



SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थं सत्यनिष्ठा
Dedicated to Truth in Public Interest

**Report of the
Comptroller and Auditor General of India
on
Working of Uttar Pradesh State Industrial
Development Authority (UPSIDA)**



**Government of Uttar Pradesh
Report No. 14 of 2025
(Performance Audit - Civil)**

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Preface

This Report of the Comptroller and Auditor General of India has been prepared for submission to the Governor of Uttar Pradesh under Article 151 of the Constitution of India.

This Report contains the results of the Performance Audit on Working of Uttar Pradesh State Industrial Development Authority (UPSIDA), covering the period 2017-18 to 2021-22 (updated up to March 2024).

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

EXECUTIVE SUMMARY

Executive Summary

Uttar Pradesh State Industrial Development Authority

Uttar Pradesh State Industrial Development Authority (UPSIDA) was formed (5 September 2001) under the Uttar Pradesh Industrial Area Development Act, 1976 (UPIAD Act) to overcome the difficulties experienced by U.P. State Industrial Corporation Limited (UPSIDC)¹ in its status as a Company in development and management of Industrial Areas (IAs). Subsequently, GoUP issued (27 June 2018) an ordinance² called “The Uttar Pradesh State Industrial Development Corporation Limited (Transfer of Assets and Liabilities) Ordinance, 2018” to provide for the transfer of properties, powers, functions, liabilities, assets, duties and personnel of UPSIDC to UPSIDA. As per the ordinance, consequent upon such transfer UPSIDC shall remain as a shell company. Later, GoUP through notification (4 March 2021) rescinded Lucknow Industrial Development Authority (LIDA) and included villages of Lucknow and Unnao district in UPSIDA. There were 154 IAs of UPSIDA covering approximately 49,395.20 acres of land across the State of Uttar Pradesh as on 31 March 2022.

Why did we take up this audit?

The objective of UPSIDA is to secure the planned development of the industrial development area. It is responsible for preparation of Plan for development of the industrial development area and providing infrastructure for industrial, commercial and residential purposes and regulating the erection of buildings and setting up of industries.

The Performance Audit on the Working of Uttar Pradesh State Industrial Development Authority was undertaken to assess whether: (i) Land acquisition, development and construction activities were carried out in an economic, efficient and effective manner; (ii) Allotment of plots was done in a fair and transparent manner and in accordance with the prescribed procedure; and (iii) Systems of internal control were efficient and effective.

What audit found and what do we recommend?

Audit found lapses in planning of development of notified IAs, infrastructure development in acquired land, allotment of plots and system of internal control. The shortcomings are outlined in the succeeding paragraphs.

Planning and Acquisition of Land

UPSIDA was managing its affairs without approved regulations from IIDD, GoUP and it could not finalise its Perspective Plan, Development/ Redevelopment plans for development of notified areas since its constitution. It did not prepare a perspective plan at the State level to promote prospects of productivity and employment for identifying growth-centers, promulgating planned industrial development and curbing unplanned/sporadic industrial growth. UPSIDA informed that there were 154 IAs situated in 55 districts of Uttar Pradesh in small groups and there was different geographical situation of IAs. Thus, no single plan could be implemented in every IAs.

¹ Incorporated on 29 March 1961 as a wholly owned Company of Government of Uttar Pradesh (GoUP) under the Companies Act, 1956. Later, the name was changed to Uttar Pradesh State Industrial Development Corporation Limited (UPSIDC) on 21 February 1973.

² Notification issued on 10 September 2018 after approval of legislature on the ordinance.

It did not finalise Zonal plans for three zones (*viz.* a multi-functional zone near Lucknow, an Industrial Zone near Unnao and a Tourism and Nature Conservation Zone near Nawabganj) even after lapse of more than five years of approval of the Ex-LIDA Master Plan 2031 for 29,996 hectares of land in Lucknow and Unnao districts. Out of six years from 2017-18 to 2022-23, land acquisition targets were achieved only in 2020-21. The shortfall in achievement of targets ranged between 27.60 *per cent* to 100 *per cent* with no land being acquired in two years (2019-20 and 2022-23). UPSIDA stated that targets could not be achieved due to Covid-19 and fixation of ambitious targets. GoUP stated (July 2024) that targets could not be achieved due to protest of farmers and local residents.

Infrastructure Development in Acquired Land

UPSIDA did not achieve its targets for development of land in any year out of the six years from 2017-18 to 2022-23. The shortfall in achievement of targets ranged between 24.67 *per cent* to 92.70 *per cent*. However, there was improvement visible in achievements (*i.e.* achieved 75.33 *per cent* in 2020-21 and 50.44 *per cent* in 2022-23) of targets for development of land. Instances of award of 15 contracts valuing ₹ 255.75 crore without verifying the documents of the bidders were noticed. Later, these documents were suspected fake resulting in cancellation of awarded contracts. 27 contract bonds with value ranging from ₹ 1.01 crore to ₹ 63.41 crore were awarded to contractors without assessing the bidding capacity of the bidders resulting in significant delays in execution of work. Instances of short recovery of Liquidated Damages (LD) of ₹ 13.71 crore in 16 cases and not recovering quality test fee of ₹ 1.63 crore from the bills of the contractors in 34 works were noticed. UPSIDA incurred avoidable expenditure of ₹ 7.67 crore from its own funds on maintenance of IAs falling under the jurisdiction of municipal bodies.

Allotment of Plots

UPSIDA did not achieve its targets for land allotment and recoveries to be made from the allottees. Land allotment achievement ranged from 27 to 58 *per cent* of the target and recoveries from allottees ranged from 47 to 96 *per cent* of the amount targeted for recoveries during the six years from 2017-18 to 2022-23. Instances of allotment of industrial plot measuring 3,929 sqm for an amount of ₹ 93.08 lakh without obtaining complete financial details, allotment of plot measuring 5,018.65 sqm for ₹ 1.10 crore to ineligible applicant due to incorrect evaluation and allotment of four amalgamated plots measuring ranged from 674 sqm to 17,042.92 sqm without obtaining required public objections were noticed. There was absence of criterion for evaluation of financial strength of applicant with respect to the project cost and minimum qualifying benchmark in marking system. UPSIDA did not evaluate the maximum eligibility of area of land in case of allotment of three plots which resulted in allotment of excess land ranging from 1,992 sqm to 10,542 sqm to three allottees. E-auction was carried out without adhering to the Board approved procedure resulting in short recovery of e-Auction price by ₹ 58.98 lakh. Instances of grant of permission for start of production before issuing completion / occupancy certificate were noticed in 37 cases.

System of Internal Control

UPSIDA did not exercise adequate internal financial controls. Instances of decision-making deficiencies were noticed in loans taken (₹ 41 crore from

GoUP and ₹ 450 crore from NOIDA³) and unsecured loans (₹ 52.84 crore) granted to two state Public Sector Undertakings. Assets and liabilities of UPSIDC and Ex-LIDA were not transferred to UPSIDA as annual accounts of UPSIDC were not prepared from the year 2014-15 and annual accounts of LIDA were not finalised from the year 2019-20. Annual accounts of UPSIDA were not prepared since inception and as a result were not laid in the Legislature. UPSIDA did not obtain tax exemption under Section 10 (46) of Income tax act, 1961. Guidelines were not adhered to in investment of ₹ 57.23 crore in fixed deposits. Appropriate Fixed deposit register to ensure effective control over the investments was not maintained. UPSIDA did not claim TDS refunds amounting to ₹ 60.33 lakh timely.

