued during the period of contract (₹ 50.85 crore - ₹ 47.81 crore).

⁴⁰ ₹ 70,980.71 * 2 packages = ₹ 1,41,961.42.

⁴¹ As per DSR-2007 *plus* 33.66 *per cent*.

which was higher by ₹ 1,723.96 per sq. meter. This resulted in an extra expenditure of ₹ 1.09 crore.

The Authority in its reply (June 2020) accepted the contention of Audit and stated that a sum of ₹ 1.10 crore has been recovered against the amount of ₹ 1.09 crore pointed out by Audit.

Lucknow

The 19 FEBRUARY 2021


(JAYANT SINHA)
Principal Accountant General
(Audit-II),
Uttar Pradesh

Countersigned

New Delhi

The 23 FEB 2021


(GIRISH CHANDRA MURMU)
Comptroller and Auditor General of India

APPENDICES

Appendix-1.1
(Referred to in Paragraphs 1.9, 1.10 and 1.13)
Summarised financial results of 11 Power Sector Undertakings covered in this Chapter for the latest year for which accounts were finalised

Sl. No.	Name of PSU	Year of finalised Accounts	Net Profit/Loss before interest and Tax	Net Profit/Loss after interest and Tax	Turnover	Paid up Capital including share application money	Capital Employed ¹	Net Worth/ Shareholders' Fund ²	Accumulated profit/ loss
A Generation									
1	Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited	2018-19	1138.79	123.75	9358.47	12305.55	23956.03	12928.09	1173.67
2	Uttar Pradesh Jal Vidyut Nigam Limited	2016-17	5.33	-17.20	107.43	434.53	233.90	81.82	-352.71
3	Jawaharpur Vidyut Utpadan Nigam Limited (Subsidiary of Sl. No.1)	2018-19	3.74	2.64	0	551.05	1802.31	553.43	2.38
Sub Total (A)			1147.86	109.19	9465.90	13291.13	25992.24	13563.34	823.34
B Transmission									
4	Uttar Pradesh Power Transmission Corporation Limited	2018-19	706.60	-356.27	2364.28	14060.07	23152.35	12250.65	-1809.24
Sub Total (B)			706.60	-356.27	2364.28	14060.07	23152.35	12250.65	-1809.24
C Distribution									
5	Purvanchal Vidyut Vitaran Nigam Limited (Subsidiary of Sl. No. 10)	2018-19	163.88	-978.11	11036.93	18698.49	14175.13	-674.95	-19373.44
6	Paschimanchal Vidyut Vitaran Nigam Limited (Subsidiary of Sl. No. 10)	2018-19	-577.61	-1290.50	16334.27	14679.36	9009.57	-1547.35	-16226.71

¹ Capital employed is the sum total of Shareholders' fund and Long Term Loans.

² Net worth is the sum total of paid-up capital and free reserves and surplus minus accumulated losses and deferred revenue expenditure. DRE of ₹ 0.18 crore was deducted in case of Uttar Pradesh Power Transmission Corporation Limited to arrive at the net worth figure.

Sl. No.	Name of PSU	Year of finalised Accounts	Net Profit/Loss before interest and Tax	Net Profit/Loss after interest and Tax	Turnover	Paid up Capital including share application money	Capital Employed ¹	Net Worth/ Shareholders' Fund ²	Accumulated profit/ loss
7	Madhyanchal Vidyut Vitaran Nigam Limited (Subsidiary of Sl. No. 10)	2018-19	125.01	-746.48	10029.68	17440.46	14462.83	2687.23	-14753.23
8	Dakshinanchal Vidyut Vitaran Nigam Limited (Subsidiary of Sl. No. 10)	2018-19	-1121.60	-2567.16	10174.60	18412.68	7454.00	-9533.02	-27945.70
9	Kanpur Electricity Supply Company Limited (Subsidiary of Sl. No. 10)	2018-19	-279.32	-449.64	2449.94	1955.83	324.33	-1615.83	-3571.66
10	Uttar Pradesh Power Corporation Limited	2017-18	-8118.80	-8118.80	0	82991.49	-60729.08	-60729.08	-79321.02
Sub Total (C)			-9808.44	-14150.69	50025.42	154178.31	-15303.22	-71413.00	-161191.76
D	Other								
11	UCM Coal Company Limited (Joint Venture of Sl. No. 1)	2018-19	-1.19	-1.19	0	0.16	0.25	-2.25	-2.41
Sub Total (D)			-1.19	-1.19	0	0.16	0.25	-2.25	-2.41
Grand Total (A+B+C+D)			-7955.17	-14398.96	61855.60	181529.67³	33841.62	-45601.26	-162180.07

³ Paid up capital of ₹ 1,81,529.67 crore includes an amount of ₹ 64,950.68 crore in holding companies at Sl. No. 1 (₹ 551.13 crore) and Sl. No. 10 (₹ 64,399.55 crore) which was given by the Government for their subsidiary/associates/joint venture companies at Sl. No. 3, 5, 6, 7, 8, 9 and 11. Therefore, the amount of ₹ 64,950.68 crore has been excluded for calculation of net worth and capital employed.

Appendix-1.2
(Referred to in Paragraph 1.9)
Investment made by GoUP and others in 11 Power Sector PSUs covered in this Chapter as on 31 March 2019

Sl. No.	Name of the PSUs	Number of PSUs	Equity		Total Equity	Long Terms Loans			Total Long Terms Loans	Total Investment (Equity and Long Term Loans)
			State Govt.	Others		State Govt. Loan	Central Govt. Loan	Holding Company/ Other Financial Institutions Loan		
1.	UP Rajya Vidyut Utpadan Nigam Limited (including subsidiary JVUNL)	2	12305.55	0.00	12305.55	0.00	0.00	12276.81	12276.81	24582.36
2.	UP Jal Vidyut Nigam Limited	1	435.33	0.00	435.33	64.65	0.00	85.21	149.86	585.19
3.	UP Power Transmission Corporation Limited (UPPTCL)	1	14060.07 ⁴	0.00	14060.07	0.00	0.00	10901.70	10901.70	24961.77
4.	UPPCL (including PuVVNL, PVVNL, DVVNL, MVVNL and KESCO)	6	91110.77 ⁵	0.20 ⁶	91110.97	5507.17	0.00	50602.61	56109.78	147220.75
5.	UCM Coal Company Limited	1	0.00	0.16	0.16	0.00	0.00	2.50	2.50	2.66
Total		11	117911.72	0.36	117912.08	5571.82	0.00	73868.83	79440.65	197352.73

Note: (i) Total investment in Power Sector PSUs = (Equity in PSUs) + (Loan in PSUs) = ₹ 1,17,912.08 crore + ₹ 79,440.65 crore = ₹ 1,97,352.73 crore.
(ii) Total Govt. investment in Power Sector PSUs = (GoUP Equity in PSUs) + (GoUP Loan in PSUs) = ₹ 1,17,911.72 crore + ₹ 5,571.82 crore = ₹ 1,23,483.54 crore.

⁴ It includes ₹ 2,213.27 crore of GoUP investment obtained through UPPCL.

⁵ It excludes ₹ 2,213.27 crore of GoUP investment in UPPTCL through UPPCL as the same is included in GoUP investment in UPPTCL. Further, it excludes ₹ 2.22 crore of GoUP investment in SUPPTCL through UPPCL as SUPPTCL is not covered in this Chapter.

⁶ ₹ 0.20 crore is appearing in category of “others” is on account of promoters’ shares allotted to UPPCL by DISCOMs i.e. 500 equity shares valuing to ₹ 5.00 lakh (500 shares @ ₹ 1,000 each) to four DISCOMs.

Appendix 1.3
(Referred to in Paragraph 1.7.1)

Statement showing position of State Government investment in State PSUs (Power Sector) accounts of which are in arrears during the period of arrears
(₹ in crore)

Sl. No.	Name of PSU	Period upto which Accounts finalised	Period for which accounts are in arrears	Paid up Capital including share application money	Investment made by State Government during the period for which accounts were in arrear			
					Equity	Loans	Grant	Subsidy
1	Uttar Pradesh Power Corporation Limited	2017-18	2018-19	82991.49	10334.78	615.45	6032.59	11028.71
2	Uttar Pradesh Jal Vidyut Nigam Limited	2016-17	2017-18 to 2018-19	434.53	0.80	0.00	0.00	0.80
Total					10335.58	615.45	6032.59	11028.71
								28012.33

Appendix-1.4
(Referred to in Paragraph 1.10)
Details of Profit/Loss making PSUs during 2018-19

Sl. No.	Name of PSUs	Year of Account	Amount
Top profit making PSUs			
1	UP Rajya Vidyut Utpadan Nigam Limited	2018-19	123.75
2	Jawaharpur Vidyut Utpadan Nigam Limited	2018-19	2.64
		Total	126.39
Top loss making PSUs			
1	Uttar Pradesh Power Corporation Limited	2017-18	8118.80
2	Dakshinanchal Vidyut Vitran Nigam Limited	2018-19	2567.16
3	Paschimanchal Vidyut Vitran Nigam Limited	2018-19	1290.50
4	Purvanchal Vidyut Vitran Nigam Limited	2018-19	978.11
5	Madhyanchal Vidyut Vitran Nigam Limited	2018-19	746.48
6	Kanpur Electricity Supply Company Limited	2018-19	449.64
7	Uttar Pradesh Power Transmission Corporation Limited	2018-19	356.27
8	Uttar Pradesh Jal Vidyut Nigam Limited	2016-17	17.20
9	UCM Coal Company Limited	2018-19	1.19
		Total	14525.35

(₹ in crore)

Appendix-1.5
(Referred to in Paragraph 1.12)
Statement showing State Government funds infused in the four Power Sector Undertakings from the year 2000-2001 to 2018-2019

Year	UPJVNL			UPRVNL			UPPTCL			UPPCL			Grand Total		
	Equity	Grant/ Subsidy	IFL	Equity	Grant/ Subsidy	IFL	Equity	Grant/ Subsidy	IFL	Equity	Grant/ Subsidy	IFL	Equity	Grant/ Subsidy	IFL
up to 2000-01	372.88	0.00	3.55	1764.25	2.21	0.00	0.00	0.00	0.00	4199.34	292.02	0.00	6336.47	294.23	3.55
2001-02	0.00	0.00	0.00	32.82	25.16	0.00	0.00	0.00	0.00	282.21	1035.23	0.00	315.03	1060.39	0.00
2002-03	0.00	0.00	0.00	0.00	0.42	0.00	0.00	0.00	0.00	225.90	971.73	0.00	225.90	972.15	0.00
2003-04	21.06	0.00	0.00	335.85	1.27	0.00	0.00	0.00	0.00	5694.39	1169.87	0.00	6051.30	1171.14	0.00
2004-05	10.50	0.00	0.00	1.00	1.13	0.00	0.00	0.00	0.00	895.30	1227.93	0.00	906.80	1229.06	0.00
2005-06	10.65	0.00	0.00	389.89	0.80	0.00	0.00	0.00	0.00	394.06	1371.53	0.00	794.60	1372.33	0.00
2006-07	9.16	0.00	0.00	407.00	0.50	0.00	0.00	0.00	0.00	2697.37	1588.40	0.00	3113.53	1588.90	0.00
2007-08	1.00	0.00	0.00	1006.00	0.50	0.00	0.00	0.00	0.00	1826.64	1983.65	0.00	5046.98	1984.15	0.00
2008-09	2.00	0.00	0.00	778.00	0.52	0.00	0.00	0.00	0.00	5013.79	1919.63	0.00	6222.34	1920.15	0.00
2009-10	3.50	0.00	0.00	812.20	0.53	0.00	0.00	0.00	0.00	3615.10	1908.51	0.00	5322.37	1909.04	0.00
2010-11	1.00	0.00	0.00	775.00	9.15	0.00	0.00	0.00	0.00	3107.52	2160.26	0.00	4383.52	2169.41	0.00
2011-12	0.00	0.00	0.00	555.75	0.00	0.00	0.00	0.00	0.00	3349.56	3811.85	0.00	4314.36	3811.85	0.00
2012-13	1.39	0.00	0.00	865.35	0.00	0.00	0.00	0.00	0.00	2158.79	5010.13	0.00	3825.53	5010.13	0.00
2013-14	1.39	0.00	0.00	117.89	0.00	0.00	0.00	0.00	0.00	5067.54	5315.37	0.00	6580.90	5315.37	0.00
2014-15	0.00	0.00	0.00	351.90	0.00	0.00	0.00	0.00	0.00	9189.65	12647.70	0.00	11546.16	12647.70	0.00
2015-16	0.00	0.00	0.00	1129.51	0.00	0.00	0.00	0.00	0.00	16498.92	22385.92	6083.12	19078.43	22385.92	6083.12
2016-17	0.00	0.00	0.00	788.00	0.00	0.00	0.00	0.00	0.00	9722.97	14817.66	3700.32	12205.97	14817.66	3700.32
2017-18	0.80	0.00	0.00	686.38	0.00	0.00	0.00	0.00	0.00	6839.12	7579.63	0.00	8234.52	7593.19	0.00
2018-19	0.00	0.00	0.00	1508.76	0.00	0.00	0.00	0.00	0.00	10332.60	17061.30	- 4891.72	13407.01	17157.09	-4891.72
Total	435.33	0.0	3.55	12305.55	42.19	0.0	0.0	0.00	0.00	91110.77⁸	104258.32	4891.72	117911.72	104409.86	4895.27

⁷ It includes ₹ 2,213.27 crore of GoUP investment obtained through UPPCL.

