



सत्यमेव जयते

**Report of the
Comptroller and Auditor General of India
(Economic Sector-Non Public Sector Undertakings)**

for the year ended 31 March 2014



**Government of Uttar Pradesh
Report No. 2 of 2015**

**© COMPTROLLER AND
AUDITOR GENERAL OF INDIA
www.cag.gov.in**

www.agup.nic.in

**Report of the
Comptroller and Auditor General of India
(Economic Sector-Non Public Sector Undertakings)**

for the year ended 31 March 2014

**Government of Uttar Pradesh
Report No. 2 of 2015**

Table of contents

Particulars	Reference to	
	Paragraph (s)	Page (s)
Preface		iii
Overview		v-vii
Chapter 1		
Introduction	1	1-5
About this Report	1.1	1
Budget Profile	1.2	1
Application of Resources of the State Government	1.3	2
Persistent Savings	1.4	2
Funds transferred directly to the State implementation agencies	1.5	3
Grants-in-aid from Government of India	1.6	3
Planning and conduct of audit	1.7	3
Lack of responsiveness of Government to Inspection Reports	1.8	3
Government response to significant audit observations (paragraphs/reviews)	1.9	4
Follow up on Audit Reports	1.10	5
Status of placement of Separate Audit Reports of Autonomous Bodies in the State Assembly	1.11	5
Chapter 2		
Performance Audit of Kanpur Development Authority	2.1	7-22
Executive Summary	--	7
Introduction	2.1.1	8
Organisational Structure	2.1.2	9
Audit Objectives	2.1.3	9
Audit Criteria	2.1.4	10
Scope and Methodology of Audit	2.1.5	10
Audit Findings	2.1.6-2.1.11.2	10-21
Finance Section	2.1.6	10
Property Section	2.1.7	12
Planning Section	2.1.8	14
Engineering Section	2.1.9	17
Sale Section	2.1.10	20
Enforcement Section	2.1.11	21
Conclusion	2.1.12	22
Long paragraph on implementation of the various schemes through District Industries Centers	2.2	23-33
Introduction	2.2.1	23
Organisational Structure	2.2.2	23
Audit Objectives	2.2.3	23
Audit Criteria	2.2.4	24
Scope and Methodology of Audit	2.2.5	24
Audit Findings	2.2.6-2.2.10.1	24-31
<i>Schemes sponsored by Government of India</i>		24
Prime Minister Employment Generation Programme	2.2.6	24
Micro & Small Enterprises - Cluster Development Programme	2.2.7	26
<i>Schemes financed by Government of Uttar Pradesh</i>		28
Up-gradation of infrastructure facilities in the Industrial Estates	2.2.8	29
Collective Training Scheme for self employment of persons of Scheduled Caste/Scheduled Tribe under Special Component Plan	2.2.9	30
Handicrafts Marketing Promotion Scheme	2.2.10	31
Conclusion	2.2.11	32

Chapter 3			
Compliance Audit		3	35-39
Housing and Urban Planning Department			
	Undue favour to contractor	3.1	35
	Loss due to delay in releasing possession of the property	3.2	36
	Non-realisation of extra charges on the corner plots	3.3	37
Forest Department			
	Loss due to short-realisation of royalty	3.4	37
Energy Department			
	Injudicious parking of surplus funds	3.5	38
Appendices			
1.1	Statement showing details of outstanding Inspection Reports and Paragraphs	1.8	41
1.2	Statement showing details of outstanding SAR to be presented in State Assembly	1.11	42
2.1	Organisational Chart, Delegation of Powers and Duties of various Officers of Kanpur Development Authority under Section 51 (2) of U. P. Urban Planning and Development Act 1973	2.1.2.2	43
2.2	Statement showing investment in FDs at lower rate	2.1.6.2	48
2.3	Statement showing loss of interest due to non availing of <i>auto sweep</i> facility	2.1.6.3	55
2.4	Statement showing short-realization of rent from State Bank of India	2.1.6.4	56
2.5(A)	Findings related with short-recovery of FAR charges	2.1.8.3	57
2.5(B)	Findings related with inadequate provision for parking space	2.1.8.3	61
2.6	Statement showing scheme-wise budget allocation and expenditure incurred on four GoI schemes and 25 schemes financed by GoUP in 69 DICs for the period 2010-11 to 2013-14	2.2.1	62
2.7	Organisational Structure: Micro, Small and Medium Enterprises (MSME) and Export Promotion (EP) Department	2.2.2	64
2.8	Statement showing scheme-wise expenditure incurred on selected two schemes sponsored by GoI and four schemes financed by GoUP during 2010-11 to 2013-14 in 15 DICs	2.2.5	65
2.9	Statement showing details of cluster proposals approved by GoI, approved project cost <i>vis-a-vis</i> amount received during 2008-09 to 2013-14	2.2.7.1	66
2.10	Statement showing DIC-wise status of approved proposals and proposals lying unapproved against total identified cluster proposals till March 2014 in 15 test checked DICs	2.2.7.1	68
2.11	Statement showing status of allotment of plots in Industrial Estates (March 2014) in 15 test checked DICs	2.2.8.1	70
2.12	Statement showing details of 39 plots allotted but not cancelled by DIC Bareilly and Kanpur Nagar	2.2.8.2	72
2.13	Details of Trades under which training was to be provided under Collective Training Scheme for self employment of persons of Scheduled Caste and Scheduled Tribe	2.2.9	73
2.14	Statement showing status of utilisation of fund by 69 DICs during 2012-13 to 2013-14 in Handicrafts Marketing Promotion Scheme	2.2.10.1	74
3.1	Statement showing calculation of loss of interest on mobilisation advance	3.1	76
3.2	Statement showing calculation of loss of interest	3.2	77
3.3	Statement showing short-realisation of royalty	3.4	78
3.4	Statement showing loss of interest	3.5	79
Glossary		---	80