Recommendations

Audit recommends that:

- **UPSIDA should prepare Perspective Plan, Development plans/ Re-development plans and Zonal plans. GoUP should also expedite approval of all submitted regulations.**
- **UPSIDA should ensure proper verification of bid documents to avoid awarding contracts on the basis of suspected fake documents. Furthermore, action should be taken against officials responsible for the same.**
- **UPSIDA should ensure assessment of the bidding capacity of the bidders to avoid awarding contracts to bidders not capable of efficiently executing the work.**
- **UPSIDA should ensure retention of delay LD at appropriate rates from the bills of the contractor to safeguard its interests. Further, UPSIDA should recover quality inspection fee from the contractor as per agreed terms and conditions.**
- **UPSIDA should establish a minimum benchmark in the marking system for qualification of the allottees. UPSIDA should fix a criterion for evaluation of financial strength of applicant with respect to project cost.**
- **UPSIDA should ensure assessment of the eligibility of area of the land to be allotted as per fixed parameters. Furthermore, UPSIDA should conduct e-auction as per Board approval.**
- **UPSIDA should ensure that before granting permission for start of production, allottee has been issued with completion/occupancy certificate.**
- **GoUP should ensure that pending annual accounts of UPSIDC, Ex-LIDA and UPSIDA are finalized at the earliest to enable merger of assets and liabilities of UPSIDC and Ex-LIDA with UPSIDA. Furthermore, the GoUP should ensure that annual report of UPSIDA is laid before both Houses of the Legislature.**
- **UPSIDA should ensure that a digitisation of fixed deposits register duly certified by competent authority is prepared at the earliest and**

³ New Okhla Industrial Development Authority.

monitor it at all times. Fund investment policy needs to be formulated as per direction of GoUP from time to time.

- **UPSIDA may fix responsibility on officials for not providing records/information during the course of audit.**

CHAPTER–I

General

CHAPTER-I

General

Introduction

1.1 U.P. State Industrial Corporation Limited incorporated (March 1961) as a wholly owned Company of Government of Uttar Pradesh (GoUP) under the Companies Act, 1956, was renamed (February 1973) as Uttar Pradesh State Industrial Development Corporation Limited (UPSIDC).

Subsequently, UPSIDC in its status as a Company experienced¹ the following difficulties in development and management of its Industrial Areas (IAs).

- Problem of sanctioning of lay-out plans, and approving change of land use due to dual administrative system. It also did not have the power to impose tax like local bodies (Nagar Nigam and Nagar Palikas) and did not have powers of eviction and enforcement for effective and efficient management of the property of the Company.
- Being a company, UPSIDC had to pay income tax in compliance of various statutory provisions of Companies Act, 1956 and Income Tax Act. It also required deployment of manpower to attend the taxation matters.

GoUP ordered (October 1999) to constitute a new authority under the Uttar Pradesh Industrial Area Development Act, 1976 (UPIAD Act), while maintaining UPSIDC as a shell company with transfer of all the assets and liabilities of UPSIDC to the new authority. UPSIDC in its 231st meeting (December 1999) of the Board of Directors adopted the GoUP order and approved conversion of UPSIDC into an authority considering above difficulties.

GoUP formed² (September 2001) the Uttar Pradesh State Industrial Development Authority (UPSIDA) under Section 3 of the UPIAD Act and declared 123 IAs as Uttar Pradesh State Industrial Development Area under Section 2(d) of the UPIAD Act. As on 31 March 2022³, 154 IAs across the State of Uttar Pradesh covering approximately 49,395.20 acres of land was under UPSIDA.

GoUP issued (27 June 2018) an ordinance⁴ called “The Uttar Pradesh State Industrial Development Corporation Limited (Transfer of Assets and Liabilities) Ordinance, 2018” to provide for the transfer of properties, powers, functions, liabilities, assets, duties and personnel of UPSIDC to UPSIDA. As per provisions of the ordinance, consequent upon such transfer UPSIDC shall remain as a shell company.

Merger of LIDA into UPSIDA

1.1.1 With a view to increase manpower and availability of working capital, GoUP *inter-alia* decided (October 2018) to merge the assets and liabilities of the Lucknow Industrial Development Authority (LIDA) into UPSIDA and instructed LIDA’s Board for further necessary action. LIDA’s Board approved (November 2018) the proposal and forwarded (August 2019) the same to

¹ As per Agenda of 231 Board of Directors meeting held on 3 December 1999.

² Vide notification no. 1418/77-4-2001-267Bha-97 TC-1 dated 5 September 2001.

³ Latest status was not provided by Management.

⁴ Notification issued on 10 September 2018 after approval of legislature on the ordinance.

UPSIDA/GoUP. GoUP notified (March 2021) inclusion of 45 villages of Lucknow and 34 villages of Unnao in UPSIDA.

Another objective for the above action was to ensure the smooth operation along with the preparation of uniform building regulations⁵ applicable in the notified area of the merged entity (*i.e.* LIDA). Audit noticed that UPSIDA in its 38th Board meeting adopted (June 2021) the GoUP approved Master Plan 2010-2031 of Ex-LIDA and Building Regulation-2009 of Ex-LIDA for its notified areas. However, no effort was taken to develop and implement uniform building regulations as per GoUP order (October 2018).

Role of Infrastructure and Industrial Development Department

1.2 UPSIDA functions under the administrative control of Infrastructure and Industrial Development Department (IIDD) of GoUP. IIDD formulates industrial and infrastructure development policies and strategies for GoUP for creating an enabling environment for promoting industrial growth in the State. IIDD performs its function relating to development of IAs through seven⁶ Industrial Development Authorities (IDAs). UPSIDA is one of these seven IDAs. In respect of UPSIDA, IIDD is responsible for:

- making rules for carrying out the purposes of the UPIAD Act, 1976;
- approval of the regulations framed by UPSIDA for administration of its affairs;
- issuing directions to UPSIDA from time to time for efficient administration of the UPIAD Act, 1976;
- requiring UPSIDA to furnish reports, returns and other information from time to time;
- ensuring implementation of Master Plan by UPSIDA; and
- ascertaining that development works have been carried out in accordance with the Master Plan.

Functions of UPSIDA

1.3 As per Section 6 of the UPIAD Act, 1976, the objective of UPSIDA is to secure the planned development of the industrial development area. It is responsible for performing the following functions:

- preparing a plan for development of the industrial development area;
- demarcating and developing sites for industrial, commercial and residential purposes in accordance with the plan;
- providing infrastructure for industrial, commercial and residential purposes;
- providing amenities;
- allocating and transferring, either by way of sale or lease or otherwise, plots of land for industrial, commercial or residential purposes;

⁵ UPSIDA was made nodal for preparation of Uniform building regulation applicable in case of industrial development Authorities (Gorakhpur Industrial Development Authority, Satharia Industrial Development Authority, LIDA) situated outside the national capital region as per GoUP decision (October 2018).

⁶ NOIDA, Greater NOIDA Industrial Development Authority (GNIDA), Yamuna Expressway Industrial Development Authority (YEIDA), Uttar Pradesh Expressway Industrial Development Authority (UPEIDA), Gorakhpur Industrial Development Authority (GIDA), Satharia Industrial Development Authority (SIDA) and Uttar Pradesh State Industrial Development Authority (UPSIDA).

- regulating the erection of buildings and setting up of industries; and
- laying down the purpose for which a particular site or plot of land shall be used, namely for industrial or commercial or residential purpose or any other specified purpose in such area.

Management of UPSIDA

1.4 Section 3 of the UPIAD Act, 1976 provides that UPSIDA shall be a body corporate consisting of 11 members (including Chief Executive Officer as Member Secretary and five members to be nominated by GoUP). Out of these, Principal Secretary, Industries Department, GoUP or his nominee not below the rank of Special Secretary shall be the *ex-officio* Chairman. Section 4 of the UPIAD Act provides that the Chief Executive Officer (CEO) of UPSIDA shall be appointed by GoUP. UPSIDA consists⁷ of the following board members as on 31 March 2024:

- Infrastructure & Industrial Development Commissioner, GoUP- Chairman
- Additional Chief Secretary, GoUP, Finance Department - Member
- Additional Chief Secretary, GoUP, Revenue Department - Member
- Additional Chief Secretary, GoUP, Housing Department - Member
- Principal Secretary, GoUP, Infrastructure & Industrial Development Department - Member
- Principal Secretary, GoUP, Stamp and Registration Department - Member
- Principal Secretary, GoUP, Public Works Department - Member
- Chief Town and Country Planner, GoUP - Member
- Chief Executive Officer (UPSIDA) - Member Secretary
- Chief Executive Officer, New Okhla Industrial Development Authority (NOIDA) - Member

Organisational Structure of UPSIDA

1.5 UPSIDA is headed by a CEO, who is assisted by three Additional Chief Executive Officer (ACEOs). The ACEOs are further assisted by Finance Controller (FC), Principal General Manager (PGM) Engineering, General Manager (GM) Legal, GM (Industrial Area), GM (Architect & Planning), Assistant General Manager (AGM) Establishment, AGM (Najarat), AGM (Estate), AGM (Business Promotion), Senior Land Acquisition Officer (SLAO) and Senior Programmer (Computer).