⁸ It excludes ₹ 2,213.27 crore of GoUP investment in UPPTCL through UPPCL. Further, it excludes ₹ 2.22 crore of GoUP investment in SUPPTCL through UPPCL as SUPPTCL is not covered in this Chapter.

Appendix-2.1
(Referred to in Paragraph 2.2)
Statement showing loss of interest on mobilisation advance

Sl. No.	Particulars	Month wherein Mobilisation Advance recovered	Value of Mobilisation Advance	Mobilisation Advance Adjusted	Mobilisation Advance Outstanding	Month up to which interest to be charged on Outstanding Mobilisation Advance	Period of outstanding (in complete months)	Interest at the rate of 12 per cent annum
1	2	3	4	5	6	7	8 = Col.7-Col.3	9 = Col.6* 12 per cent *Col.8/12
1	Total Mobilisation Advance given to the contractor in October 2013		668.21		668.21			
2	Mobilisation advance adjusted till September 2014	upto Sept-14		270.97	397.24	upto Nov-14	2	7.94
3	Mobilisation advance outstanding after September 2014	Dec-14		5.80	391.44	upto Jan-15	2	7.83
4		Feb-15		28.43	363.01	upto Feb-15	1	3.63
5		Mar-15		13.08	349.93	upto Mar-15	1	3.50
6		Apr-15		23.38	326.55	upto Apr-15	1	3.27
7		May-15		30.96	295.59	upto Jul-15	3	8.87
8		Aug-15		16.89	278.70	upto Aug-15	1	2.79
9		Sep-15		10.54	268.16	upto Sep-15	1	2.68
10		Oct-15		13.34	254.82	upto Oct-15	1	2.55
11		Nov-15		8.91	245.91	upto Nov-15	1	2.46
12		Dec-15		2.62	243.29	upto Dec-15	1	2.43
13		Jan-16		6.60	236.69	upto Feb-16	2	4.73
14		Mar-16		5.40	231.29	upto Mar-16	1	2.31
15		Apr-16		12.26	219.03	upto Apr-16	1	2.19
16		May-16		5.48	213.55	upto Aug-16	4	8.54
17		Sept-16		12.59	200.96	upto Nov-16	3	6.03
18		Dec-16		0.97	199.99	upto Apr-17	5	10.00
19		May-17		17.48	182.51	upto May-17	1	1.83
20		June-17		8.19	174.32	upto Feb-18	9	15.69
21		Feb-18		174.32	00.00			
Total				668.21				99.27

(₹ in lakh)

Appendix-3.1
(Referred to in Paragraphs 3.1, 3.12 and 3.13.1)
Summarised financial results of PSUs (other than Power Sector) covered in this Chapter for the latest year for which accounts were finalised

Sl. No.	Sector & Name of the PSU	Period of accounts	Year in which finalised	Net profit/ loss before dividend, interest & tax	Net profit/ loss after dividend, interest & tax	Turnover	Paid up capital (Including Share Application)	Capital employed	Net Worth	Accumulated profit/ loss
1	2	3	4	5	6	7	8	9	10	11
I	PSUs working in Monopolistic environment									
A	Government companies									
1	Uttar Pradesh Metro Rail Corporation Limited (formerly known as Lucknow Metro Rail Corporation Limited)	2018-19	2018-19	-70.02	-72.11	15.04	2041.00	6509.65	1897.60	-143.40
2	NOIDA Metro Rail Corporation Limited	2018-19	2018-19	8.90	-4.89	18.84	1374.97	2557.59	1312.59	-62.38
	Sub Total			-61.12	-77.00	33.88	3415.97	9067.24	3210.19	-205.78
B	Other Government controlled companies									
3	Almora Magnesite Limited	2018-19	2018-19	0.48	0.38	35.21	2.00	7.40	7.33	5.80
4	Lucknow Smart City Limited	2016-17	2017-18	-0.22	-0.22	0.00	0.50	0.28	0.28	-0.22
5	Agra Smart City Limited	2018-19	2018-19	-1.81	-1.82	0.00	216.00	214.17	214.17	-1.83
6	Aligarh Smart City Limited	2018-19	2018-19	-1.42	-1.42	0.02	2.00	-0.32	-0.32	-2.32
	Sub Total			-2.97	-3.08	35.23	220.50	221.53	221.46	1.43
C.	Statutory Corporations									
7	Uttar Pradesh Avas Evam Vikas Parishad	2017-18	2018-19	118.11	118.11	1241.69	0.00	4872.28	4872.28	4872.28
8	Uttar Pradesh Forest Corporation	2017-18	2018-19	81.10	80.38	345.50	0.00	1472.22	1459.22	1523.08
9	Uttar Pradesh State Road Transport Corporation	2018-19	2018-19	39.85	39.85	4523.19	926.19	-74.59	-116.31	-1042.50
10	Uttar Pradesh State Warehousing Corporation	2016-17	2018-19	70.75	45.66	474.83	13.00	508.11	508.11	500.00
11	Uttar Pradesh Jal Nigam	2016-17	2018-19	-256.46	-317.07	462.27	0.00	-100.63	-1156.21	-1156.21
	Sub Total			53.35	-33.07	7047.48	939.19	6677.39	5567.09	4696.65
	Total of PSUs working in Monopolistic environment			-10.74	-113.15	7116.59	4575.66	15966.16	8998.74	4492.30

Sl. No.	Sector & Name of the PSU	Period of accounts	Year in which finalised	Net profit/ loss before dividend, interest & tax	Net profit/ loss after dividend, interest & tax	Turnover	Paid up capital (Including Share Application)	Capital employed	Net Worth	Accumulated profit/ loss
1	2	3	4	5	6	7	8	9	10	11
II	PSUs with assured income from centage, commission, revenue grants/subsidies, etc.									
A	Government companies									
12	U.P. Projects Corporation Limited	2016-17	2018-19	38.14	24.62	927.83	6.40	117.17	117.17	110.77
13	Uttar Pradesh State Construction & Infrastructure Development Corporation Limited(formerly known as Uttar Pradesh Samaj Kalyan Nirman Nigam Limited)	2016-17	2017-18	2.42	1.62	692.29	0.15	73.31	73.31	73.16
14	Shretron India Limited (Subsidiary of Uttar Pradesh Electronics Corporation Limited)	2017-18	2018-19	0.76	0.51	34.01	7.12	13.23	10.60	3.48
15	Uptron Powertronics Ltd. (Subsidiary of Uttar Pradesh Electronics Corporation)	2017-18	2018-19	0.60	0.31	17.48	4.07	2.53	2.53	-1.54
16	Uttar Pradesh Electronics Corporation Limited	2016-17	2017-18	1.75	0.89	79.65	91.54	145.03	34.61	6.18
17	Uttar Pradesh Development Systems Corporation Limited	2017-18	2018-19	12.21	8.93	225.40	1.00	20.90	20.90	19.90
18	Uttar Pradesh Purva Sainik Kalyan Nigam Limited	2017-18	2018-19	49.08	49.08	390.21	0.43	267.56	267.56	267.13
19	Uttar Pradesh (Madhya) Ganna Beej Evam Vikas Nigam Limited	2017-18	2017-18	0.04	0.04	0.18	0.25	1.97	-0.51	-0.76
20	Uttar Pradesh Police Avas Nigam Limited	2017-18	2018-19	0.08	-0.45	106.83	3.00	33.10	33.10	30.10
21	Uttar Pradesh Export Promotion Council	2018-19	2018-19	0.62	0.62	0.93	0.05	6.11	1.11	1.06
22	Allahabad City Transport Services Limited	2017-18	2018-19	-7.16	-7.16	16.03	4.91	-6.21	-14.95	-19.86
Total of PSUs with assured income from centage, commission, revenue grants/subsidies, etc.				98.54	79.01	2490.84	118.92	674.70	545.43	489.62

Sl. No.	Sector & Name of the PSU	Period of accounts	Year in which finalised	Net profit/ loss before dividend, interest & tax	Net profit/ loss after dividend, interest & tax	Turnover	Paid up capital (Including Share Application)	Capital employed	Net Worth	Accumulated profit/ loss
1	2	3	4	5	6	7	8	9	10	11
III	PSUs working in competitive environment									
A	Government companies									
23	Uttar Pradesh State Spinning Company Limited	2016-17	2017-18	-8.52	-11.69	0.17	93.24	-28.05	-167.53	-260.77
24	The Pradeshia Industrial and Investment Corporation of UP Limited	2016-17	2018-19	6.14	3.35	9.10	135.58	251.18	-230.61	-366.19
	Total of PSUs working in competitive environment			-2.38	-8.34	9.27	228.82	223.13	-398.14	-626.96
	Grand Total			85.42	-42.48	9616.70	4923.40⁹	16863.99	9146.03¹⁰	4354.96

⁹ Paid up capital of ₹ 4,923.40 crore includes an amount of ₹ 63.11 crore in holding Company at SI. number 16 which was given by the Government for their subsidiary companies. Therefore, the amount of ₹ 63.11 crore has been excluded for calculation of net worth and capital employed. Further, loan amount of ₹ 2.46 crore was given by GoUP to holding Company at SI No. 16 for its subsidiary companies. Therefore, the same has also been excluded for calculation of capital employed.

¹⁰ Net worth is the sum total of the paid up capital and free reserves and surplus minus accumulated losses and deferred revenue expenditure (DRE). DRE of ₹ 5.36 crore was deducted in case of Uttar Pradesh State Warehousing Corporation (₹ 4.89 crore) and Almora Magnesite Limited (₹ 0.47 crore) to arrive at the net worth figure.

Appendix-3.2
(Referred to in paragraph 3.1)
Details of State PSUs (other than Power Sector) not covered in this Chapter

(₹ in crore)

Sl. No.	Name of the PSUs	Period of latest finalised accounts	Year in which finalised	Net Profit/Loss after Intt., Tax & Dividend	Turnover	Paid Up Capital
1	2	3	4	5	6	7
I	Functional PSUs with arrears of accounts for three or more years/first accounts not received/not due					
A	Government Companies					
1	Uttar Pradesh State Industrial Development Corporation Limited	2013-14	2017-18	95.22	193.45	24.08
2	Uttar Pradesh Alpsankhyak Vittya Avam Vikas Nigam Limited	2005-06	2017-18	-1.10	3.32	30.00
3	Uttar Pradesh Pichhara Varg Vitta Evam Vikas Nigam Limited	2014-15	2018-19	-0.38	0.77	8.10
4	Uttar Pradesh Scheduled Castes Finance and Development Corporation Limited	2015-16	2018-19	11.89	67.74	230.42
5	Uttar Pradesh Food and Essential Commodities Corporation Limited	2010-11	2018-19	10.86	1535.05	5.50
6	Uttar Pradesh Bhumi Sudhar Nigam	2015-16	2017-18	0.08	0.21	1.50
7	Uttar Pradesh Mahila Kalyan Nigam Limited	2013-14	2014-15	0.36	0.60	5.19
8	Uttar Pradesh Waqf Vikas Nigam Limited	2003-04	2016-17	-0.21	0.38	5.25
9	Uttar Pradesh State Agro Industrial Corporation Limited	2010-11	2016-17	10.26	793.26	46.30
10	Uttar Pradesh Rajkiya Nirman Nigam Limited	2013-14	2018-19	82.47	3438.74	1.00
11	Uttar Pradesh State Bridge Corporation Limited	2015-16	2018-19	24.13	1892.52	15.00
12	Uttar Pradesh Small Industries Corporation Limited	2008-09	2018-19	9.97	266.91	5.96
13	Uttar Pradesh Beej Vikas Nigam Limited	2014-15	2018-19	16.19	456.59	6.92
14	Uttar Pradesh Matsya Vikas Nigam Limited	2015-16	2018-19	1.14	8.68	1.07
15	Uttar Pradesh Drugs and Pharmaceuticals Limited	2009-10	2012-13	-8.53	0.33	1.10
16	Uttar Pradesh Rajya Chini Avam Ganna Vikas Nigam Limited (Subsidiary of Uttar Pradesh State Sugar Corporation Limited)	2015-16	2018-19	-11.50	0.00	880.13
17	Uttar Pradesh State Sugar Corporation Limited	2015-16	2018-19	0.87	100.39	1648.31
18	Uttar Pradesh Handicraft & Marketing Development Corporation Limited (Formerly Uttar Pradesh Export Corporation Limited)	2007-08	2017-18	-0.13	10.65	7.24
19	Uttar Pradesh State Tourism Development Corporation Limited	2015-16	2018-19	0.34	32.44	32.60

