



सत्यमेव जयते

**Report of the
Comptroller and Auditor General of India
on
Public Sector Undertakings
for the year ended 31 March 2014**



**Government of Uttar Pradesh
Report No. 4 of the year 2015**

**Report of the
Comptroller and Auditor General of India
on
Public Sector Undertakings**

for the year ended 31 March 2014

**Government of Uttar Pradesh
Report No. 4 of the year 2015**

Table of contents

	Particulars	Reference to	
		Paragraph (s)	Page (s)
	Preface		v
	Overview		vii-xii
	Chapter-I		
	Overview of Government companies and Statutory corporations	1	1-12
	Introduction	1.1-1.3	1
	Audit Mandate	1.4-1.6	1-2
	Investment in State PSUs	1.7-1.9	2-3
	Budgetary outgo, Grants/Subsidies, Guarantees and Loans	1.10-1.11	3-4
	Reconciliation with Finance Accounts	1.12	4
	Performance of PSUs	1.13-1.17	5
	Arrears in finalisation of Accounts	1.18-1.22	6-7
	Status of placement of Annual Report	1.23	7
	Winding up of non-working PSUs	1.24-1.26	7-8
	Accounts Comments and Internal Audit	1.27-1.32	8-11
	Recoveries at the instance of audit	1.33	11
	Status of placement of Separate Audit Reports	1.34	11
	Disinvestment, Privatisation and Restructuring of PSUs	1.35	12
	Chapter-II		
	Performance Audit relating to Government Companies		
	Performance Audit on Collection and Disposal of Forest Produce by Uttar Pradesh Forest Corporation	2.1	13-29
	Executive summary	--	13-14
	Introduction	2.1.1	14-15
	Organisational set up	2.1.2	15-16
	Audit Objectives	2.1.3	16
	Audit Criteria	2.1.4	16
	Scope and Methodology of audit	2.1.5	16-17
	Audit findings	2.1.6	17
	Collection and Disposal of Round Timber and Firewood	2.1.7-2.1.17	17-22
	Collection, Disposal and Royalty of <i>Tendu</i> leaves	2.1.18-2.1.27	22-28
	Internal Control and Monitoring	2.1.28	28
	Best Practice	--	29
	Conclusion	--	29
	Performance Audit on the Working of Power Distribution Companies	2.2	30-53
	Executive summary	--	30-31

Introduction	2.2.1	32
Organisational set up	2.2.2	32-33
Audit Objectives	2.2.3	33
Audit Criteria	2.2.4	33
Scope and Methodology of audit	2.2.5	33-34
Audit findings	--	34
Madhyanchal Vidyut Vitran Nigam Limited	2.2.6-2.2.25	34-41
Adequacy of Distribution network	2.2.7-2.2.11	34-36
Operational Efficiencies	2.2.12-2.2.16	36-38
Billing and collection efficiency	2.2.17-2.2.22	38-40
Consumer Satisfaction and Redressal of Grievances	2.2.23-2.2.25	40-41
Dakshinanchal Vidyut Vitran Nigam Limited	2.2.26-2.2.44	41-48
Adequacy of Distribution network	2.2.27-2.2.31	41-44
Operational Efficiencies	2.2.32-2.2.34	44-45
Billing and collection efficiency	2.2.35-2.2.38	45-46
Consumer Satisfaction and Redressal of Grievances	2.2.39-2.2.44	46-48
Purvanchal Vidyut Vitran Nigam Limited	2.2.45-2.2.57	48-53
Adequacy of Distribution network	2.2.46-2.2.49	49-50
Operational Efficiencies	2.2.50-2.2.52	50-51
Billing and collection efficiency	2.2.53-2.2.55	51-52
Consumer Satisfaction and Redressal of Grievances	2.2.56-2.2.57	52-53
Non-production of records	2.2.58	53
Conclusions	--	53
Chapter-III		
Transaction Audit Observations	3	
Government Companies		
Uttar Pradesh Rajkiya Nirman Nigam Limited		
Construction of ESIC Medical Colleges and its Allied Works	3.1	55-59
Undue favour to contractors	3.2	59-60
Excess contribution to Employees' Provident Fund	3.3	60
Dakshinanchal Vidyut Vitran Nigam Limited		
Procurement of material by Electricity Distribution Circle, Jhansi	3.4	61-62
U. P. Electronics Corporation Limited		
Short claim of Institutional charges and undue benefit to supplier	3.5	62-64
Non-charging of 'e-tendering fee'	3.6	64
Uttar Pradesh Samaj Kalyan Nirman Nigam Limited		
Avoidable expenditure on procurement of cement	3.7	64-65
Purvanchal Vidyut Vitran Nigam Limited		
Excess payment to franchisee	3.8	65-66
Undue favour to contractor	3.9	66