As on 31 March 2024, the construction activities are carried out by eleven Construction divisions (CD) and four Electrical Divisions (ED) each headed by a Senior Manager (Civil/Electrical) under overall supervision of Principal General Manager (Engineering), who is responsible for development of IAs. The marketing of developed plots is done by the GM (Industrial Area) through 16 Regional/Project Offices headed by the Regional Managers (RMs)/Project Officers (POs).

Entrustment of Audit and Financial position/working results

1.6 GoUP entrusted audit of UPSIDC to the Comptroller and Auditor General of India (CAG) in July 2017. In January 2018, CAG was appointed as the sole

⁷ As provided in GoUP order dated 02 July 2020, Chief Executive officer (UPSIDA) is also held the charge of Managing Director (UPSIDC).

auditor for all authorities under IIDD. UPSIDA did not prepare its financial statements since inception. The Annual Accounts of UPSIDC were finalised up to the year 2013-14 only. The financial position and working results of the UPSIDC for the period 2017-18 to 2022-23 and Ex-LIDA for the four years ending 2020-21 are provided in **Appendix-1.1** and **Appendix-1.2**.

Audit Objectives

1.7 The objectives of Audit were to assess whether:

- Land acquisition, development and construction activities were carried out in an economic, efficient and effective manner;
- Allotment of plots was done in a fair and transparent manner and in accordance with the prescribed procedure; and
- Systems of Internal control were efficient and effective.

Audit Criteria

1.8 Audit examination was done on the basis of following audit criteria:

- The Uttar Pradesh Industrial Area Development Act, 1976;
- The Land Acquisition Act, 1894; and the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013;
- The Uttar Pradesh Land Acquisition (Determination of Compensation and Declaration of Award by Agreement) Rules, 1997;
- Industrial Investment and Employment Promotion Policy of GoUP 2017;
- Guidelines, directives, orders, manuals, policies, circulars etc. of the UPSIDA, GoUP;
- Financial Handbooks of GoUP, Uttar Pradesh Public Works Department (UPPWD) directives and orders;
- Directives/Orders of the Board, Annual budgets, Annual Reports and Returns;
- Working Manual for Development and Maintenance of Industrial Areas (WMDMIA), Operating Manual of Industrial Area 2011;
- Master Plans, Zonal Plans, Zoning Regulations and Building Bye-Laws;
- Administrative approvals, financial sanctions, technical sanctions, approvals/clearances/No Objection Certificates;
- Contracts/agreements; and
- Other applicable Acts/ Rules/ Regulations/ Orders.

Scope and Methodology of Audit

1.9 The Performance Audit (PA) conducted during 12 September 2022 to 17 April 2023, covers the performance of UPSIDA (including the performance of UPSIDC and Ex-LIDA) in planning, acquisition of land, infrastructure development, allotment of plots and the internal control system for the period from 2017-18 to 2021-22 (updated up to 31 March 2024 on the basis of records/details/information produced to audit⁸). The details of sampling done for conducting the PA are given in **Table 1.1**.

⁸ Updated during June 2024 to August 2024.

Table 1.1: Details of Sampling

Particulars	Sampling method	Total population	Sample selected	Per cent of sample selected to total population
Land Acquisition				
Resumption	Judgmental	5	5	100
Direct Purchase	Judgmental	7	7	100
LAA Act, 2013	No acquisition was made during period 2017-18 to 2021-22			
Infrastructure Development				
Contract bonds	Stratified through use of <i>IDEA</i> ⁹	440	113	25.68
Allotment of Plots				
Industrial		1585	177	11.17
Plots (area more than 10000 sqm)	Judgmental	44	44	100
Plots (area more than 4000 sqm and less than 10000 sqm)	Stratified random	108	29	26.85
Plots (area up to 4000 sqm)	Stratified random	1433	104	7.26
Residential	Random	five schemes	four schemes	80
Commercial	Judgmental	6	6	100

Audit methodology included:

- Explaining the audit objectives and methodology to the Additional Chief Secretary of the IIDD, GoUP and Management of UPSIDA in the Entry Conference held on 12 September 2022; and
- Scrutiny of records, analysis of data, raising audit queries and interaction with the Management of UPSIDA to assess its performance.

The Draft Performance Audit report was issued (9 June 2023) to the Management of UPSIDA for obtaining their comments. As the Management response was not received, the matter was taken up (30 August 2023) with the Chief Secretary, GoUP for furnishing replies and confirmation of facts and figures of draft report. UPSIDA furnished partial replies during the period from September 2023 to December 2023 which have been suitably incorporated in the Draft Performance Audit Report. Draft Report was also issued to IIDD, GoUP on 12 February 2024 and Exit Conference was held on 15 April 2024 with GoUP and UPSIDA. Replies of GoUP were received on 26 July 2024. Replies and comments/views put forth by IIDD, GoUP/ UPSIDA in the Exit Conference have been duly considered and incorporated in the Performance Audit Report.

Scope Limitations

1.10 UPSIDA had not furnished records / information relating to execution of development and construction activities, allotment of plots and establishment records as detailed in **Appendix-1.3** up to closure of audit in April 2023, and later updated in August 2024, and in October 2025 during specific visit for these records/information.

Recommendation No. 1

UPSIDA may fix responsibility on officials for not providing records/information during the course of audit.

⁹ Interactive data extraction analysis software.

Contents of the Performance Audit Report

1.11 The contents of this Performance Audit Report have been arranged under five chapters which are as follows:

- I. General
- II. Planning and Acquisition of Land
- III. Infrastructure Development in Acquired Land
- IV. Allotment of Plots
- V. System of Internal Control

Chapter I describes entrustment of audit, audit objectives, audit criteria, audit scope and audit methodology. The other four chapters contain audit findings on various aspects of functioning of UPSIDA.

The audit observations in the aforesaid chapters include instances of short recoveries, excess refunds made, refunds/exemptions not claimed and avoidable expenditures.

Acknowledgement

1.12 Audit acknowledges the co-operation and assistance extended by UPSIDA during conduct of this Performance Audit.

CHAPTER–II

Planning and Acquisition of Land

CHAPTER-II

Planning and Acquisition of Land

This chapter discusses the deficiencies observed in preparation of various plans and achievement of land acquisition targets. Further, the chapter discusses implementation of regulations by UPSIDA without obtaining required GoUP approval.

Introduction

2.1 Prior to formation of UPSIDA, majority of the IAs of UPSIDC were covered under the regulated development areas of various urban development authorities. After formation (September 2001) of UPSIDA, the then existing 123 number of IAs were declared as Uttar Pradesh State Industrial Development Area and were excluded from the master plans or the zonal development plans of various urban development authorities as per the Section 17 (overriding effect of the Act) of the UPIAD Act, 1976.

The Board of UPSIDA, in its first meeting (September 2001) felt the need to prepare comprehensive perspective plan containing spatio-economic development, strategies and general programs of UPSIDA for industrialization of the State. Within the framework of Perspective plan, Development plans were to be prepared by UPSIDA for each of the notified areas. While realizing the significance of such plans, Board felt that the preparation of Perspective plans/Development plans was likely to take some time.

In order to develop the IAs excluded from the Master plans or the Zonal Development plans of various urban development authorities due to creation of UPSIDA, Board adopted (September 2001) UP State Industrial Development Area (Planned Development of Industrial Areas Transitory Provisions) Regulations, 2001. These regulations were approved by GoUP in June 2002. In April 2005, UPSIDA implemented various Regulations¹ which required it to adopt a three-tiered planning approach for planned development of the notified areas.