Sl. No.	Name of the PSUs	Period of latest finalised accounts	Year in which finalised	Net Profit/Loss after Intt., Tax & Dividend	Turnover	Paid Up Capital
1	2	3	4	5	6	7
20	Lucknow City Transport Services Limited*	Accounts not received	-	-	-	-
21	Meerut City Transport Services Limited	2010-11	2012-13	0.00	0.00	0.05
22	Agra Mathura City Transport Services Limited*	Accounts not received	-	-	-	-
23	Kanpur City Transport Services Limited*	Accounts not received	-	-	-	-
24	Varanasi City Transport Services Limited*	Accounts not received	-	-	-	-
25	Uttar Pradesh Medical Supply Corporation Limited* (Incorporated on 23.03.2018)	Accounts not received	-	-	-	-
26	Uttar Pradesh Rajya Krishi Evam Gramin Vikas Nigam Limited* (Incorporated on 04.10.2018)	Accounts not received	-	-	-	-
	Sub Total			241.93	8802.03	2955.72
B	Other Government Controlled Companies					
27	Jhansi Smart City Limited* (Incorporated on 22.11.2016)	Accounts not received	-	-	-	-
28	Kanpur Smart City Limited* (Incorporated on 08.12.2016)	Accounts not received	-	-	-	-
29	Bareilly Smart City Limited* (Incorporated on 03.04.2018)	Accounts not received	-	-	-	-
30	Prayagraj Smart City Limited* (Incorporated on 29.08.2017)	Accounts not received	-	-	-	-
31	Varanasi Smart City Limited* (Incorporated on 29.10.2016)	Accounts not received	-	-	-	-
	Sub Total			0.00	0.00	0.00
C	Statutory Corporations					
32	Uttar Pradesh Financial Corporation	2012-13	2015-16	17.38	22.22	179.28
	Sub Total			17.38	22.22	179.28
II	Non-functional PSUs					
A	Government Companies					
33	Uplease Financial Services Limited (Subsidiary of Uttar Pradesh Electronics Corporation Limited)	1997-98	1998-99	-0.40	1.29	1.05
34	Uttar Pradesh State Mineral Development Corporation Limited	2013-14	2016-17	-0.48	0.00	59.43

Sl. No.	Name of the PSUs	Period of latest finalised accounts	Year in which finalised	Net Profit/Loss after Intt., Tax & Dividend	Turnover	Paid Up Capital
1	2	3	4	5	6	7
35	Chhata Sugar Company Limited (Subsidiary of Uttar Pradesh State Sugar Corporation Limited)	2015-16	2017-18	-0.71	0.00	81.38
36	Ghatampur Sugar Company Limited (Subsidiary of Uttar Pradesh State Sugar Corporation Limited)	2016-17	2017-18	-0.60	0.00	147.72
37	Nandganj-Sihori Sugar Company Limited (Subsidiary of Uttar Pradesh State Sugar Corporation Limited)	2015-16	2017-18	-0.33	0.00	256.80
38	The Indian Turpentine and Rosin Company Limited	2010-11	2012-13	-0.60	0.03	0.22
39	Uttar Pradesh Instruments Limited (Subsidiary of Uttar Pradesh State Industrial Development Corporation Limited)	2001-02	2005-06	-0.29	0.16	1.93
40	Uttar Pradesh State Brassware Corporation Limited	1997-98	2007-08	2.39	0.53	5.38
41	Uttar Pradesh State Textile Corporation Limited	2016-17	2017-18	-8.80	0.00	197.10
42	Uptron India Limited (Subsidiary of Uttar Pradesh Electronics Corporation Limited)	1995-96	1997-98	-32.12	97.15	53.16
43	Uttar Pradesh State Handloom Corporation Limited	1999-00	2018-19	-13.84	28.68	47.07
44	Uttar Pradesh State Leather Development and Marketing Corporation Limited	2000-01	2002-03	0.26	3.60	5.74
45	Uttar Pradesh State Yarn Company Limited	2018-19	2018-19	-0.60	0.00	53.67
46	Uttar Pradesh Pashudhan Udyog Nigam Limited	2015-16	2018-19	0.18	0.00	2.73
47	Uttar Pradesh Poultry and Livestock Specialties Limited	2012-13	2018-19	-0.18	0.00	0.50
48	Uttar Pradesh State Horticultural Produce Marketing & Processing Corporation Limited	1984-85	1994-95	-0.67	0.27	1.90
49	Uttar Pradesh (Paschim) Ganna Beej Evam Vikas Nigam Limited	2013-14	2014-15	-0.12	0.00	0.64
50	Uttar Pradesh Panchayati Raj Vitta Evam Vikas Nigam Limited	1995-96	2012-13	-0.16	0.45	1.46
51	Agra Mandal Vikas Nigam Limited	1988-89	2007-08	-0.09	3.91	1.00
52	Allahabad Mandal Vikas Nigam Limited	1983-84	1992-93	-0.11	2.74	0.55
53	Bareilly Mandal Vikas Nigam Limited	1988-89	2011-12	-0.39	3.33	1.00
54	Gorakhpur Mandal Vikas Nigam Limited	1988-89	2013-14	-0.07	0.25	1.26
55	Lucknow Mandaliya Vikas Nigam Limited	1981-82	1992-93	0.01	1.70	0.50
56	Meerut Mandal Vikas Nigam Limited	2008-09	2010-11	-0.03	0.00	1.00
57	Moradabad Mandal Vikas Nigam Limited	1991-92	2011-12	-0.19	0.85	0.25

Sl. No.	Name of the PSUs	Period of latest finalised accounts	Year in which finalised	Net Profit/Loss after Intt., Tax & Dividend	Turnover	Paid Up Capital
1	2	3	4	5	6	7
58	Tarai Anusuchit Janjati Vikas Nigam Limited	1982-83	1990-91	-0.04	0.01	0.25
59	Uttar Pradesh Bundelkhand Vikas Nigam Limited	2010-11	2016-17	0.09	0.00	1.23
60	Uttar Pradesh Chalchitra Nigam Limited	2009-10	2011-12	-0.38	0.12	8.18
61	Uttar Pradesh Poorvanchal Vikas Nigam Limited	1987-88	1994-95	-0.14	1.30	1.15
62	Varanasi Mandal Vikas Nigam Limited	1987-88	1993-94	-0.03	1.47	0.70
	Sub Total			-58.44	147.84	934.95
B	Other Government Controlled Companies					
63	Command Area Poultry Development Corporation Limited	1994-95	-	0.01	0.96	0.24
	Sub Total			0.01	0.96	0.24
III	PSUs under liquidation (UL)					
A	Government Companies					
64	Uttar Pradesh (Poorva) Ganna Beej Evam Vikas Nigam Limited	2002-03 (UL from 01 July 2003)	2004-05	-0.18	0.04	0.31
65	Uttar Pradesh (Rohilkhand Tarai) Ganna Beej Evam Vikash Nigam Limited	2006-07 (UL from 01 July 2003)	2008-09	-1.05	0.11	0.71
66	Uttar Pradesh Cement Corporation Limited	1995-96 (UL from 08 February 1999)	1996-97	-47.75	113.01	68.28
67	Vindhyachal Abrasives Limited (Subsidiary of Uttar Pradesh State Mineral Development Corporation Limited)	1987-88 (UL from 28 November 2002)	1995-96	-0.12	0.00	0.00
68	Auto Tractors Limited	1991-92 (UL from 14 February 2003)	1995-96	0.11	6.31	7.50
69	Bhadohi Woollens Limited (Subsidiary of Uttar Pradesh State Textile Corporation Ltd.)	1994-95 (UL from 20 February 1996)	-	-1.66	0.27	3.76
70	Continental Float Glass Limited (Subsidiary of Uttar Pradesh State Mineral Development Corporation Limited)	1997-98 (UL from 01 April 2002)	2002-03	0.00	0.00	46.24

Sl. No.	Name of the PSUs	Period of latest finalised accounts	Year in which finalised	Net Profit/Loss after Intt., Tax & Dividend	Turnover	Paid Up Capital
1	2	3	4	5	6	7
71	Kanpur Components Limited (Subsidiary of Uttar Pradesh Electronics Corporation Ltd.)	(UL from 10 June 1996)	-	0.00	0.05	0.00
72	Uttar Pradesh Abscott Private Limited (Subsidiary of Uttar Pradesh Small Industries Corporation Limited)	1975-76 (UL from 19 April 1996)	-	-0.02	0.00	0.05
73	Uttar Pradesh Carbide and Chemicals Limited (Subsidiary of Uttar Pradesh State Mineral Development Corporation Limited)	1992-93 (UL from 19 February 1994)	-	-6.18	2.26	6.58
74	Uttar Pradesh Plant Protection Appliances (Private) Limited (Subsidiary of Uttar Pradesh Small Industries Corporation Limited)	1974-75 (UL from November 2003)	1984-85	-0.01	0.04	0.01
	Sub Total			-56.86	122.09	133.44
B	Other Government Controlled Companies					
75	Electronics and Computers (India) Limited	(UL from 14 July 1981)	-	0.00	0.00	0.00
	Sub Total			0.00	0.00	0.00
	Total of all sectors			144.02	9095.14	4203.63

* PSUs which have not submitted their first accounts.

Appendix- 3.3

(Referred to in paragraphs 3.3 and 3.12)

Statement showing position of equity and outstanding loans relating to State PSUs (other than Power Sector) covered in this Chapter as on 31 March 2019

(₹ in crore)

Sl. No.	Sector & Name of the PSUs	Name of the Department	Month and year of incorporation	Equity at close of the year 2018-19				Long term loans outstanding at close of the year 2018-19				
				GoUP	GoI	Others	Total	GoUP	GoI	Others	Total	
1	2	3	4	5 (a)	5 (b)	5 (c)	5 (d)	6 (a)	6 (b)	6 (c)	6 (d)	
I	PSUs working in Monopolistic environment											
	Government Companies											
1	Uttar Pradesh Metro Rail Corporation Limited (formerly known as Lucknow Metro Rail Corporation Limited)	Housing and Urban Planning	25 November 2013	1037.95	1003.00	0.05	2041.00	813.05	297.00	3502.00	4612.05	
2	NOIDA Metro Rail Corporation Limited	Infrastructure and Industrial Development	11 May 2014	0.00	687.62	687.35	1374.97	0.00	115.00	1130.00	1245.00	
	Sub Total			1037.95	1690.62	687.40	3415.97	813.05	412.00	4632.00	5857.05	
	Other Government controlled companies											
3	Almora Magnesite Limited	-	27 August 1971	0.00	0.00	2.00	2.00	0.00	0.00	0.07	0.07	
4	Lucknow Smart City Ltd	Urban Development	16 August 2016	0.00	196.00	186.00	382.00	0.00	0.00	0.00	0.00	
5	Agra Smart City Limited	Urban Development	01 September 2017	0.00	0.00	216.00	216.00	0.00	0.00	0.00	0.00	
6	Aligarh Smart City Limited	Urban Development	30 August 2017	0.00	0.00	2.00	2.00	0.00	0.00	0.00	0.00	
	Sub Total			0.00	196.00	406.00	602.00	0.00	0.00	0.07	0.07	
	Statutory Corporations											
7	Uttar Pradesh Avas Evam Vikas Parishad	Housing and Urban Planning	04 March 1966	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
8	Uttar Pradesh Forest Corporation	Forest	25 November 1974	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
9	Uttar Pradesh State Road Transport Corporation	Transport	06 January 1972	866.18	60.01	0.00	926.19	41.72	0.00	0.00	41.72	
10	Uttar Pradesh State Warehousing Corporation	Co-operative	19 March 1958	7.61	0.00	5.40	13.01	0.00	0.00	0.00	0.00	

Sl. No.	Sector & Name of the PSUs	Name of the Department	Month and year of incorporation	Equity at close of the year 2018-19				Long term loans outstanding at close of the year 2018-19			
				GoUP 5 (a)	GoI 5 (b)	Others 5 (c)	Total 5 (d)	GoUP 6 (a)	GoI 6 (b)	Others 6 (c)	Total 6 (d)
1	2	3	4								
11	Uttar Pradesh Jal Nigam	Urban Development	06 June 1975	0.00	0.00	0.00	0.00	538.02	0.00	0.00	538.02
	Sub Total			873.79	60.01	5.40	939.20	579.74	0.00	0.00	579.74
	Total of Sector I			1911.74	1946.63	1098.80	4957.17	1392.79	412.00	4632.07	6436.86
II	PSUs with assured income from centage, commission, revenue grants/subsidies, etc.										
Government Companies											
12	U.P. Projects Corporation Limited	Irrigation	26 May 1976	5.40	1.00	0.00	6.40	0.00	0.00	0.00	0.00
13	Uttar Pradesh State Construction & Infrastructure Development Corporation Limited (formerly known as Uttar Pradesh Samaj Kalyan Nirman Nigam Limited)	Samaj Kalyan	25 June 1976	0.15	0.00	0.00	0.15	0.00	0.00	0.00	0.00
14	Shretron India Limited (Subsidiary of Uttar Pradesh Electronics Corporation Limited)	Information Technology and Electronics	02 October 1979	0.00	0.00	0.77	0.77	0.00	0.00	0.00	0.00
15	Uptron Powertronics Ltd. (Subsidiary of Uttar Pradesh Electronics Corporation Limited)	Information Technology and Electronics	04 October 1974	0.00	0.00	1.47	1.47	0.00	0.00	2.84	2.84
16	Uttar Pradesh Electronics Corporation Limited	Information Technology and Electronics	20 March 1974	91.54 ¹¹	0.00	0.00	91.54	112.48 ¹²	0.00	0.00	112.48

¹¹ Government of UP Investment in the form of Equity of ₹ 91.54 crore in holding company at SI No. 16 includes an amount of ₹ 8.95 crore (₹ 6.35 crore and ₹ 2.60 crore) which was given for its subsidiary companies at SI No. 14 and 15. The same has been excluded from Equity of these subsidiary companies to avoid double counting of investment.

