

Overview

This Report of the Comptroller and Auditor General of India on Economic Sector (Non-PSUs), Government of Uttar Pradesh for the year ended 31 March 2014 includes one review, one long paragraph and five paragraphs dealing with the results of performance audit as well as audit of the financial transactions of the Government departments/autonomous bodies. A summary of the important findings is given below:

1. Performance Audit

Performance audit is undertaken to ensure whether the Government departments/autonomous bodies have achieved the desired objectives at the minimum cost and given the intended benefits.

1.1 Performance Audit of Kanpur Development Authority

Kanpur Development Authority (Authority) was set up in September 1974 under Uttar Pradesh Urban Planning and Development Act, 1973. The performance audit of the Authority was carried out during 9 December 2013 to 15 July 2014 covering the period of five years up to 2013-14.

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

- The Authority maintained nine current bank accounts under operation without any justification on records. Further, it failed to avail *auto-sweep* facility for current accounts which deprived the Authority from earning interest amounting to ₹ 3.61 crore between April 2009 and March 2014.

(Paragraph 2.1.6.3)

- Non-compliance of the order of the Hon'ble High Court requiring determination of the compensation for the possession of land in *Panki Ganga Ganj* area, resulted in avoidable payment of penal compensation amounting to ₹ 145.23 crore.

(Paragraph 2.1.7.1)

- An amount of ₹ 4.32 crore deposited for acquisition of land measuring 16.367 hectare, with ADM (LA) remained blocked and no effort was made to get refund of the amount paid by the Authority despite lapse of more than seven years.

(Paragraph 2.1.7.2)

- Six maps were approved in contravention to Building Bylaws, which resulted in short recovery of Floor Area Ratio charges to the extent of ₹ 7.75 crore.

(Paragraph 2.1.8.3)

- A group housing map was approved on the land marked as railway land in contravention to the Zoning Regulation of Master Plan-2021.

(Paragraph 2.1.8.4)

- An expenditure of ₹ 9.01 crore was incurred out of infrastructure fund on works not covered under infrastructure works.

(Paragraph 2.1.9.3)

- Authority recovered cess of ₹ 9.17 crore on account of approval of maps. However, it did not deposit ₹ 5.19 crore with cess collector (Labour Department) as of September 2014.

(Paragraph 2.1.9.4)

- Authority allotted land at circle rate applicable for agriculture land in place of residential land rates, resulted in short recovery of revenue amounting to ₹ 4.55 crore.

(Paragraph 2.1.10.1)

- Due to failure of the Authority to take action under Section 27 of the Uttar Pradesh Urban Planning and Development Act, 1973, four Multiplexes were running without obtaining completion certificates.

(Paragraph 2.1.11.2)

1.2 Implementation of the various schemes through District Industries Centres

Industrial policy provided for establishment of District Industries Centres (DICs) in all the districts to provide services and support required by small and cottage entrepreneurs. Suitable financial and organisational support was to be provided to these centres through State Government. The performance audit of the DICs was carried out during July 2013 to February 2014 to ascertain the implementation of various schemes through District Industries Centres covering the period of four years up to 2013-14.

Audit findings pertaining to implementation of various schemes through DICs are discussed below:-

- Under Prime Minister Employment Generation Programme, due to non-maintenance of the records, authenticity of release of subsidy amounting to ₹ 54.54 crore to 1996 beneficiaries could not be vouchsafed.

(Paragraph 2.2.6.2)

- Under Micro & Small Enterprises-Cluster Development Programme, implementation of the soft intervention in Steel Furniture Cluster, Lucknow sanctioned in 2009-10, could not be completed (March 2014) even after a lapse of more than four years. Further, Project of Leather Cluster, Gorakhpur was cancelled due to non-adherence of guidelines of the Uttar Pradesh Pollution Control Board.

(Paragraphs 2.2.7.2 & 2.2.7.3)

- Under Up-gradation of Infrastructure Facilities in the Industrial Estates Scheme, the DICs failed to ensure adequate infrastructure facilities in existing Industrial Estates due to which 614 plots of 11 out of 15 DICs test checked remained un-allotted.

(Paragraph 2.2.8.1)

- In contravention of the guidelines of Collective Training Scheme for self employment of persons of Scheduled Caste/Scheduled Tribe, DICs failed to

ensure 33 *per cent* participation of women candidates in six out of 15 test checked DICs.

(Paragraph 2.2.9.2)

- Under Handicrafts Marketing Promotion Scheme, DICs failed to widely publicise the scheme which has resulted in under utilisation of funds amounting to ₹ 1.59 crore.

(Paragraph 2.2.10.1)

2. Compliance Audit

- The Lucknow Development Authority extended undue benefit of ₹ 1.33 crore to a contractor by releasing mobilisation advance without ensuring availability of clear site and completing necessary formalities required for obtaining No Objection Certificate from Uttar Pradesh Pollution Control Board.

(Paragraph 3.1)

- The Agra Development Authority failed to provide the final area of allotted land to allottee within stipulated time and suffered loss of interest of ₹ 20.11 lakh.

(Paragraph 3.2)

- The Ghaziabad Development Authority failed to recover charges on corner plots in violation of the State Government order which resulted in short realisation of revenue amounting to ₹ 98.38 lakh.

(Paragraph 3.3)

- Consideration of estimated production of timber in place of actual production, for royalty purpose, resulted in short-realisation of royalty amounting to ₹ 6.21 crore.

(Paragraph 3.4)

- Uttar Pradesh Electricity Regulatory Commission failed to park surplus funds in higher interest bearing options and suffered a loss of interest amounting to ₹ 3.29 crore.

(Paragraph 3.5)