After issuance (June 2018) of ordinance regarding transfer of assets and liabilities of UPSIDC to UPSIDA, UPSIDA Board approved (November 2018) and implemented (January 2019) the UPSIDA Transitory Provisions 2018 for appropriate functioning of UPSIDA. UPSIDA Transitory Provisions 2018 *inter alia* stated that operating manuals/regulations/by-laws of UPSIDC were applicable to UPSIDA subject to overriding effect of the UPIAD Act 1976, Uttar Pradesh Industrial Development Authority (Centralized) Services Regulations 2018, Uttar Pradesh State Industrial Development Area Land Development and Building Regulations 2018 and Uttar Pradesh State Industrial Development Area (Preparation and Finalisation of Plan) Regulations 2004. As per UPSIDA Transitory Provisions 2018, UPSIDA was to complete preparation of by-laws/operating manual for all the work responsibilities handled by UPSIDA at the earliest. However, UPSIDA prepared only the Industrial Area Operating Manual 2023 till date.

¹ The Uttar Pradesh State Industrial Development Area (Preparation and Finalisation of Plans) Regulations-2004; The Uttar Pradesh State Industrial Development Area, Land Development Regulation-2004; and The Uttar Pradesh State Industrial Development Area, Building Regulation-2004.

Audit Findings

2.2 Audit findings relating to planning and acquisition of land for development of IAs under the jurisdiction of UPSIDA/UPSIDC are discussed in succeeding paragraphs:

Implementation of Regulations without GoUP approval

2.2.1 UPSIDA approved² and implemented (23 April 2005) the following regulations to secure the planned development of the industrial development area without the previous approval of GoUP as is required under Section 19 (1) of the UPIAD Act:

- The Uttar Pradesh State Industrial Development Area (Preparation and Finalisation of Plans) Regulations - 2004
- The Uttar Pradesh State Industrial Development Area, Land Development Regulation - 2004
- The Uttar Pradesh State Industrial Development Area, Building Regulation-2004

The above matter was already commented in the CAG's Audit Report (Economic Sector-Non PSUs) for the year ended 31 March 2015. However, no action has been taken in this regard till date. Subsequently, the Uttar Pradesh State Industrial Development Area Land Development and Building Regulations 2018 (Regulations 2018) were implemented from 26 November 2018 with the approval of Board³ by replacing the two erstwhile regulations (*i.e.* Uttar Pradesh State Industrial Area Building Regulations 2004 and Uttar Pradesh State Industrial Area, Land Development Regulations 2004). GoUP approval was also pending on Regulations 2018. Thus, UPSIDA was managing its affairs without approved regulations.

UPSIDA replied (September 2023) that it had the authority to make development plans till the approval and issue of above regulations by GoUP. GoUP also stated (July 2024) that Building Regulations were implemented in anticipation of the approval of State Government.

The reply is not acceptable as previous approval of GoUP as required under Section 19 of the Act was also pending.

Perspective Plan not prepared

2.2.2 As per Para 2.0, of the Uttar Pradesh State Industrial Development Area (Preparation and Finalisation of Plan) Regulations 2004, UPSIDA shall prepare⁴ a perspective plan for a period of 20 years to be reviewed after every five years. It shall be a policy document prepared in consultation with, and approval of, the State Government, delineating the Industrial Policy/Plans at the State level to promote prospects of productivity and employment. It would identify growth-centers, promulgate planned industrial development and curb unplanned/sporadic industrial growth. It shall provide the State Government the goals, strategies, and general programme of the Authority regarding socio-economic development of industrial development areas.

Audit observed that since its formation, UPSIDA did not prepare a perspective plan to fulfill the above stated objectives.

² In its 7th Board meeting (held on 10 March 2005).

³ In 28th Board Meeting held on 29 Jan 2018.

⁴ Under provisions of Sections 6, 18 and 19 of the UPIAD Act.

During Exit Conference (April 2024) UPSIDA informed that there were 154 IAs situated in 55 districts of Uttar Pradesh in small groups and there was different geographical situation of IAs. Thus, no single plan could be implemented in every IAs. Therefore, UPSIDA prepared small schemes or development plans. GoUP stated (July 2024) that UPSIDA's approach for development of industrial clusters varies as per the typology and scale of project.

Observations on other plans indicated in the reply are covered in subsequent paras. It is pertinent to mention here that UPSIDA was required to adopt three-tiered planning approach (*i.e.* Perspective plan at the state level, Development Plan and Special Area Plan for each of the notified areas and Project and Scheme area plans for sectors or parts thereof, of the development plans) as detailed in Para 1.5.1 of The Uttar Pradesh State Industrial Development Area (Preparation and Finalisation of Plan) Regulations 2004 for the planned development of notified areas under directives of Section 6 of the UPIAD Act, 1976.

Development/Re-development plans not prepared

2.2.3 As per Para 3.0 of the Uttar Pradesh State Industrial Development Area (Preparation and Finalisation of Plan) Regulations 2004, UPSIDA shall under Section 6 b of the UPIAD Act, prepare board approved development plans for each of its notified areas for a period of 10 years with scope for revision after five years. It shall be physical plans broadly showing the land area allocations *vis-a-vis* demand assessments for industrial uses along with its supportive other urban land uses. The plan shall provide area allocations for different use zones/sub-zones based on compatibility, areas for ancillary and supportive activities and the complete network systems of roads, communications, power, disposal of waste *etc.* The plan shall define the norms and standards of development.

UPSIDA's Board in its 12th meeting (July 2007) deliberated that it adopted development plans existing on 1 April 2004 as "Deemed Development Plan" consequent upon Land Development Regulations 2004 becoming effective from 23 April 2005. UPSIDA's Board in its 24th meeting (June 2015) emphasized the need for preparation of re-development plans for IAs having excessive population burden in the nearby cities. Further, in its 34th meeting (November 2019) UPSIDA's Board deliberated that developments plans were pending till date.

Audit observed that UPSIDA did not prepare the Development/Re-development plans for its notified area despite its requirement as per their regulations and deliberations in above Board meetings.

During Exit Conference (April 2024), UPSIDA stated that Development plan/Re-development plans were approved by Board. GoUP directed UPSIDA to provide the documents related to board approval of Development plan/Re-development plans. However, no such records were furnished to audit by UPSIDA. In its reply (July 2024), GoUP did not address the issue of not preparing of Development/ Re-development plans by UPSIDA.

Project/Scheme plans not approved by Competent Authority

2.2.4 As per Para 4 of Uttar Pradesh State Industrial Area (Preparation and Finalisation of Plan) Regulations 2004, UPSIDA shall under Section 6.2 c/d/e

of the UPIAD Act, 1976 prepare Project and Scheme plans for all projects and schemes, which fall within Industrial Development Areas where development plans have been prepared by UPSIDA. These plans shall be basically layout plans showing all categories of roads, plots, open spaces, all building development-controls regarding setback and use designations, network and service facilities, system of distribution and disposals, and reserve areas demarcated for specific purposes. The Project and Scheme Plans shall be accorded sanction by the Chief Executive Officer.

Audit noticed that UPSIDA (including erstwhile UPSIDC) had prepared 187 Project and Scheme Plan relating to the 153 Industrial Areas from time to time. 64 of the above Scheme plans (layouts) were not approved by the Competent Authority (Chief Executive Officer) as required in the above regulations.

During Exit Conference (April 2024), UPSIDA stated that approval of Scheme plans was in process. GoUP directed UPSIDA to provide the latest status of approval of 64 Scheme plans to audit. However, no such update was provided by UPSIDA.

GoUP stated (July 2024) that the layout plans may have been approved by the competent authority since the inception of UPSIDA. UPSIDA had been undertaking the activities such as digitization of 155 number of layout plans, layout authentication as well as implementation of online GIS Portal 'One Map UPSIDA' and validating the existing layouts through drone survey and ground truthing. Post assessment and evaluation, if required UPSIDA shall revise the layout plans and get it approved from the competent authority.