¹² Government of UP Investment in the form of Long term loan of ₹ 112.48 crore in holding company at SI No. 16 includes an amount of ₹ 2.46 crore which was given for its subsidiary companies at SI No. 14 (₹ 2.43 crore) and 15 (₹ 0.03 crore). The same has been excluded from Long term loan of these subsidiary companies to avoid double counting of investment.

Sl. No.	Sector & Name of the PSUs	Name of the Department	Month and year of incorporation	Equity at close of the year 2018-19				Long term loans outstanding at close of the year 2018-19			
				GoUP 5 (a)	GoI 5 (b)	Others 5 (c)	Total 5 (d)	GoUP 6 (a)	GoI 6 (b)	Others 6 (c)	Total 6 (d)
1	2	3	4								
17	Uttar Pradesh Development Systems Corporation Limited	Information Technology and Electronics	15 March 1977	1.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00
18	Uttar Pradesh Purva Sainik Kalyan Nigam Limited	Samaj Kalyan	23 May 1989	0.43	0.00	0.00	0.43	0.00	0.00	0.00	0.00
19	Uttar Pradesh (Madhya) Ganna Beej Evam Vikas Nigam Limited	Sugar Industry and Cane Development	27 August 1975	0.15	0.00	0.10	0.25	0.00	0.00	0.00	0.00
20	Uttar Pradesh Police Avas Nigam Limited	Home	27 March 1987	3.00	0.00	0.00	3.00	0.00	0.00	0.00	0.00
21	Uttar Pradesh Export Promotion Council	Laghu Udyog evam Niryat Protsahan	11 August 2016	0.05	0.00	0.00	0.05	5.00	0.00	0.00	5.00
22	Allahabad City Transport Services Limited	Urban Development	27 April 2010	0.05	0.00	4.86	4.91	0.00	0.00	6.57	6.57
	Sub Total			101.77	1.00	7.20	109.97	117.48	0.00	9.41	126.89
	Total of Sector II			101.77	1.00	7.20	109.97	117.48	0.00	9.41	126.89
III	PSUs working in Competitive environment										
	Government Companies										
23	Uttar Pradesh State Spinning Company Limited	Hathkargha evam Vastra Udhog	20 August 1976	93.24	0.00	0.00	93.24	142.37	0.00	0.00	142.37
24	The Pradeshhiya Industrial and Investment Corporation of UP Limited	Infrastructure and Industrial Development	29 March 1972	110.58	0.00	25.00	135.58	1121.38	4.10	0.00	1125.48
	Sub Total			203.82	0.00	25.00	228.82	1263.75	4.10	0.00	1267.85
	Total of Sector III			203.82	0.00	25.00	228.82	1263.75	4.10	0.00	1267.85
	Grand Total (Sector I + Sector II + Sector III)			2217.33	1947.63	1131.00	5295.96	2774.02	416.10	4641.48	7831.60

Appendix-3.4
(Referred to in paragraph 3.7)
Statement showing difference between Finance Accounts of Government of Uttar Pradesh and Accounts of the State PSUs (other than Power Sector) in respect of balances of Equity, Loans and Guarantees as on 31 March 2019
(₹ in crore)

Sl. No.	Sector & Name of the PSUs	As per records of State PSUs			As per Finance Accounts of Government of Uttar Pradesh			Difference		
		Paid up Capital	Loan Outstanding	Guarantee outstanding	Paid up Capital	Loan Outstanding	Guarantee outstanding	Paid up Capital	Loan Outstanding	Guarantee outstanding
1	2	3	4	5	6	7	8	9 = 3-6	10 = 4-7	11 = 5-8
Functional PSUs										
1	Uttar Pradesh Metro Rail Corporation Limited (formerly known as Lucknow Metro Rail Corporation Limited)	1037.95	813.05	0.00	1003.00	974.05	0.00	34.95	-161.00	0.00
2	Uttar Pradesh Avas Evam Vikas Parishad	0.00	0.00	0.00	0.00	0.31	0.00	0.00	-0.31	0.00
3	Uttar Pradesh State Road Transport Corporation	866.18	41.72	0.00	766.18	49.18	0.00	100.00	-7.46	0.00
4	Uttar Pradesh State Warehousing Corporation	7.61	0.00	0.00	7.79	0.63	0.00	-0.18	-0.63	0.00
5	Uttar Pradesh Jal Nigam	0.00	538.02	0.00	0.00	88.77	0.00	0.00	449.25	0.00
6	Uttar Pradesh Electronics Corporation Limited.	91.54	112.48	0.00	91.54	31.23	0.00	0.00	81.25	0.00
7	Uttar Pradesh (Madhya) Ganna Beej Evam Vikas Nigam Limited	0.15	0.00	0.00	0.15	0.00	1.80	0.00	0.00	-1.80
8	Uttar Pradesh Export Promotion Council	0.05	5.00	0.00	0.00	0.00	0.00	0.05	5.00	0.00
9	Allahabad City Transport Services Limited	0.05	0.00	0.00	0.00	0.00	0.00	0.05	0.00	0.00

Sl. No.	Sector & Name of the PSUs	As per records of State PSUs				As per Finance Accounts of Government of Uttar Pradesh				Difference		
		Paid up Capital	Loan Outstanding	Guarantee outstanding		Paid up Capital	Loan Outstanding	Guarantee outstanding		Paid up Capital	Loan Outstanding	Guarantee outstanding
1	2	3	4	5		6	7	8		9 = 3-6	10 = 4-7	11 = 5-8
10	Uttar Pradesh State Spinning Company Limited	93.24	142.37	0.00		93.24	13.59	0.00		0.00	128.78	0.00
11	The Pradeshia Industrial and Investment Corporation of UP Limited	110.58	1121.38	1.39		110.58	452.54	1.39		0.00	668.84	0.00
12	Uttar Pradesh State Industrial Development Corporation Limited	24.08	1.98	0.00		24.08	143.45	2.85		0.00	-141.47	-2.85
13	Uttar Pradesh Alpsankhyak Vittyva Avam Vikas Nigam Limited	30.00	0.00	0.00		30.00	15.18	0.00		0.00	-15.18	0.00
14	Uttar Pradesh Pichhara Varg Vitta Evam Vikas Nigam Limited	12.23	0.00	0.00		12.23	0.00	52.65		0.00	0.00	-52.65
15	Uttar Pradesh Food and Essential Commodities Corporation Limited	12.34	0.00	0.00		12.34	-7.31	0.00		0.00	7.31	0.00
16	Uttar Pradesh State Agro Industrial Corporation Limited	58.32	29.00	0.00		59.01	4.69	0.00		-0.69	24.31	0.00
17	Uttar Pradesh State Bridge Corporation Limited	15.00	0.00	1000.00		15.00	0.00	600.00		0.00	0.00	400.00
18	Uttar Pradesh Small Industries Corporation Limited	5.96	3.57	0.00		5.96	0.41	0.00		0.00	3.16	0.00
19	Uttar Pradesh Rajiya Chini Avam Ganna Vikas Nigam Limited (Subsidiary of Uttar Pradesh State Sugar Corporation Limited)	0.00	0.00	0.00		880.13	0.00	0.00		-880.13	0.00	0.00

Sl. No.	Sector & Name of the PSU's	As per records of State PSU's				As per Finance Accounts of Government of Uttar Pradesh				Difference		
		Paid up Capital	Loan Outstanding	Guarantee outstanding		Paid up Capital	Loan Outstanding	Guarantee outstanding		Paid up Capital	Loan Outstanding	Guarantee outstanding
1	2	3	4	5		6	7	8		9 = 3-6	10 = 4-7	11 = 5-8
20	Uttar Pradesh State Sugar Corporation Limited	1648.31	755.00	133.96		1648.31	967.05	0.00		0.00	-212.05	133.96
21	Uttar Pradesh Handicraft & Marketing Development Corporation Limited (Formerly Uttar Pradesh Export Corporation Limited)	6.34	12.44	0.00		6.34	5.95	0.00		0.00	6.49	0.00
22	Uttar Pradesh State Tourism Development Corporation Limited	32.60	0.45	0.00		32.60	2.76	0.00		0.00	-2.31	0.00
23	Lucknow City Transport Services Limited*	17.84	0.00	0.00		0.00	0.00	0.00		17.84	0.00	0.00
24	Meerut City Transport Services Limited	0.05	0.00	0.00		0.00	0.00	0.00		0.05	0.00	0.00
25	Agra Mathura City Transport Services Limited*	0.05	0.00	0.00		0.00	0.00	0.00		0.05	0.00	0.00
26	Kanpur City Transport Services Limited*	0.05	0.00	0.00		0.00	0.00	0.00		0.05	0.00	0.00
27	Varanasi City Transport Services Limited*	0.05	0.00	0.00		0.00	0.00	0.00		0.05	0.00	0.00
28	Uttar Pradesh Medical Supply Corporation Limited*	5.16	0.00	0.00		0.00	0.00	0.00		5.16	0.00	0.00
29	Uttar Pradesh Financial Corporation	114.17	345.59	2.46		114.51	15.11	2.46		-0.34	330.48	0.00
Sub Total of functional PSUs		4189.90	3922.05	1137.81		4912.99	2757.59	661.15		-723.09	1164.46	476.66

Sl. No.	Sector & Name of the PSUs	As per records of State PSUs				As per Finance Accounts of Government of Uttar Pradesh				Difference		
		Paid up Capital	Loan Outstanding	Guarantee outstanding		Paid up Capital	Loan Outstanding	Guarantee outstanding		Paid up Capital	Loan Outstanding	Guarantee outstanding
1	2	3	4	5		6	7	8		9 = 3-6	10 = 4-7	11 = 5-8
Non-functional PSUs												
30	Uttar Pradesh State Mineral Development Corporation Limited	59.43	18.24	0.00		59.43	4.97	0.00		0.00	13.27	0.00
31	Chhata Sugar Company Limited (Subsidiary of Uttar Pradesh State Sugar Corporation Limited)	0.00	0.00	0.00		81.38	0.00	0.00		-81.38	0.00	0.00
32	Ghatampur Sugar Company Limited (Subsidiary of Uttar Pradesh State Sugar Corporation Limited)	0.00	0.00	0.00		147.72	0.00	0.00		-147.72	0.00	0.00
33	Nandganj-Sihori Sugar Company Limited (Subsidiary of Uttar Pradesh State Sugar Corporation Limited)	0.00	0.00	0.00		257.19	0.00	0.00		-257.19	0.00	0.00
34	The Indian Turpentine and Rosin Company Limited	0.19	5.33	0.00		0.30	1.11	0.00		-0.11	4.22	0.00
35	Uttar Pradesh Instruments Limited (Subsidiary of Uttar Pradesh State Industrial Development Corporation Limited)	0.09	5.55	0.00		0.09	0.00	0.00		0.00	5.55	0.00
36	Uttar Pradesh State Brassware Corporation Limited	5.28	1.94	0.00		5.28	0.15	0.00		0.00	1.79	0.00
37	Uttar Pradesh State Textile Corporation Limited	197.10	89.65	0.00		160.79	203.89	0.00		36.31	-114.24	0.00
38	Uptron India Limited (Subsidiary of Uttar Pradesh Electronics Corporation Limited)	0.00	0.00	0.00		0.00	2.85	0.00		0.00	-2.85	0.00