	Purvanchal Vidyut Vitran Nigam Limited, Madhyanchal Vidyut Vitran Nigam Limited, Paschimanchal Vidyut Vitran Nigam Limited and Dakshinanchal Vidyut Vitran Nigam Limited		
	Non deposit of compounding charges	3.10	67
	Uttar Pradesh Rajya Vidyut Utpadan Nigam Limited		
	Delayed action to use auto sweep facility	3.11	67-68
	Uttar Pradesh Power Transmission Corporation Limited		
	Loss due to negligence in obtaining insurance policy	3.12	68-69
	Statutory Corporations		
	Uttar Pradesh State Road Transport Corporation		
	Avoidable payment of Low Tension Surcharge	3.13	69-70
	Uttar Pradesh Jal Nigam		
	Undue favour to the Contractor	3.14	70-71
	Extra expenditure on purchase of transformers	3.15	71
	General		
	Follow up Action on Audit Reports	3.16	72-73
No.	ANNEXURES		
1.1	Statement showing particulars of up to date paid up capital, loans outstanding and Manpower as on 31 March 2014 in respect of	1.7	75-87
1.2	Statement showing grants and subsidy received/receivable, guarantees received, waiver of dues, loans written off and loans converted in to equity during the year and guarantee commitment at the end of March 2014	1.10	88-90
1.3	Summarised financial results of Government companies and Statutory corporations for the latest year for which accounts were finalised	1.13	91-104
1.4	Statement showing financial position of Statutory corporations	1.13	105-107
1.5	Statement showing working results of Statutory corporations	1.13	108-110
1.6	Statement showing investment made by the Government in the form of equity, loans, grants/subsidies to the working Government companies / Statutory corporations which had arrears in finalisation of Accounts	1.21	111
2.1.1	Norms for production of firewood	2.1.12	112
2.1.2	Statement showing short production of firewood	2.1.12	112
2.1.3	Statement showing analysis of average weight of <i>tendu</i> leaves with the average weight of preceding three years	2.1.23	113
2.1.4	Statement showing analysis of average weight of <i>tendu</i> leaves with average weight of preceding year	2.1.23	114
2.1.5	Statement showing disposal of <i>tendu</i> leaves of previous years	2.1.26	115
2.2.1	Statement showing position of network development by the DISCOMs	2.2.7, 2.2.27 & 2.2.46	116
2.2.2	Statement showing details of consumers and transformation capacity	2.2.7, 2.2.27 & 2.2.46	117

2.2.3	Statement showing details of allowed and allowable package rate of HV/LV leg coils	2.2.10	118
2.2.4	Statement showing loss of energy due to non-installation of Capacitor Bank	2.2.15, 2.2.33 & 2.2.52	119
2.2.5	Statement showing details of short billing done by DISCOMs	2.2.18, 2.2.35 & 2.2.53	120-122
2.2.6	Statement showing details of issue of incorrect bills and their revision by DISCOMs	2.2.19, 2.2.36 & 2.2.54	123
2.2.7	Statement showing details of complaints received and their disposal	2.2.25 & 2.2.44	124
2.2.8	Statement showing details of avoidable expenditure on the work of underground cabling	2.2.29	125
2.2.9	Statement showing details of centage charges on the work of underground cabling	2.2.29	125
2.2.10	Statement showing details of Excess billing done by DISCOMs	2.2.35 & 2.2.53	126-128
3.1	Statement showing details of ESIC work	3.1.1	129
3.2	Statement showing details of items on which higher Item rates were allowed against the DSR rates	3.1.4	130
3.3	Statement showing amount paid by ESIC against escalation bill	3.1.8	130
3.4	Statement showing excess payment by UPRNN to the sub-contractors	3.2	131-132
3.5	Excess employer contribution to Employees Provident Fund	3.3	133
3.6	Statement showing details of Purchase Orders issued	3.4.1	134
3.7	Statement showing Purchase Orders issued without inviting tenders	3.4.2	135-136
3.8	Statement showing procurement of material without requirement	3.4.2	137
3.9	Statement showing excess payment made to suppliers	3.5.2 (i)	138
3.10	Statement showing paragraphs/Performance Audit for which replies were not received	3.16.1	139
3.11	Statement showing the department-wise outstanding Inspection Reports	3.16.3	140
3.12	Statement showing the department-wise draft paragraphs/Performance Audit replies to which were awaited	3.16.3	141