Failure to prepare Zonal Plan for Ex-LIDA notified area

2.2.5 In its 20th meeting, Board of Ex-LIDA approved⁵ (May 2013) the 'Preparation and Finalisation of Plan Regulation 2013'. Para 5 of these regulation provides the procedure to be followed for preparation of a Plan⁶. In its 26th meeting, Board of Ex-LIDA approved (October 2015) the draft Master Plan 2031 for the period of 2010-2031. This was approved by the GoUP on 18 April 2016.

The Master Plan study area was spread over 29,996 hectares of land in Lucknow and Unnao districts. To maintain a balance between the growth potential and natural resource reserves of the region, it was proposed to be divided into three zones viz. a multi-functional zone near Lucknow, an Industrial Zone near Unnao and a Tourism and Nature Conservation Zone near Nawabganj. Master Plan defines the broad proposals for growth and development of the area besides allocation of land for various urban uses including residential, industrial, commercial, recreational, public and semi-public etc. Para 9.1 of the Master Plan states that to implement the Master Plan, it was necessary to prepare the Zonal Development plans, Sector plans and Detailed Area plans.

Audit observed that after the merger (March 2021) of LIDA with UPSIDA, UPSIDA adopted (June 2021) the above Master Plan 2031. Zonal Plans, however, were neither prepared by Ex-LIDA until the date of its merger with

⁵ GoUP approval as required under Section 19 of the UPIAD Act, 1976 was pending.

⁶ Para 2 (Definitions), clause (i) 'Plan' means the master plan prepared by the Authority for the development of Industrial Development Area (under sub-section (2) of Section 6 of the Act), within the meaning of the Act.

UPSIDA nor by UPSIDA till 31 March 2024. The above scenario is fraught with the risk of unorganised and unplanned development in the region.

In its reply (September 2023) UPSIDA did not provide specific reasons for not preparing Zonal plans. GoUP stated (July 2024) that School of Planning and Architecture (SPA), Delhi had been appointed by UPSIDA for preparation of Ex-LIDA Master Plan 2041. SPA was in process of preparation of the Ex-LIDA Master Plan-2041 including Zonal/Phasing plans.

Recommendation No. 2

UPSIDA should prepare Perspective Plan, Development plans/Re-development plans and Zonal plans. GoUP should also expedite approval of all submitted regulations.

Land acquisition targets not achieved

2.2.6 The Industrial Investment and Employment Promotion Policy (IIEPP) 2017 *inter-alia* states that the State Government will identify vacant land that can be used for the purpose of Land Banks for industry in IAs/Zones. This policy will endeavor to subsequently make available these land parcels at competitive price to the investors.

Land is acquired by UPSIDA mainly through three modes, (i) direct purchase of private land from owners; (ii) compulsory acquisition of private land; and (iii) resumption of Gaon Sabha land.

Compulsory Acquisition of land was governed by Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (LAA, 2013), which replaced (January 2014) the Land Acquisition Act, 1894 (LAA, 1894).

UPSIDA (including erstwhile UPSIDC) sets annual target for the acquisition of land from gram panchayats and private land owners.

Audit observed that UPSIDA/UPSIDC proposed to its Board, the summarised target for land acquisition for the years 2017-18 to 2022-23. While proposing the summarised targets, detailed action plan containing district/village wise breakup was proposed for the years 2017-18, 2018-19 and 2019-20. However, the figures stated in the detailed action plan did not correspond to the summarised target proposed. Notably, both the documents for a particular year were presented to the Board in the same meeting. This indicates the lack of seriousness on the part of UPSIDA/UPSIDC to carry out land acquisition. No detailed action plan was proposed to UPSIDA's Board in the years 2020-21, 2021-22 and 2022-23.

The achievement vis-à-vis the target for land acquisition for the period 2017-18 to 2022-2023 as stated in the summarised targets proposed to the Board are given in **Table 2.1**.

Table 2.1: Target and achievement for acquisition of land

Sl. No.	Year	Target (in acre)	Achievement (in acre)	Shortfall (in acre)	Shortfall (in per cent)
(1)	(2)	(3)	(4)	(5 = 3-4)	(6)
1	2017-18	250	2.15	247.85	99.14
2	2018-19	250	181	69.00	27.60
3	2019-20	250	-	250.00	100.00
4	2020-21	1,000	1,864	---	---

Sl. No.	Year	Target (in acre)	Achievement (in acre)	Shortfall (in acre)	Shortfall (in per cent)
(1)	(2)	(3)	(4)	(5 = 3-4)	(6)
5	2021-22	1,050	77.40	972.60	92.63
6	2022-23	750	--	750.00	100.00

Source: Annual budget approved by Board

It can be seen from **Table 2.1** that UPSIDA could achieve the target for acquisition of land in only one year (2020-21) out of the six years from 2017-18 to 2022-23. The shortfall in achievement of targets ranged between 27.60 *per cent* to 100 *per cent* with no land being acquired in two years (2019-20 and 2022-23). The continuous failure to achieve the targets indicates that adequate efforts were not made by UPSIDA for acquisition of land.

Further, UPSIDA/UPSIDC did not prepare and apprise the Board regarding the detailed district/village-wise achievement for the period from 2017-18 to 2022-23. Land acquisition funds disbursement register was also incomplete from the year 2020-21 onwards.

During Exit Conference (April 2024), UPSIDA stated that targets could not be achieved due to Covid-19 and fixation of ambitious targets. GoUP stated (July 2024) that targets could not be achieved due to protest of farmers and local residents. However, efforts were being made to achieve the *cent per cent* target. All details in Land Acquisition funds disbursement register had been completed now. However, updated Land Acquisition funds disbursement register was not provided to audit for verification.

Conclusion

UPSIDA was managing its affairs without approved regulations from HDD, GoUP and it could not finalise its Perspective Plan, Development plans/Re-development plans for development of notified areas since its constitution. Approval of competent authority on scheme plans was also pending. Ex-LIDA as well as UPSIDA did not prepare the zonal plans for three zones even after lapse of more than five years of approval of the Master Plan 2031 which was fraught with the risk of unorganised and unplanned development in the region.

CHAPTER–III
Infrastructure Development in
Acquired Land

CHAPTER-III

Infrastructure Development in Acquired Land

The chapter discusses infrastructure development activities carried out by UPSIDA in the acquired land to make it suitable for industrial and other uses. Key issues highlighted include not achieving the land development targets, not assessing the capacity of bidders to undertake the work, not safeguarding UPSIDA's interest by not adopting appropriate liquidated damages provisions of UPPWD as applicable and not recovering interest on unutilised funds from contractor for depositing it with the exchequer.

Introduction

3.1 The Industrial Investment and Employment Promotion Policy 2017 envisaged creation of quality infrastructure for the industries. Availability of an enabling and resilient infrastructure is one of the crucial backbones of industrial growth. It not only reduces operation costs of businesses but also rebalances the economy and leads to higher growth and living standards. For this purpose, after the acquisition of land, UPSIDA (including erstwhile UPSIDC) develops it by constructing roads, electric supply facilities, water supply and sewerage facilities *etc.* in the industrial area. Further, it also undertakes maintenance and up-gradation work of existing IAs. The development/maintenance works are carried out by Construction Divisions (CDs). CDs execute infrastructure development work of IAs through invitation of tenders from contractors as per the provisions of the Working Manual for Development and Maintenance of Industrial Areas (WMDMIA). In case of activities/norms not incorporated in WMDMIA, the same was to be followed as per UPPWD/Central Public Works Department (CPWD)/Ministry of Road and Transport Highways of India (MoRTH) norms¹. As on 31 March 2024, there were 15 Construction Divisions (including 4 electrical divisions) under UPSIDA.

Audit Findings

3.2 In five sample CDs², 113 contract bonds valuing ₹ 640.70 crore (out of total 440 contract bonds valuing ₹ 1,995.60 crore) were selected for detailed examination. Records of 11 contracts³ out of 113 selected contract bonds were not made available to audit. Audit findings relating to infrastructure development are discussed in succeeding paragraphs:

Land Development targets not achieved

3.2.1 The status of development of land (Target and Achievement) for the period 2017-18 to 2022-2023 is given in **Table 3.1**.