Sl. No.	Sector & Name of the PSUs	As per records of State PSUs				As per Finance Accounts of Government of Uttar Pradesh				Difference		
		Paid up Capital	Loan Outstanding	Guarantee outstanding		Paid up Capital	Loan Outstanding	Guarantee outstanding		Paid up Capital	Loan Outstanding	Guarantee outstanding
1	2	3	4	5		6	7	8		9 = 3-6	10 = 4-7	11 = 5-8
39	Uttar Pradesh State Handloom Corporation Limited	36.44	152.09	0.00		36.44	12.53	2.34		0.00	139.56	-2.34
40	Uttar Pradesh State Leather Development and Marketing Corporation Limited	5.74	1.91	0.00		5.74	1.40	0.00		0.00	0.51	0.00
41	Uttar Pradesh State Yarn Company Limited	53.67	62.21	0.00		31.91	9.06	0.00		21.76	53.15	0.00
42	Uttar Pradesh Pashudhan Udyog Nigam Limited	2.10	0.71	0.00		2.73	1.10	0.00		-0.63	-0.39	0.00
43	Uttar Pradesh Poultry and Livestock Specialties Limited	2.88	0.00	0.00		0.44	0.00	0.00		2.44	0.00	0.00
44	Uttar Pradesh State Horticultural Produce Marketing & Processing Corporation Limited	6.41	3.34	0.56		8.72	0.00	0.56		-2.31	3.34	0.00
45	Uttar Pradesh (Paschim) Ganna Beej Evam Vikas Nigam Limited	0.51	0.00	0.00		0.51	0.00	0.70		0.00	0.00	-0.70
46	Agra Mandal Vikas Nigam Limited	1.00	0.05	0.00		1.00	0.00	0.00		0.00	0.05	0.00
47	Allahabad Mandal Vikas Nigam Limited	0.67	0.66	0.00		0.67	0.00	0.00		0.00	0.66	0.00
48	Gorakhpur Mandal Vikas Nigam Limited	0.94	0.65	0.00		0.93	0.00	0.00		0.01	0.65	0.00
49	Lucknow Mandaliya Vikas Nigam Limited	0.70	0.86	0.00		0.70	0.00	0.00		0.00	0.86	0.00
50	Moradabad Mandal Vikas Nigam Limited	0.25	0.65	0.00		0.25	0.00	0.00		0.00	0.65	0.00

Sl. No.	Sector & Name of the PSUs	As per records of State PSUs				As per Finance Accounts of Government of Uttar Pradesh				Difference		
		Paid up Capital	Loan Outstanding	Guarantee outstanding		Paid up Capital	Loan Outstanding	Guarantee outstanding		Paid up Capital	Loan Outstanding	Guarantee outstanding
1	2	3	4	5		6	7	8		9 = 3-6	10 = 4-7	11 = 5-8
51	Tarai Anusuchit Janjati Vikas Nigam Limited	0.45	1.25	0.00		0.45	0.00	0.00		0.00	1.25	0.00
52	Uttar Pradesh Bundelkhand Vikas Nigam Limited	1.23	0.05	0.00		1.23	0.00	0.00		0.00	0.05	0.00
53	Uttar Pradesh Chalchitra Nigam Limited	8.18	2.47	0.00		8.18	0.31	0.00		0.00	2.16	0.00
54	Uttar Pradesh Poorvanchal Vikas Nigam Limited	1.30	0.35	0.00		1.30	0.00	0.00		0.00	0.35	0.00
	Sub Total	384.56	347.96	0.56		813.38	237.37	3.60		-428.82	110.59	-3.04
	PSUs under liquidation											
55	Uttar Pradesh (Rohilkhand Tarai) Ganna Beej Evam Vikash Nigam Limited	0.38	6.55	0.00		0.38	0.00	0.00		0.00	6.55	0.00
56	Uttar Pradesh Cement Corporation Limited	68.28	124.77	0.00		68.28	37.45	0.00		0.00	87.32	0.00
57	Auto Tractors Limited	5.63	0.38	0.00		5.63	14.89	0.00		0.00	-14.51	0.00
58	Uttar Pradesh Carbide and Chemicals Limited (Subsidiary of Uttar Pradesh State Mineral Development Corporation Limited)	0.00	11.02	0.00		6.59	0.00	0.00		-6.59	11.02	0.00
	Sub Total	74.29	142.72	0.00		80.88	52.34	0.00		-6.59	90.38	0.00
	Sub Total of Non- functional PSUs	458.85	490.68	0.56		894.26	289.71	3.60		-435.41	200.97	-3.04
	Grand Total	4648.75	4412.73	1138.37		5807.25	3047.30	664.75		-1158.50	1365.43	473.62

Appendix-3.5
(Referred to in paragraph 3.8.1)
Statement showing position of State Government investment in State PSUs (other than Power Sector) accounts of which were in arrears
(₹ in crore)

Sl. No.	Name of the PSUs	Period upto which accounts finalised	Period for which accounts are in arrears	Paid up capital as per latest finalised accounts	Investment made by the State Government during the year for which accounts were in arrears				Total
					Equity	Loans	Capital Grant/ Other Grant	Subsidy	
1	2	3	4	5	6	7	8	9	10=(6+7+8+9)
	A. Functional PSUs								
	I. Arrears up to 1 year								
1	Allahabad City Transport Services Limited	2017-18	2018-19	4.91	0.00	0.00	19.17	0.00	19.17
2	Uttar Pradesh Development Systems Corporation Limited	2017-18	2018-19	1.00	0.00	0.00	1.00	0.00	1.00
3	UP Medical Supplies Corporation Limited*	—	2018-19	2.66	5.16	0.00	353.34	0.00	358.50
	Sub Total-I			8.57	5.16	0.00	373.51	0.00	378.67
	II. Arrears up to 2 years								0.00
4	The Pradeshiya Industrial and Investment Corporation of U P Limited	2016-17	2017-18 and 2018-19	135.58	0.00	237.37	0.00	0.00	237.37
5	Uttar Pradesh State Spinning Company Limited	2016-17	2017-18 and 2018-19	93.24	0.00	11.15	0.00	0.00	11.15
6	Uttar Pradesh Jal Nigam	2016-17	2017-18 and 2018-19	0.00	0.00	0.00	1679.74	0.00	1679.74
	Sub Total-II			228.82	0.00	248.52	1679.74	0.00	1928.26
	III. Arrears 03 years or more								0.00
7	Uttar Pradesh State Sugar Corporation Limited	2015-16	2016-17 to 2018-19	1648.31	0.00	743.00	0.00	0.00	743.00
8	Uttar Pradesh Scheduled Caste Finance and Development Corporation Limited	2015-16	2016-17 to 2018-19	230.42	3.75	0.00	0.00	0.00	3.75

Sl. No.	Name of the PSUs	Period upto which accounts finalised	Period for which accounts are in arrears	Paid up capital as per latest finalised accounts	Investment made by the State Government during the year for which accounts were in arrears				
					Equity	Loans	Capital Grant/ Other Grant	Subsidy	Total
1	2	3	4	5	6	7	8	9	10=(6+7+8+9)
9	Uttar Pradesh Food & Essential Corporation Limited	2010-11	2011-12 to 2018-19	5.50	6.83	0.00	0.00	0.00	6.83
10	Uttar Pradesh Mahila Kalyan Nigam Limited	2013-14	2014-15 to 2018-19	5.19	0.00	0.00	15.14	0.00	15.14
11	Uttar Pradesh Waqf Vikas Nigam Limited	2003-04	2004-05 to 2018-19	5.25	4.75	0.00	0.00	0.00	4.75
12	Uttar Pradesh Beej Vikas Nigam Limited	2014-15	2015-16 to 2018-19	6.92	0.00	0.00	12.95	0.00	12.95
13	Jhansi Smart City Limited*	-	2016-17 to 2018-19	-	0.00	0.00	36.00	0.00	36.00
14	Uttar Pradesh State Agro Industrial Corporation Limited	2010-11	2011-12 to 2018-19	46.30	10.41	0.00	0.00	0.00	10.41
15	Uttar Pradesh State Bridge Corporation Limited	2015-16	2016-17 to 2018-19	15.00	0.00	0.00	0.00	0.00	0.00
16	U.P. Handicrafts & Marketing Development Corporation Limited	2007-08	2008-09 to 2018-19	7.24	0.00	5.00	2.68	0.00	7.68
17	Uttar Pradesh Bhumi Sudhar Nigam	2015-16	2016-17 to 2018-19	1.50	0.00	0.00	130.00	0.00	130.00
18	Lucknow City Transport Services Limited* (Incorporated on 01-02-2010)	2008-09	2009-10 to 2018-19	-	17.84	0.00	73.25	0.00	91.09
19	Meerut City Transport Services Limited	2010-11	2011-12 to 2018-19	0.05	0	0.00	15.63	0.00	15.63
20	Kanpur City Transport Services Limited (Incorporated w.e.f. 28-04-10)	2009-10	2010-11 to 2018-19	0	0.05	0.00	47.42	0.00	47.47
21	Varanasi City Transport Services Limited	(Incorporated on 15 June 2010)	2010-11 to 2018-19	-	0.05	0	20.68	0.00	20.73

Sl. No.	Name of the PSUs	Period upto which accounts finalised	Period for which accounts are in arrears	Paid up capital as per latest finalised accounts	Investment made by the State Government during the year for which accounts were in arrears				
					Equity	Loans	Capital Grant/ Other Grant	Subsidy	Total
1	2	3	4	5	6	7	8	9	10=(6+7+8+9)
22	Uttar Pradesh Matsya Vikas Nigam Limited	2015-16	2016-17 to 2018-19	1.07	0.00	0	4.60	0.00	4.60
23	Uttar Pradesh Financial Corporation	2012-13	2013-14 to 2018-19	179.28	0.00	52.60	0.00	0.00	52.60
24	Uttar Pradesh Alpsankhyak Vittya Avam Vikas Nigam Limited	2005-06	2006-07 to 2018-19	30.00	0.00	0.00	64.22	0.00	64.22
	Sub Total-III			2182.03	43.68	800.60	422.57	0.00	1266.85
	Total A			2419.42	48.84	1049.12	2475.82	0.00	3573.78
									0.00
	B. Non-Functional PSUs								0.00
	I. Arrears up to 2 years								0.00
25	Uttar Pradesh State Textile Corporation Limited	2016-17	2017-18 to 2018-19	160.79	0.00	2.27	0.00	0.00	2.27
	Sub Total-I			160.79	0.00	2.27	0.00	0.00	2.27
	II. Arrears 03 years or more								0.00
26	Uttar Pradesh State Handloom Corporation Limited	1999-2000	2000-2001 to 2018-19	47.07	0.00	109.51	0.00	0	109.51
27	The Indian Turpentine and Rosin Company Limited	2010-11	2011-12 to 2018-19	0.22	0.00	0.34	0.00	0	0.34
	Sub Total-II			47.29	0.00	109.85	0.00	0.00	109.85
	Total B			208.08	0.00	112.12	0.00	0.00	112.12
	Grand Total (A+B)			2627.50	48.84	1161.24	2475.82	0.00	3685.90

Appendix-3.6
(Referred to in Paragraph 3.15)
Statement showing State Government fund infused in State PSUs (other than Power Sector) during the period from 2000-01 to 2018-19
(₹ in crore)

Year	1. Uttar Pradesh Metro Rail Corporation Limited (Formerly known as Lucknow Metro Rail Corporation Limited)			Year	2. Uttar Pradesh State Road Transport Corporation			Year	3. Uttar Pradesh State Warehousing Corporation		
	Equity	Interest free Loans	Revenue/ Other Grant		Equity	Interest free Loans	Revenue/ Other Grant		Equity	Interest free Loans	Revenue/ Other Grant
Up to 1999-2000	0.00	0.00	0.00	Up to 1999-2000	252.11	0.00	0.00	Up to 1999-2000	7.79	0.00	0.00
2000-01	0.00	0.00	0.00	2000-01	0.00	0.00	0.00	2000-01	0.00	0.00	0.00
2001-02	0.00	0.00	0.00	2001-02	0.00	0.00	0.00	2001-02	0.00	0.00	0.00
2002-03	0.00	0.00	0.00	2002-03	0.00	0.00	0.00	2002-03	0.00	0.00	0.00
2003-04	0.00	0.00	0.00	2003-04	0.00	0.00	0.00	2003-04	0.00	0.00	0.00
2004-05	0.00	0.00	0.00	2004-05	0.00	0.00	0.00	2004-05	0.00	0.00	0.00
2005-06	0.00	0.00	0.00	2005-06	0.00	0.00	0.00	2005-06	0.00	0.00	0.00
2006-07	0.00	0.00	0.00	2006-07	47.00	0.00	0.00	2006-07	0.00	0.00	0.00
2007-08	0.00	0.00	0.00	2007-08	0.00	0.00	0.00	2007-08	0.00	0.00	0.00
2008-09	0.00	0.00	0.00	2008-09	10.00	0.00	0.00	2008-09	0.00	0.00	0.00
2009-10	0.00	0.00	0.00	2009-10	0.00	0.00	0.00	2009-10	0.00	0.00	0.00
2010-11	0.00	0.00	0.00	2010-11	0.00	0.00	0.00	2010-11	0.00	0.00	0.00
2011-12	0.00	0.00	0.00	2011-12	39.52	0.00	0.00	2011-12	0.00	0.00	0.00
2012-13	0.00	0.00	0.00	2012-13	6.00	0.00	0.00	2012-13	0.00	0.00	0.00
2013-14	20.00	0.00	0.00	2013-14	3.43	0.00	0.00	2013-14	0.00	0.00	0.00
2014-15	60.00	35.00	0.00	2014-15	151.32	0.00	0.00	2014-15	-0.18	0.00	0.00
2015-16	475.00	150.00	0.00	2015-16	158.47	0.00	0.00	2015-16	0.00	0.00	0.00
2016-17	400.00	350.00	0.00	2016-17	98.33	0.00	0.00	2016-17	0.00	0.00	0.00
2017-18	82.95	150.05	0.00	2017-18	50.00	0.00	0.00	2017-18	0.00	0.00	0.00
2018-19	0.00	128.00	0.00	2018-19	50.00	0.00	0.00	2018-19	0.00	0.00	0.00
Total	1037.95	813.05	0.00	Total	866.18	0.00	0.00	Total	7.61	0.00	0.00

Year	4. Uttar Pradesh Jal Nigam			Year	5. Uttar Pradesh Projects Corporation Limited			Year	6. Uttar Pradesh State Construction & Infrastructure Development Corporation Limited (formerly known as Uttar Pradesh Samaj Kalyan Nirman Nigam Limited)		
	Equity	Interest free Loans	Revenue/ Other Grant		Equity	Interest free Loans	Revenue/ Other Grant		Equity	Interest free Loans	Revenue/ Other Grant
Up to 1999-2000	0.00	0.00	0.00	Up to 1999-2000	5.40	0.00	0.00	Up to 1999-2000	0.15	0.00	0.00
2000-01	0.00	0.00	0.00	2000-01	0.00	0.00	0.00	2000-01	0.00	0.00	0.00
2001-02	0.00	0.00	0.00	2001-02	0.00	0.00	0.00	2001-02	0.00	0.00	0.00
2002-03	0.00	0.00	0.00	2002-03	0.00	0.00	0.00	2002-03	0.00	0.00	0.00
2003-04	0.00	0.00	0.00	2003-04	0.00	0.00	0.00	2003-04	0.00	0.00	0.00
2004-05	0.00	0.00	0.00	2004-05	0.00	0.00	0.00	2004-05	0.00	0.00	0.00
2005-06	0.00	0.00	0.00	2005-06	0.00	0.00	0.00	2005-06	0.00	0.00	0.00
2006-07	0.00	0.00	0.00	2006-07	0.00	0.00	0.00	2006-07	0.00	0.00	0.00
2007-08	0.00	0.00	0.00	2007-08	0.00	0.00	0.00	2007-08	0.00	0.00	0.00
2008-09	0.00	0.00	0.00	2008-09	0.00	0.00	0.00	2008-09	0.00	0.00	0.00
2009-10	0.00	0.00	0.00	2009-10	0.00	0.00	0.00	2009-10	0.00	0.00	0.00
2010-11	0.00	0.00	0.00	2010-11	0.00	0.00	0.00	2010-11	0.00	0.00	0.00
2011-12	0.00	0.00	0.00	2011-12	0.00	0.00	0.00	2011-12	0.00	0.00	0.00
2012-13	0.00	0.00	0.00	2012-13	0.00	0.00	0.00	2012-13	0.00	0.00	0.00
2013-14	0.00	0.00	0.00	2013-14	0.00	0.00	0.00	2013-14	0.00	0.00	0.00
2014-15	0.00	140.61	0.00	2014-15	0.00	0.00	0.00	2014-15	0.00	0.00	0.00
2015-16	0.00	0.00	0.00	2015-16	0.00	0.00	0.00	2015-16	0.00	0.00	0.00
2016-17	0.00	300.00	0.00	2016-17	0.00	0.00	0.00	2016-17	0.00	0.00	0.00
2017-18	0.00	-300.00	0.00	2017-18	0.00	0.00	0.00	2017-18	0.00	0.00	0.00
2018-19	0.00	0.00	0.00	2018-19	0.00	0.00	0.00	2018-19	0.00	0.00	0.00
Total	0.00	140.61	0.00	Total	5.40	0.00	0.00	Total	0.15	0.00	0.00

Year	7. Uttar Pradesh Electronics Corporation Limited.			Year	8. Uttar Pradesh Development Systems Corporation Limited			Year	9. Uttar Pradesh Purva Sainik Kalyan Nigam Limited		
	Equity	Interest free Loans	Revenue/ Other Grant		Equity	Interest free Loans	Revenue/ Other Grant		Equity	Interest free Loans	Revenue/ Other Grant
Up to 1999-2000	77.51	24.99	0.00	Up to 1999-2000	1.00	0.00	1.05	Up to 1999-2000	0.43	0.00	0.00
2000-01	0.00	17.75	0.00	2000-01	0.00	0.00	1.05	2000-01	0.00	0.00	0.00
2001-02	0.00	0.00	0.00	2001-02	0.00	0.00	1.05	2001-02	0.00	0.00	0.00
2002-03	10.15	18.75	0.00	2002-03	0.00	0.00	1.05	2002-03	0.00	0.00	0.00
2003-04	0.00	6.25	0.00	2003-04	0.00	0.00	1.05	2003-04	0.00	0.00	0.00
2004-05	0.00	5.34	0.00	2004-05	0.00	0.00	1.05	2004-05	0.00	0.00	0.00
2005-06	0.00	0.00	0.00	2005-06	0.00	0.00	1.45	2005-06	0.00	0.00	0.00
2006-07	0.00	0.00	0.00	2006-07	0.00	0.00	1.45	2006-07	0.00	0.00	0.00
2007-08	0.00	0.00	0.00	2007-08	0.00	0.00	0.80	2007-08	0.00	0.00	0.00
2008-09	3.88	0.00	0.00	2008-09	0.00	0.00	0.65	2008-09	0.00	0.00	0.00
2009-10	0.00	0.00	0.00	2009-10	0.00	0.00	1.45	2009-10	0.00	0.00	0.00
2010-11	0.00	32.70	0.00	2010-11	0.00	0.00	2.00	2010-11	0.00	0.00	0.00
2011-12	0.00	0.00	0.00	2011-12	0.00	0.00	2.00	2011-12	0.00	0.00	0.00
2012-13	0.00	0.00	0.00	2012-13	0.00	0.00	2.00	2012-13	0.00	0.00	0.00
2013-14	0.00	0.00	0.00	2013-14	0.00	0.00	0.00	2013-14	0.00	0.00	0.00
2014-15	0.00	0.00	0.00	2014-15	0.00	0.00	2.00	2014-15	0.00	0.00	0.00
2015-16	0.00	0.00	0.00	2015-16	0.00	0.00	2.00	2015-16	0.00	0.00	0.00
2016-17	0.00	-0.28	0.00	2016-17	0.00	0.00	2.00	2016-17	0.00	0.00	0.00
2017-18	0.00	0.00	0.00	2017-18	0.00	0.00	1.00	2017-18	0.00	0.00	0.00
2018-19	0.00	-0.40	0.00	2018-19	0.00	0.00	1.00	2018-19	0.00	0.00	0.00
Total	91.54	105.10	0.00	Total	1.00	0.00	26.10	Total	0.43	0.00	0.00

Year	10. Uttar Pradesh (Madhya) Ganna Beej Evam Vikas Nigam Limited			Year	11. Uttar Pradesh Police Avas Nigam Limited			Year	12. Uttar Pradesh Export Promotion Council		
	Equity	Interest free Loans	Revenue/ Other Grant		Equity	Interest free Loans	Revenue/ Other Grant		Equity	Interest free Loans	Revenue/ Other Grant
Up to 1999-2000	0.15	0.00	0.00	Up to 1999- 2000	3.00	0.00	0.00	Up to 1999-2000	0.00	0.00	0.00
2000-01	0.00	0.00	0.00	2000-01	0.00	0.00	0.00	2000-01	0.00	0.00	0.00
2001-02	0.00	0.00	0.00	2001-02	0.00	0.00	0.00	2001-02	0.00	0.00	0.00
2002-03	0.00	0.00	0.00	2002-03	0.00	0.00	0.00	2002-03	0.00	0.00	0.00
2003-04	0.00	0.00	0.00	2003-04	0.00	0.00	0.00	2003-04	0.00	0.00	0.00
2004-05	0.00	0.00	0.00	2004-05	0.00	0.00	0.00	2004-05	0.00	0.00	0.00
2005-06	0.00	0.00	0.00	2005-06	0.00	0.00	0.00	2005-06	0.00	0.00	0.00
2006-07	0.00	0.00	0.00	2006-07	0.00	0.00	0.00	2006-07	0.00	0.00	0.00
2007-08	0.00	0.00	0.00	2007-08	0.00	0.00	0.00	2007-08	0.00	0.00	0.00
2008-09	0.00	0.00	0.00	2008-09	0.00	0.00	0.00	2008-09	0.00	0.00	0.00
2009-10	0.00	0.00	0.00	2009-10	0.00	0.00	0.00	2009-10	0.00	0.00	0.00
2010-11	0.00	0.00	0.00	2010-11	0.00	0.00	0.00	2010-11	0.00	0.00	0.00
2011-12	0.00	0.00	0.00	2011-12	0.00	0.00	0.00	2011-12	0.00	0.00	0.00
2012-13	0.00	0.00	0.00	2012-13	0.00	0.00	0.00	2012-13	0.00	0.00	0.00
2013-14	0.00	0.00	0.00	2013-14	0.00	0.00	0.00	2013-14	0.00	0.00	0.00
2014-15	0.00	0.00	0.00	2014-15	0.00	0.00	0.00	2014-15	0.00	0.00	0.00
2015-16	0.00	0.00	0.00	2015-16	0.00	0.00	0.00	2015-16	0.00	0.00	0.00
2016-17	0.00	0.00	0.00	2016-17	0.00	0.00	0.00	2016-17	0.05	5.00	0.00
2017-18	0.00	0.00	0.00	2017-18	0.00	0.00	0.00	2017-18	0.00	0.00	0.00
2018-19	0.00	0.00	0.00	2018-19	0.00	0.00	0.00	2018-19	0.00	0.00	0.00
Total	0.15	0.00	0.00	Total	3.00	0.00	0.00	Total	0.05	5.00	0.00

Year	13. Allahabad City Transport Services Limited			Year	14. Uttar Pradesh State Spinning Company Limited			Year	15. The Pradeshya Industrial and Investment Corporation of UP Limited		
	Equity	Interest free Loans	Revenue/ Other Grant		Equity	Interest free Loans	Revenue/ Other Grant		Equity	Interest free Loans	Revenue/ Other Grant
Up to 1999-2000	-	-	-	Up to 1999-2000	88.65	17.58	0.00	Up to 1999-2000	110.58	33.53	0.00
2000-01	-	-	-	2000-01	0.00	0.00	0.00	2000-01	0.00	0.00	0.00
2001-02	-	-	-	2001-02	0.00	0.00	0.00	2001-02	0.00	-33.53	0.00
2002-03	-	-	-	2002-03	0.00	0.00	0.00	2002-03	0.00	0.00	0.00
2003-04	-	-	-	2003-04	0.00	0.00	0.00	2003-04	0.00	0.00	0.00
2004-05	-	-	-	2004-05	4.59	5.83	0.00	2004-05	0.00	0.00	0.00
2005-06	-	-	-	2005-06	0.00	8.66	0.00	2005-06	0.00	59.88	0.00
2006-07	-	-	-	2006-07	0.00	13.57	0.00	2006-07	0.00	68.65	0.00
2007-08	-	-	-	2007-08	0.00	0.00	0.00	2007-08	0.00	0.00	0.00
2008-09	-	-	-	2008-09	0.00	-0.44	0.00	2008-09	0.00	0.00	0.00
2009-10	0.00	0.00	2.63	2009-10	0.00	0.00	0.00	2009-10	0.00	0.00	0.00
2010-11	0.05	0.00	2.78	2010-11	0.00	9.74	0.00	2010-11	0.00	9.08	0.00
2011-12	0.00	0.00	0.00	2011-12	0.00	33.11	0.00	2011-12	0.00	0.00	0.00
2012-13	0.00	0.00	0.00	2012-13	0.00	9.88	0.00	2012-13	0.00	0.00	0.00
2013-14	0.00	0.00	0.00	2013-14	0.00	-0.94	0.00	2013-14	0.00	0.00	0.00
2014-15	0.00	0.00	0.00	2014-15	0.00	0.00	0.00	2014-15	0.00	0.00	0.00
2015-16	0.00	0.00	0.00	2015-16	0.00	11.79	0.00	2015-16	0.00	0.00	0.00
2016-17	0.00	0.00	5.49	2016-17	0.00	0.00	0.00	2016-17	0.00	0.00	0.00
2017-18	0.00	0.00	8.89	2017-18	0.00	4.19	0.00	2017-18	0.00	30.27	0.00
2018-19	0.00	0.00	19.17	2018-19	0.00	0.00	0.00	2018-19	0.00	2.37	0.00
Total	0.05	0.00	38.96	Total	93.24	112.97	0.00	Total	110.58	170.25	0.00

Appendix-4.1
(Referred to in Paragraph 4.4)
Statement showing avoidable payment of electricity charges due to incorrect billing and excess contracted demand in Koniya SPS
(contracted load 2000 KVA)