Table 3.1: Target and achievement for development of land

Sl. No.	Year	Target (in acres)	Achievement (in acres)	Shortfall (in acres)	Shortfall (in per cent)
(1)	(2)	(3)	(4)	(5 = 3-4)	(6)
1	2017-18	1,138	335.49	802.51	70.52
2	2018-19	1,535	112.00	1,423.00	92.70
3	2019-20	1,380	273.50	1,106.50	80.18

¹ As per preface of the WMDMIA.

² CD-7 Lucknow, CD-8 Kanpur, CD-9 Prayagraj, CD-TGC Unnao and ED-01 Kanpur.

³ GoUP stated (July 2024) that due to frequent transfer of charge at the then Chief Engineer end, certain files and papers could not be ensured.

Sl. No.	Year	Target (in acres)	Achievement (in acres)	Shortfall (in acres)	Shortfall (in per cent)
(1)	(2)	(3)	(4)	(5 = 3-4)	(6)
4	2020-21	1,500	1,130.00	370.00	24.67
5	2021-22	1,750	734.00	1,016.00	58.06
6	2022-23	750	378.26	371.74	49.56

Source: Annual budget approved by Board

It can be seen from **Table 3.1** that UPSIDA could not achieve the target for development of land in any year out of the six years from 2017-18 to 2022-23. The shortfall in achievement of targets ranged between 24.67 *per cent* to 92.70 *per cent*. The continuous failure to achieve the targets indicates that adequate efforts were not made by UPSIDA for development of land.

It is pertinent to mention that, UPSIDC Board in its 299th meeting (April 2018) expressed concerns regarding land parcels vacant for about 10 years without being utilized for industrialization purposes and directed the Management to study the reasons for the same and present along with gap analysis indicating the requirement of infrastructure facilities in the subsequent Board meeting. Management did not present such an analysis to the Board.

During Exit Conference (April 2024), UPSIDA intimated that target of land development could not be achieved due to covid-19 and fixation of ambitious targets. GoUP stated (July 2024) that partial achievement was due to villager's unrest, land possession not delivered by district administrations, acute shortage of land acquisition and engineering staff and covid impact from 2020 onwards.

GoUP/UPSIDA did not comment regarding not apprising the Board about the requirement of infrastructure facility in the IAs despite the direction of the UPSIDC Board in its 299th meeting.

Irregularities in evaluation of bidding documents

3.2.2 As per Para 20.8.6 of WMDMIA⁴, tender papers shall be examined thoroughly prior to putting up to the tender committee for approval.

Audit noticed that for the development for IAs, UPSIDC awarded 13 contracts⁵ valuing ₹ 143.22 crore of two selected construction divisions⁶ to M/s Balaji Builders between September 2015 to July 2016 without verification of their experience certificates. Later, these certificates were suspected (June 2017) fake resulting in cancellation (July 2017) of awarded contracts.

Similarly, UPSIDC awarded (January 2017) two contracts⁷ valuing ₹ 112.53 crore of two selected construction divisions⁸ to M/s Akash Engineers & Builders without verification of their experience certificates and Fixed Deposit Receipt (FDR). Later, these certificates were suspected (December 2017) fake resulting in cancellation (January 2018) of awarded contracts.

During Exit Conference (April 2024), UPSIDA accepted the audit observation and stated that FIRs have been registered against M/s Balaji Builders. GoUP stated (July 2024) that contracts of M/s Balaji Builders were rescinded,

⁴ The tender papers shall be examined thoroughly in respect of the directives laid down herein prior to their putting up to the tender committee.

⁵ Includes two sample contract bonds valuing ₹ 22.79 crore.

⁶ CD Trans Ganga city, Unnao and CD-9 Prayagraj.

⁷ Includes one sample contract bonds valuing ₹ 63.41 crore.

⁸ CD Trans Ganga city, Unnao and CD-9 Prayagraj.

security money forfeited, FIRs were filed and recovery proceedings have been initiated. Recovery of ₹ 139.28 lakh out of ₹ 1,265.46 lakh was made and the recovery of remaining amount was in progress. Both the contracts of M/s Akash Engineers & Builders have been rescinded.

Management did not provide documents supporting action taken against responsible officials to Audit as requested in the Exit Conference.

Recommendation No. 3

UPSIDA should ensure proper verification of bid documents to avoid awarding contracts on the basis of suspected fake documents. Furthermore, action should be taken against officials responsible for the same.

Bidding capacity not assessed

3.2.3 Para 4.6 of Model Bidding Document (MBD) 2007 of UPPWD provides that for works costing above ₹ 40 lakhs, bidders who meet the minimum qualification criteria will be qualified only if their available bid capacity⁹ for construction work is equal to or more than the total bid value.

Audit noticed that 27 contract bonds with value ranging from ₹ 1.01 crore to ₹ 63.41 crore were awarded to contractors without assessing their bid capacity. Out of these 27 works¹⁰, 11 works were completed with delays ranging from 61 to 2,612 days and 14 works that were not completed till March 2024 had delays ranging from 648 to 2,678 days as detailed in **Appendix-3.1**.

UPSIDC in its 298th Board meeting (January 2018) acknowledged that work could not be executed properly due to award of high value works to contractors with lower capacity.

In its reply, UPSIDA stated (October 2023) that it did not adopt the provision of MBD 2007 of UPPWD and works were awarded on the basis of examination of pre-qualification as provided in WMDMIA.

During the Exit Conference (April 2024), UPSIDA stated that it had started the practice of assessing the bidding capacity in case of high value contracts and the bidding capacity of contractors in two works executed through Engineering, Procurement and Construction (EPC) mode has been assessed. However, there was no provision in WMDMIA for assessing the bidding capacity of bidders.

GoUP stated (July 2024) that UPSIDA was encountering challenges in securing bids for small scale works and imposing stringent bidding capacity parameters may exacerbate these challenges. However, for big quantum of works (like EPC), UPSIDA had started the practice of assessing the bidding capacity. For small works appropriate action would be taken in future.

⁹ Assessed Available Bid capacity = (A x N x M - B) where A = Maximum value of civil engineering works executed in any one year during the last five years (updated to the price level of the last year at the rate of 8 per cent a year) taking into account the completed as well as works in progress. N = Number of years prescribed for completion of the works for which bids are invited (period up to 6 months to be taken as half-year and more than six months as one year). M = M is taken 2.5, B = Value, at the current price level, of existing commitments and on-going works to be completed during the period of completion of the works for which bids are invited.

¹⁰ Two works were cancelled.

The reply is not acceptable as the criteria for pre-qualification provided in WMDMIA assess the bidder's experience in executing similar nature of work and not the available bid capacity. Further, WMDMIA provides that in case of activities/norms not incorporated in it, the same was to be followed as per UPPWD/CPWD/MoRTH norms¹¹.

Recommendation No. 4

UPSIDA should ensure assessment of the bidding capacity of the bidders to avoid awarding contracts to bidders not capable of efficiently executing the work.

Appropriate liquidated damages provisions not adopted

3.2.4 General Conditions of Contract (GCC) of Model Bidding Document (MBD) 2007 of UPPWD for works costing above ₹ 40 lakhs, specified liquidated Damages (LD) for delay in completion of work at the rate of one *per cent* of the initial contract price per week with maximum LD of 10 *per cent*. There was no LD provision in WMDMIA. In such case, UPPWD provisions were applicable to UPSIDC/UPSIDA.

Audit noticed that UPSIDA (including erstwhile UPSIDC) introduced lenient¹² LD clause compared to UPPWD provisions in the contract bonds executed with the contractors. Due to this, it could withhold a maximum of only one *per cent* of the contract bond value instead of 10 *per cent*. In 16 cases as detailed in **Appendix-3.2** and having delays ranging from 486 days to 2,678 days, UPSIDA deducted ₹ 1.31 crore from the bills of contractors instead ₹ 15.02 crore¹³ resulting in short deduction of ₹ 13.71 crore on account of delay penalty.