Month/ year	Actual Maximum Demand in each month as per meter per meter (in KVA)	Avoidable electricity charges due to wrong billing by Electricity Department								Avoidable electricity charges due to contracted demand in excess of the requirement				
		Excess demand charges billed								Capacitor surcharge	Total amount due to wrong billing	Amount of excess contract load on 600 KVA ¹⁶	Amount of Electricity Duty and Regulatory Surcharge on amount of excess contracted demand	Total amount due to excess contracted load
		Billable demand as per tariff (actual maximum demand or 75 per cent of contracted demand of 2000 KVA whichever is higher (in KVA)	Actual billed demand (in KVA)	Difference of billed demand and billable demand (in KVA)	Rate of fixed demand charge ¹³	Amount of excess billed demand ¹⁴	Amount of Electricity Duty Regulatory Surcharge on amount of excess billed demand ¹⁵	Total amount of excess billed demand						
1	2	3	4	5 = 4 - 3	6	7 = 5 * 6	8 = 7 * 7.5 % + 7 * 5.22 / 7.12 / 4.28%	9 = 8 + 7	10	11 = 9 + 10	12 = 6 * 600 KVA ¹⁴	13 = 12 * 7.5% + 12 * 5.22 / 7.12 / 4.28 %	14 = 12 + 13	
Jun-15	595	1500	2000	500	230	103500	13165	116665	-	116665	124200	15798	139998	
Jul-15	437	1500	2000	500	230	103500	15132	118632	-	118632	124200	18158	142358	
Aug-15	455	1500	2000	500	230	103500	15132	118632	-	118632	124200	18158	142358	
Sep-15	606	1500	2000	500	230	103500	15132	118632	-	118632	124200	18158	142358	
Oct-15	439	1500	2000	500	230	103500	15132	118632	-	118632	124200	18158	142358	
Nov-15	439	1500	2000	500	230	103500	15132	118632	-	118632	124200	18158	142358	
Dec-15	615	1500	2000	500	230	103500	15132	118632	-	118632	124200	18158	142358	
Jan-16	616	1500	2000	500	230	103500	15132	118632	-	118632	124200	18158	142358	
Feb-16	616	1500	2000	500	230	103500	15132	118632	-	118632	124200	18158	142358	

¹³ Per KW from June 2015 to April 2016 and per KVA from May 2016 to March 2019.

¹⁴ Rate of demand charge*excess demand*0.9 from June 2015 to July 2016 and rate of demand charge*excess demand from August 2016 to March 2019.

¹⁵ Electricity duty at the rate 7.5 per cent and Regulatory Surcharge at the rate 5.22 per cent in June 2015, 7.12 per cent from July 2015 to April 2016 and 4.28 per cent from May 2016 onwards.

¹⁶ Difference of billable demand (1500 KVA) on existing contracted demand (2000 KVA) and billable demand (900 KVA) on to be revised contracted demand (1200 KVA).

Month/ year	Actual Maximum Demand in each month as per meter (in KVA)	Avoidable electricity charges due to wrong billing by Electricity Department										Avoidable electricity charges due to contracted demand in excess of the requirement		
		Excess demand charges billed						Capacitor surcharge		Total amount due to wrong billing		Amount of excess contract load on 600 KVA ¹⁶	Amount of Electricity Duty and Regulatory Surcharge on excess amount of contracted demand	Total amount due to excess contracted load
		Billable demand as per tariff (actual maximum demand or 75 per cent of contracted demand of 2000 KVA whichever is higher (in KVA)	Actual billed demand (in KVA)	Difference of billed demand and billable demand (in KVA)	Rate of fixed demand charge ¹³	Amount of excess billed demand ¹⁴	Amount of Electricity Duty Regulatory Surcharge on amount of excess billed demand ¹⁵	Total amount of excess billed demand	Amount of Capacitor Surcharge verified and paid	11 = 9 + 10	12 = 6 * 600 KVA ¹⁴			
1	2	3	4	5 = 4 - 3	6	7 = 5 * 6	8 = 7 * 7.5 % + 7 * 5.22 / 7.12 / 4.28%	9 = 8 + 7	10	11 = 9 + 10	12 = 6 * 600 KVA ¹⁴	13 = 12 * 7.5% + 12 * 5.22 / 7.12 / 4.28 %	14 = 12 + 13	
Mar-16	555	1500	2000	500	230	103500	15132	118632	-	118632	124200	18158	142358	
Apr-16	471	1500	2000	500	230	103500	15132	118632	-	118632	124200	18158	142358	
May-16	490	1500	2000	500	230	103500	12192	115692	-	115692	124200	14631	138831	
Jun-16	625	1500	2000	500	230	103500	12192	115692	-	115692	124200	14631	138831	
Jul-16	277	1500	2000	500	230	103500	12192	115692	-	115692	124200	14631	138831	
Aug-16	312	1500	2000	500	261	130500	15373	145873	107385	253258	156600	18447	175047	
Sep-16	420	1500	2000	500	261	130500	15373	145873	251429	397302	156600	18447	175047	
Oct-16	420	1500	2000	500	261	130500	15373	145873	269472	415345	156600	18447	175047	
Nov-16	436	1500	2000	500	261	130500	15373	145873	241333	387206	156600	18447	175047	
Dec-16	436	1500	2000	500	261	130500	15373	145873	333375	479248	156600	18447	175047	
Jan-17	603	1500	2000	500	261	130500	15373	145873	326179	472052	156600	18447	175047	
Feb-17	602	1500	2000	500	261	130500	15373	145873	296429	442302	156600	18447	175047	
Mar-17	454	1500	2000	500	261	130500	15373	145873	220820	366693	156600	18447	175047	
Apr-17	590	1500	2000	500	261	130500	15373	145873	300833	446706	156600	18447	175047	
May-17	428	1500	2000	500	261	130500	15373	145873	280642	426515	156600	18447	175047	
Jun-17	373	1500	2000	500	261	130500	15373	145873	252825	398698	156600	18447	175047	
Jul-17	412	1500	2000	500	261	130500	15373	145873	364736	510609	156600	18447	175047	
Aug-17	525	1500	2000	500	261	130500	15373	145873	236822	382695	156600	18447	175047	
Sep-17	377	1500	2000	500	261	130500	15373	145873	215128	361001	156600	18447	175047	

Month/ year	Actual Maximum Demand in each month as per meter (in KVA)	Avoidable electricity charges due to wrong billing by Electricity Department								Avoidable electricity charges due to contracted demand in excess of the requirement		
		Excess demand charges billed						Capacitor surcharge	Total amount due to wrong billing	Amount of excess contract load on 600 KVA ¹⁶	Amount of Electricity Duty and Regulatory Surcharge on amount of excess contracted demand	Total amount due to excess contracted load
1	2	3	4	5 = 4 - 3	6	7 = 5 * 6	8 = 7 * 7.5 % + 7 * 5.22 / 7.12 / 4.28%	10	11 = 9 + 10	12 = 6 * 600 KVA ¹⁴	13 = 12 * 7.5% + 12 * 5.22 / 7.12 / 4.28 %	14 = 12 + 13
Oct-17	380	1500	2000	500	261	130500	15373	273446	419319	156600	18447	175047
Nov-17	484	1500	2000	500	261	130500	15373	253147	399020	156600	18447	175047
Dec-17	490	1500	2000	500	315	157500	18554	233106	409160	189000	22264	211264
Jan-18	490	1500	2000	500	315	157500	18554	369807	545861	189000	22264	211264
Feb-18	490	1500	2000	500	315	157500	18554	232546	408600	189000	22264	211264
Mar-18	390	1500	2000	500	315	157500	18554	258541	434595	189000	22264	211264
Apr-18	577	1500	2000	500	315	157500	18554	249689	425743	189000	22264	211264
May-18	483	1500	2000	500	315	157500	18554	249689	425743	189000	22264	211264
Jun-18	502	1500	2000	500	315	157500	18554	282520	458574	189000	22264	211264
Jul-18	438	1500	2000	500	315	157500	18554	301680	477734	189000	22264	211264
Aug-18	593	1500	2000	500	315	157500	18554	287674	463728	189000	22264	211264
Sep-18	431	1500	2000	500	315	157500	18554	207110	383164	189000	22264	211264
Oct-18	418	1500	2000	500	315	157500	18554	143018	319072	189000	22264	211264
Nov-18	466	1500	2000	500	315	157500	18554	272435	448489	189000	22264	211264
Dec-18	789	1500	2000	500	315	157500	18554	358826	534880	189000	22264	211264
Jan-19	674	1500	2000	500	315	157500	18554	-	176054	189000	22264	211264
Feb-19	758	1500	2000	500	315	157500	18554	-	176054	189000	22264	211264
Mar-19	732	1500	2000	500	315	157500	18554	-	176054	189000	22264	211264
		Total						743893	6800893	7670642	892647	8161047
		6057000						743893	6800893	7670642	892647	8161047

Appendix-4.2
(Referred to in Paragraph 4.4)
Statement showing avoidable payment of electricity charges due to incorrect billing in Deenapur STP
(contracted load 1200 KVA)

Month/ year	Actual Maximum Demand in each month as per meter (in KVA)	Excess demand charges billed						Capacitor surcharge Amount of Capacitor Surcharge verified and paid	Total amount due to wrong billing
		Billable demand as per tariff (actual maximum demand or 75 per cent of contracted demand of 1200 KVA whichever is higher (in KVA)	Actual billed demand (in KVA)	Difference of billed demand and billable demand (in KVA)	Rate of fixed demand charge ¹⁷	Amount of excess billed demand ¹⁸	Amount of Electricity Duty and Regulatory Surcharge on amount of excess billed demand ¹⁹		
1	2	3	4	5 = 4 - 3	6	7 = 5 * 6	8 = 7 * 7.5 % + 7 * 5.22 / 7.12 / 4.28 %	10	11 = 9 + 10
Jun-15	555	900	1200	300	230	62100	7899	-	69999
Jul-15	579	900	1200	300	230	62100	9079	-	71179
Aug-15	482	900	1200	300	230	62100	9079	-	71179
Sep-15	529	900	1200	300	230	62100	9079	-	71179
Oct-15	543	900	1200	300	230	62100	9079	-	71179
Nov-15	543	900	1200	300	230	62100	9079	-	71179
Dec-15	553	900	1200	300	230	62100	9079	-	71179
Jan-16	527	900	1200	300	230	62100	9079	-	71179
Feb-16	527	900	1200	300	230	62100	9079	-	71179
Mar-16	599	900	1200	300	230	62100	9079	-	71179
Apr-16	542	900	1200	300	230	62100	9079	-	71179
May-16	542	900	1200	300	230	62100	7315	-	69415
Jun-16	612	900	1200	300	230	62100	7315	-	69415

¹⁷ Per KW from June 2015 to April 2016 and per KVA from May 2016 to March 2019.

¹⁸ Rate of demand charge*excess demand*0.9 from June 2015 to July 2016 and rate of demand charge*excess demand from August 2016 to March 2019.

¹⁹ Electricity duty at the rate 7.5 per cent and Regulatory Surcharge at the rate 5.22 per cent in June 2015, 7.12 per cent from July 2015 to April 2016 and 4.28 per cent from May 2016 onwards.

Month/ year	Actual Maximum Demand in each month as per meter (in KVA)	Excess demand charges billed							Capacitor surcharge Amount of Capacitor Surcharge verified and paid	Total amount due to wrong billing
		Billable demand as per tariff (actual maximum demand or 75 per cent of contracted demand of 1200 KVA whichever is higher (in KVA)	Actual billed demand (in KVA)	Difference of billed demand and billable demand (in KVA)	Rate of fixed demand charge ¹⁷	Amount of excess billed demand ¹⁸	Amount of Electricity Duty and Regulatory Surcharge on amount of excess billed demand ¹⁹	Total amount of excess billed demand		
1	2	3	4	5 = 4 - 3	6	7 = 5 * 6	8 = 7 * 7.5 % + 7 * 5.22 / 7.12 / 4.28 %	9 = 7+ 8	10	11 = 9+ 10
Jul-16	308	900	1200	300	230	62100	7315	69415	-	69415
Aug-16	472	900	1200	300	261	78300	9224	87524	91348	178872
Sep-16	492	900	1200	300	261	78300	9224	87524	324973	412497
Oct-16	503	900	1200	300	261	78300	9224	87524	327871	415395
Nov-16	425	900	1200	300	261	78300	9224	87524	253044	340568
Dec-16	561	900	1200	300	261	78300	9224	87524	354530	442054
Jan-17	579	900	1200	300	261	78300	9224	87524	356978	444502
Feb-17	579	900	1200	300	261	78300	9224	87524	321013	408537
Mar-17	499	900	1200	300	261	78300	9224	87524	224807	312331
Apr-17	542	900	1200	300	261	78300	9224	87524	363707	451231
May-17	542	900	1200	300	261	78300	9224	87524	409556	497080
Jun-17	567	900	1200	300	261	78300	9224	87524	164436	251960
Jul-17	555	900	1200	300	261	78300	9224	87524	419087	506611
Aug-17	524	900	1200	300	261	78300	9224	87524	258904	346428
Sep-17	462	900	1200	300	261	78300	9224	87524	236849	324373
Oct-17	450	900	1200	300	261	78300	9224	87524	331638	419162
Nov-17	470	900	1200	300	261	78300	9224	87524	258840	346364
Dec-17	488	900	1200	300	315	94500	11132	105632	248272	353904
Jan-18	516	900	1200	300	315	94500	11132	105632	346260	451892
Feb-18	516	900	1200	300	315	94500	11132	105632	321721	427353
Mar-18	516	900	1200	300	315	94500	11132	105632	293820	399452
Apr-18	970	970	1200	230	315	72450	8535	80985	279567	360552

Month/ year	Actual Maximum Demand in each month as per meter (in KVA)	Excess demand charges billed						Capacitor surcharge		Total amount due to wrong billing
		Billable demand as per tariff (actual maximum demand or 75 per cent of contracted demand of 1200 KVA whichever is higher (in KVA)	Actual billed demand (in KVA)	Difference of billed demand and billable demand (in KVA)	Rate of fixed demand charge ¹⁷	Amount of excess billed demand ¹⁸	Amount of Electricity Duty and Regulatory Surcharge on amount of excess billed demand ¹⁹	Total amount of excess billed demand	Amount of Capacitor Surcharge verified and paid	
1	2	3	4	5 = 4 - 3	6	7 = 5 * 6	8 = 7 * 7.5 % + 7 * 5.22 / 7.12 / 4.28 %	9 = 7 + 8	10	11 = 9 + 10
May-18	541	900	1200	300	315	94500	11132	105632	299468	405100
Jun-18	524	900	1200	300	315	94500	11132	105632	316611	422243
Jul-18	418	900	1200	300	315	94500	11132	105632	324813	430445
Aug-18	506	900	1200	300	315	94500	11132	105632	315401	421033
Sep-18	547	900	1200	300	315	94500	11132	105632	234893	340525
Oct-18	482	900	1200	300	315	94500	11132	105632	205245	310877
Nov-18	530	900	1200	300	315	94500	11132	105632	329015	434647
Dec-18	537	900	1200	300	315	94500	11132	105632	351907	457539
Jan-19	568	900	1200	300	315	94500	11132	105632	-	105632
Feb-19	565	900	1200	300	315	94500	11132	105632	-	105632
Mar-19	480	900	1200	300	315	94500	11132	105632	-	105632
Total						3612150	443733	4055883	8564574	12620457

Appendix-6.1
(Referred to in Paragraph 6.2)
Statement showing loss due to exemption from payment of City Development Charges (CDC) to the developer in Lucknow Development Authority
(₹ in lakh)

Sl. No.	Name of the Developer	Date of approval of layout	Total Area of Approved Layout (in acre)	Area of layout on which CDC not levied (in acre)	Net area factor* as per layout approved (in acre)	Net area (in acre)	Rate of CDC per acre (calculated as per cost index of concerned year)	Amount of CDC charges not levied
1	2	3	4	5	6	7 = (5*6)	8	9 = (7*8)
1.	Ansal Properties and Infrastructure Limited	18.11.2006 (First Phase)	639.55	639.55	0.648	414.43	3.00	1243.29
		10.05.2007 (Second Phase)	407.95	407.95	0.648	264.35	3.00	793.05
		27.11.2008 (Third Phase)	717.50	717.50	0.648	464.94	3.13	1455.26
Total								3491.60

*As per GoUP order dated (April 2010), the net area factor is the net area for calculation of CDC after deducting the area used in road, park, open and green space.

Appendix-6.2
(Referred to in Paragraph 6.2)
Statement showing benefit allowed to the developer by Lucknow Development Authority by allowing higher FAR without levy of any charges

Sl. No.	Details of map	Date of recommendations of technical committee	Circle Rate (in ₹)	Area of plot (sqm)	Free permissible FAR as per Building Bye-laws	Basic FAR allowed in Hi-tech Township	Sanctioned FAR for Hi-tech Township without charges	Additional FAR	Additional FAR Area (in sqm.)	Charges not levied by LDA for additional FAR (in ₹)
1	2	3	4	5	6	7	8	9 = (8 - 6)	10 = (5 x 9)	11 ²⁰ = (col. 4 x col. 10 x 0.4 / col. 7)
1	Sector-I Pocket - A,B,C,D Paradise Dimond -2 & Celebrity Medoz	20.09.2010	6,000.00	121813.50	1.5	2.5	2.005	0.505	61515.82	55364238.00
2	Sector-M GH-01 Pocket -1	08.10.2015	19,000.00	35936.34	1.5	2.5	2.50	1.00	35936.34	109246473.60
3	Sector-M Extension GH-2 pocket -1 Olmpus	06.05.2015	19,000.00	24757.95	1.5	2.5	1.93	0.43	10645.92	32363596.80
4	Sector-H Group Housing Plot-5	21.02.2013	8,000.00	27101.70	1.5	2.5	2.73	1.00	27101.70	34690176.00
5	Sector J Pocket 4 GH -2 Jivan Enclave	02.07.2013	8,000.00	15416.43	1.5	2.5	2.34	0.84	12949.80	16575744.00
6	Sector-B Pocket-1, Group Housing Plot-1	19.05.2010	6,000.00	47566.85	1.5	2.5	2.27	0.77	36626.47	32963823.00
7	Sector- H Group Housing -01	17.12.2015	19,000.00	67782.18	1.5	2.5	2.498	0.998	67646.62	205645724.80

²⁰ The charges for additional FAR allowed from 1.5 to 2.5 were calculated @ 15 per cent of (additional FAR area x DM Circle's rate) before 04 August 2011 as per GoUP order dated 25 September 2008. Further, after GoUP order dated 04 August 2011, the same has been calculated as per the formula = additional FAR area x DM Circle's rate x 0.4/2.5.

Sl. No.	Details of map	Date of recommendations of technical committee	Circle Rate (in ₹)	Area of plot (sqm)	Free permissible FAR as per Building Bye-laws	Basic FAR allowed in Hi-tech Township	Sanctioned FAR for Hi-tech Township without charges	Additional FAR	Additional FAR Area (in sqm.)	Charges not levied by LDA for additional FAR (in ₹)
1	2	3	4	5	6	7	8	9 = (8 - 6)	10 = (5 x 9)	11 ²⁰ = (col. 4 x col. 10 x 0.4 / col. 7)
8	Sector K Pocket 3 Group Housing-06 LIG/EWS	27.11.2012	8,000.00	68594.93	1.5	2	1.981	0.481	32994.16	52790656.00
9	Sector- B1 Group Housing Plot- 03	23.02.2012	8,000.00	43121.80	1.5	2.5	1.90	0.40	17248.72	22078361.60
10	Sector-B Pocket-2 Lakshay Height	06.05.2015	19,000.00	14568.57	1.5	2.5	2.50	1.00	14568.57	44288452.80
11	Sector G Pocket 5 Group Housing Plot2	22.12.2017	19,000.00	14524.99	1.5	2.5	2.33	0.83	12055.74	36649449.60
12	Sector G Pocket 5 Group Housing Plot-1	02.11.2015	19,000.00	40250.87	1.5	2.5	2.50	1.00	40250.87	122362644.80
13	Sector G Pocket 5 Group Housing-3	26.09.2017	19,000.00	10828.06	1.5	2.5	2.46	0.96	10394.94	31600617.60
14	Sector-C Pocket -7 Group Housing Plot-01	17.12.2015	21,500.00	32782.11	1.5	2.5	2.50	1.00	32782.11	112770458.40
15	Sector -C Pocket -7 Group Housing Plot-02	17.12.2015	21,500.00	17924.45	1.5	2.5	2.49	0.99	17745.21	61043522.40
16	Sector-K Pocket -2 EWS Group Housing Plot-02	06.05.2015	19,000.00	26304.17	1.5	2.5	2.50	1.00	26304.17	79964676.80
17	Sector -B Pocket-2	04.02.2016	21,500.00	3322.85	1.5	2.5	1.616	0.116	385.45	1325948.00
18	Sector-B Group Housing Plot-3	11.02.2016	21,500.00	43121.80	1.5	2.5	2.49	0.99	42690.58	146855595.20

Sl. No.	Details of map	Date of recommendations of technical committee	Circle Rate (in ₹)	Area of plot (sqm)	Free permissible FAR as per Building Bye-laws	Basic FAR allowed in Hi-tech Township	Sanctioned FAR for Hi-tech Township without charges	Additional FAR	Additional FAR Area (in sqm.)	Charges not levied by LDA for additional FAR (in ₹)
1	2	3	4	5	6	7	8	9 = (8 - 6)	10 = (5 x 9)	11 ²⁰ = (col. 4 x col. 10 x 0.4 / col. 7)
19	Sector- G Group Housing Plot-1B Pocket-5	04.02.2016	19,000.00	67291.87	1.5	2.5	2.50	1.00	67291.87	204567284.80
20	Sector-F Pocket -1	04.08.2016	19,000.00	22000.43	1.5	2.5	2.47	0.97	21340.42	64874876.80
21	Sector B Pocket -3 Group Housing Plot-02	20.07.2018	21,500.00	10611.33	1.5	2.5	2.075	0.575	6101.51	20989194.40
22	Sec B Pocket -01 Group Housing-01 Celebrity Green	11.10.2018	21,500.00	1167,917	1.5	2.5	2.208	0.708	826.89	2844501.60
23	Sec M block A2& A3 Group Housing-03	27.03.2019	15,000.00	51571.46	1.5	2.5	2.32	0.82	42288.60	101492640.00
24	Sec G Pocket -5 Group Housing Plot 1B	28.05.2019	19,000.00	67291.87	1.5	2.5	2.07	0.57	38356.37	116603364.80
Total				875654.427 or 216.38 acre						1709952021.80

Appendix-6.3
(Referred to in Paragraph 6.6)
Statement showing non-inclusion of administrative charges in the total acquisition charges of land to be paid by integrated township developer

(₹ in lakh)

Sl. No.	Name of the Developer company (M/s)	Place of land	Area of land (in hectare)	Amount realised by Authority from Developers for issuing Section 4/6 award compensation demanded by SLAO	10 per cent administrative charges to be realised from the developers
1	2	3	4	5	6
1	Agarwal Associates Promoters Limited	Shahpur Bamaita	21.1293	2378.12	237.81
2	Agarwal Associates Promoters Limited	Shahpur Bamaita	1.2315	135.47	13.55
Total				2513.59	251.36

Appendix-6.4
(Referred to in Paragraph 6.7)
Statement showing non-realisation of the premium and lease rent

Sl. No.	Name of the Division	Name of the lessee	Date of approval of GoI	Date of approval of GoUP	Area of leased out land (in hectare)	Period of lease to be executed (in years)	Date of handing over of land	Amount of the premium	Period for which lease rent to be levied and realised	(₹ in lakh)	
										Amount of lease rent	
1	2	3	4	5	6	7	8	9	10	11	
1.	Divisional Forest Officer, Gonda	Bajaj Hindustan Sugar Industries Ltd.	December 2011	May 2012	1.660	25	September 2013	41.35*	September 2013 to September 2019 (6 years)	32.18*	
2.	Divisional Forest Officer, G.B. Nagar, Noida	Dedicated Freight Corridor Corporation of India Ltd.	November 2015	October 2016	11.809	25	October 2016**	1643.22	October 2016 to October 2019 (3 years)	492.97	
3.	Divisional Director Social Forestry Division, Lalitpur	UP State Electricity Board	July 1999	August 2000	7.500	30	August 2000	6.49#	August 2000 to August 2019 (19 years)	37.15#	
Total					20.969			1691.06		562.30	
Grand total (Lease premium + Lease rent) = ₹ 1,691.06 lakh + ₹ 562.30 lakh = ₹ 2,253.36 lakh or say ₹ 22.53 crore											

* Premium has been calculated after excluding the deposit of ₹ 7.38 lakh and lease rent has been calculated after excluding deposit of ₹ 0.74 lakh by the lessee till date.

** Date of approval of GoUP has been reckoned as date of handing over of land.

As calculated and provided by the Department in its reply.

Appendix-6.5
(Referred to in Paragraph 6.8)
Excess analysed cost of centre brushes and uniforms by GNIDA

Sl. No.	Particulars	Rate taken for monthly cost		Higher rate per hectare
		By GNIDA	By Audit	
1	2	3	4	5
1.	Cost of centre brushes: (₹ 70,980.71 for set of 2 central brushes for two machines)	141961.42	70980.71	70980.71
2.	Annual cost of two sets of uniform for 86 workers each at the rate of ₹ 1000	172000.00	14333.33	157666.67
3.	Cost per month	313961.42	85314.04	228647.38
4.	Cost per day (Sl. 3/30)			7621.58
5.	Cost per hectare per day (7621.58/260.27 hectare for Part I)			29.28
6.	Water charges at the rate of one per cent of Sl. No. 5			0.29
7.	Total (5+6)			29.57
8.	Contractor profit at the rate 10 per cent of Sl. No. 7			2.96
	Excess rate per hectare per day (Sl. No. 7 +Sl. No. 8)			32.53

(Amount in ₹)