In its reply, UPSIDA stated (October 2023) that time delay penalty had been increased from one *per cent* to 10 *per cent* as suggested by Audit. GoUP stated (July 2024) that delay penalty had been increased from 1 *per cent* to 10 *per cent* as per the norms prescribed by UPPWD for all new work *w.e.f.* 19 July 2023. For old works, it was not possible to do anything, but in future it would be taken care of.

The fact remains that a reasonable LD penalty provision safeguarding the interests of UPSIDA was not incorporated in the contract bonds leading to short deduction on account of delay penalty.

Quality inspection fee not recovered from contractors

3.2.5 As per General Conditions of the contracts executed between UPSIDA (including erstwhile UPSIDC) and contractors, expenses for quality testing would be borne by the contractors.

Audit noticed that in case of 34 works as detailed in **Appendix-3.3**, UPSIDA did not recover the cost of quality tests amounting to ₹ 1.63 crore from the bills of the contractors in violation of the General Conditions of the contracts executed between UPSIDA/UPSIDC and contractors, thereby extending undue benefit to the contractors.

During Exit Conference (April 2024), UPSIDA stated that office order had been issued for recovery of quality testing fee from the final bill of the

¹¹ Preface of the WMDMIA.

¹² Maximum rate of LD 1 *per cent* of the contract value instead of 10 *per cent*.

¹³ Determined at the rate of 10 *per cent* on the value of work done.

contractors. GoUP re-iterated (July 2024) Management's reply given during Exit Conference.

Recommendation No. 5

UPSIDA should ensure retention of delay LD at appropriate rates from the bills of the contractor to safeguard its interests. Further, UPSIDA should recover quality inspection fee from the contractor as per agreed terms and conditions.

Interest on unutilised funds not recovered

3.2.6 GoUP released (March 2016) ₹ 25 crore to UPSIDC for construction of Perfume Park in Kannauj. UPSIDC decided (December 2016) to execute construction of Perfume Park & Museum¹⁴ as deposit work through Uttar Pradesh Rajkiya Nirman Nigam Ltd (UPRNN) and released ₹ 26 crore to UPRNN, though GoUP had released only ₹ 25 crore. The work was to be executed according to concept plan developed by consultant appointed by UPSIDC. However, UPSIDC Board resolved (January 2018) to develop the perfume park and museum in 50 acre land instead of 30 acre land in first phase. Accordingly, pending acquisition of additional land, UPSIDC requested (January 2018) UPRNN to refund amount of ₹ 26 crore released to it. UPRNN refunded (July 2018) ₹ 25.75 crore to UPSIDC after deducting ₹ 24.75 lakh for expenditure already incurred.

Audit noticed that in violation of the GoUP direction¹⁵, UPSIDC did not recover the interest amounting to ₹ 1.48 crore earned by UPRNN on ₹ 25.75 crore lying un-utilised with it during the period from January 2017 to June 2018.

During Exit Conference (April 2024) UPSIDA accepted the audit observation and stated that efforts were made to recover the interest amount from UPRNN. GoUP stated (July 2024) that letters were issued to UPRNN to release the interest amount.

Avoidable expenditure on maintenance of area falling under Municipal Bodies

3.2.7 GoUP transferred (December 2001) 35 notified Industrial Areas of UPSIDA (including UPSIDC) to respective municipal bodies for maintenance. UPSIDA (including UPSIDC) discontinued (April 2009) maintenance of these 35 IAs from its own funds and the levy of maintenance charges from the allottees.

UPSIDA (including UPSIDC) in Clause 8.02 of its Operating Manual (Industrial Area) 2011, also incorporated the provision of not taking up the maintenance/infrastructure work in the areas falling in territorial jurisdiction of municipal bodies and not levying maintenance charges in those areas.

Audit noticed that UPSIDA incurred an avoidable expenditure of ₹ 7.67 crore from its own funds on maintenance work in case of 16 IAs out of above 35 IAs during the year 2019-20, in violation of its Operation Manual and orders. It did not recover these charges from the allottees.

¹⁴ Name changed (29 January 2018) from Perfume Park & Museum to "Itr Park and Sanghralaya".

¹⁵ The GoUP order (29 May 2015) *inter-alia* stipulates that interest earned through bank deposit on allotted funds shall be credited to the Government.

The above matter was also commented in the CAG's Audit Report (Economic Sector-Non PSUs) for the year ended 31 March 2015 in respect of expenditure incurred during 2012-13 to 2014-15.

During Exit Conference (15 April 2024), UPSIDA intimated that due to municipal bodies not taking up maintenance work in some of these transferred IAs, it had to carry out maintenance work and incur expenditure. The GoUP acknowledged UPSIDA's reply.

The reply is not acceptable because, as per the GoUP order and the Board's decision, UPSIDA was not required to carry out maintenance work from its own fund, in IAs under the jurisdiction of municipal bodies.

Conclusion

UPSIDA did not achieve its own targets for land development, indicating that adequate efforts were not made to achieve them. UPSIDA was yet to take action on officials responsible for the award of contracts to bidders based on their fake documents. Significant delays in execution of work and incomplete works were noticed in cases where the contracts were awarded to bidders without assessing their bidding capacity. UPSIDA under recovered delay penalty amounting to ₹ 13.71 crore from contractors' bills due to inadequate LD provisions. Interest amounting to ₹ 1.48 crore was not recovered from UPRNN. The quality inspection fee amounting to ₹ 1.63 crore was not recovered from the bills of the contractors. Avoidable maintenance expenditure of ₹ 7.67 crore was incurred by UPSIDA in maintenance of area falling under jurisdiction of municipal bodies.

CHAPTER–IV

Allotment of Plots

CHAPTER-IV

Allotment of Plots

This chapter discusses allotment of plots through marking system, interview of the applicants, e-auction etc. Key issues highlighted include not achieving the targets for allotment of land and recoveries from allottees, various deficiencies in evaluation of applications for allotment of plots, refunds in violation of scheme's terms and conditions, not ensuring committed capital investment and employment generation and granting permission for start of production before issuing completion/occupancy certificate.

Introduction

4.1 The Industrial Investment and Employment Promotion Policy (IIEPP) 2017 of GoUP provides that the Government will plan infrastructure in existing and new areas in line with industry requirements and industrial infrastructure will be developed in all regions for balanced and equitable growth based on geographical strength and after assessing the demand. To achieve the aforesaid objectives UPSIDA develops the acquired land and provides infrastructure for industrial, commercial and residential purposes.

UPSIDA (including UPSIDC) allots industrial plots to applicants on a lease of 90 years as per the provisions contained in its Operating Manual (Industrial Area) and executive orders issued from time to time. Possession of industrial plots is handed over to the allottees after execution of lease deed. Thereafter, the allottees are required to commence production after approval of maps and obtaining completion certificate from UPSIDA within the time period stipulated in the allotment letter. UPSIDA also provides the facility of time extension for commencement of production in case the allottee fails to commence production within the stipulated time period after levying time extension fee.

UPSIDC allotted industrial plots on the basis of interview of applicants up to 13 June 2017. To avoid subjectivity and discretion in the allotment of industrial plots, UPSIDC changed (14 June 2017) the procedure of allotment of industrial plots. As per the new procedure, UPSIDA (including UPSIDC) would depict the list of available plots on its website¹ for inviting applications for allotment of industrial plots. The applications received would be evaluated weekly on the basis of marking system² by the Project Evaluation Committee (PEC)³. Thereafter, Headquarter Committee⁴ shall examine the recommendation of the PEC and forward its remarks to CEO for approval.

¹ Nivesh Mitra website of GoUP, vide UPSIDA office order dated 20 May 2019.

² Marks ranging between one and 20 are provided on eight factors (capital investment, employment generation, time required to start the production, relevant experience, additional land requirement in the same industrial area or expansion of unit, 100 *per cent* export oriented units, turnover, minimum 26 *per cent* shareholding of female entrepreneur/scheduled caste/handicapped/scheduled tribe *etc.*, previous year's net worth/turnover of the applicant exceeding ₹ 10 crore) to the applicant.

³ PEC consisting of Regional Manager, Executive Engineer and Accounts Officer of concerned regional / project office.

⁴ Headquarter Committee constituted on 24 September 2019 and consists of Finance Controller, UPSIDC/General Manager (Finance) UPSIDA, General Manager (Engineering) UPSIDA, Deputy General Manager (ATP) UPSIDA/Assistant General Manager (Housing) UPSIDC and In-charge (ATP), Assistant General Manager (IA)/In-charge.

UPSIDA introduced (March 2020) e-Auction to allot plots in such industrial areas where 75 per cent or more developed plots were already allotted.

UPSIDA (including UPSIDC) allotted 1,585 industrial plots, plots under five residential schemes⁵ and six commercial plots during the period 2017-18 to 2021-22. Out of above, Audit selected allotment of 177 industrial plots, four residential schemes⁶ and all six commercial plots for detailed examination.

Audit Findings

4.2 UPSIDA (including UPSIDC) did not furnish the minutes of interview committee in case of two plots⁷ and recommendations of Project Evaluation Committee (PEC) in case of 21 plots⁸ and Headquarter Committee in case of four plot⁹ out of 177 sample industrial plots. Audit findings relating to allotment of plots are discussed in succeeding paragraphs:

Targets for allotment of land and recoveries from allottees not achieved

4.2.1 Board of UPSIDA (including UPSIDC) sets annual target for allotment of land and recoveries to be made from the allottees.

The actual area allotted and recoveries made *vis-à-vis* respective targets fixed during the period from 2017-18 to 2022-23 as given in **Table 4.1**.

Table 4.1: Details of physical Target and Achievement of land allotment and Recoveries made from allottees

Years	Allotment			Recoveries		
	Target (area in acre)	Achievement (area in acre)	Achievement (in per cent)	Target (₹ in crore)	Achievement (₹ in crore)	Achievement (in per cent)
2017-18	863.00	300.00	34.76	1,234.40	800.00	64.81
2018-19	1,000.00	336.25	33.63	1,355.00	641.83	47.37
2019-20	800.00	266.45	33.31	925.00	488.97	52.86
2020-21	1,100.00	299.00	27.18	1,100.00	618.55	56.23
2021-22	800.00	461.00	57.63	1,100.00	701.35	63.76
2022-23	800.00	390.80	48.85	1,000.00	961.36	96.14

Source: Annual Action Plan approved by the Board of UPSIDA/UPSIDC

From the above, it is evident that land allotment achievement ranged from 27 to 58 per cent of the target and recoveries from allottees ranged from 47 to 96 per cent of the amount targeted for recoveries during the years from 2017-18 to 2022-23. Basis of fixing the targets for allotment and recovery were not provided to audit. No analysis for short achievement was done.

⁵ Bhogao, Firozabad, Jhansi, Sandila and Trans Delhi signature city.

⁶ Bhogao, Firozabad, Jhansi and Sandila.

⁷ Two plots 1. (D-176)-1031.49 sqm , 2. (D-107) 948 sqm of Jainpur IA.

⁸ 21 Plots 1. (A-7 Kosi Kotwan-II-17238.41 sqm), 2. (A1/5 Kosi Kotwan-II-35141.28 sqm), 3. (A1/2 Kosi Kotwan-II-27219.46 sqm) 4. (H1A/1 Karkhiyao-37372 sqm) 5. (H1A/2 Karkhiyao-17116 sqm) 6. (B-10 Ramnagar- 6258.93 sqm) 7. (S-20 Loni estate-605.34 sqm) 8. (S/2/4/A-Surajpur-8561.46 sqm) 9. (S/2/4/B-Surajpur-6984.74 sqm) 10. (D-23-Khalilabad-2475 sqm), 11. (E-22 Khalilabad-800 sqm), 12. (E-112 Mau-450 sqm), 13. (H-66 Kursi Road-450 sqm), 14. (A6/7 Kursi road-12732.46 sqm), 15. (G-71 Kursi Road-600 sqm), 16. (A6/13 Kursi Road- 738 sqm) 17. (A6/11 Kursi Road- 738 sqm) 18. (A6/1 Kursi Road-94465.8 sqm) 19. (B2/2 sandilla-203939.53 sqm), 20. (B2/4 Sandilla-34976 sqm) 21. (B4 and B5 Sandilla- 145436.50 sqm).

⁹ Four plot-1. (K-37 Mathura Site-B-660.75 sqm), 2. (A-7 Kosi Kotwan-II-17238.41 sqm), 3.(A1/5 Kosi Kotwan-II-35141.28 sqm), 4. (A1/2 Kosi Kotwan-II-27219.46 sqm).

GoUP/UPSIDA accepted (July 2024) that analysis for short achievement of physical and financial targets were not made. However, efforts were made jointly by GoUP/UPSIDA/Regional Managers/Project Managers to achieve the targets.

Allotment of industrial plots through interview without obtaining complete financial details

4.2.2 Clause 2.04 of Operating Manual (Industrial Area) 2011 stipulates that the applications for allotment of land, complete in all respects shall be processed and the applicant shall be clearly asked to bring documents in support of financial strength, technical expertise, past experience to substantiate their averments at the time of interview.

Accordingly, UPSIDC asked (April 2017) an applicant to appear before the allotment committee along with original documents *i.e.*, proposed project report, ID and address proof, balance sheets, financial status/finance to be availed from financial institution and experience in respective work/project.

Audit noticed that the applicant for plot measuring 3,929 sqm (J-134 and J-135) at Mathura Site-B Industrial Area, did not provide project details (₹ 1.2 crore) and means of finance. However, in spite of application not being complete in all respects, interview committee recommended (May 2017) for the allotment of the plot in violation of above Clause. The plot was allotted (August 2017) for an amount of ₹ 93.08 lakh. No justification was found on records for allotment of plot in absence of above documents.

During exit conference (April 2024) UPSIDA stated that the allottee started production after execution of lease deed which indicated that the allottee had sound financial position. UPSIDA assured to provide the documents related to project details (₹ 1.2 crore) and means of finance to audit. However, UPSIDA did not provide such records to audit.

In its reply, GoUP stated (July 2024) that after execution (December 2017) of lease deed unit came into production, which indicated the strong financial position of the allottee. Further, regular payment of dues was being made and there was no loss to the Authority.

The reply is not satisfactory as allotment was against Clause 2.04 of Operating Manual (Industrial Area) 2011.

Allotment of industrial plots through marking system without prescribing minimum qualifying marks

4.2.3 As per UPSIDC's Office order (14 June 2017), allotment of land was to be done by prioritizing the applications on the basis of marks allotted to applicants on factors mentioned therein.

Audit noticed that UPSIDA (including UPSIDC) did not prescribe the minimum qualifying marks to ascertain the capability of the applicants to implement the project.

UPSIDA confirmed (December 2023) that the plot was to be allotted to the applicant obtaining the highest marks in case of receipt of two or more applications for the same plot and plot was allotted on receipt of required documents in case of receipt of single application for the plot.

During Exit Conference (15 April 2024), UPSIDA stated that allotment to single applicant is done to promote Startup business. Audit emphasized

maintaining transparency and necessary documents in case of single applicants and land allotment rules for single startups. Management assured to adhere to this in future.

In its reply, GoUP stated (July 2024) that allotment was decided on the basis of highest marks subject to fact that in case of one or more than application, other aspects of allotment viz. nature of project, assessment of area for project, conditions of NOCs required from other departments as per nature of project are considered by a Headquarter committee in decision making.

Fact remains that UPSIDA and GoUP did not address the issue of minimum qualifying marks for the allotment of industrial plots through marking system.

Absence of criterion for evaluation of financial strength of applicant with respect to project cost

4.2.4 UPSIDA/UPSIDC had a marking system which awarded five marks to applicants for their net-worth/turnover being more than ₹ 10 crore. However, there was no criterion/mechanism to measure the financial strength of applicants of plots with respect to the proposed project cost. As a result, in the following cases, projects with significantly higher value than the applicants' capacity were approved:

- In case of plots E-131 and E-132 (area 1800 sqm each), Kosi Kotwan Extn-I, the total annual income of applicants were ₹ 7.24 lakh and ₹ 6.36 lakh respectively against total proposed project report of ₹ 41.53 crore and ₹ 40.25 crore respectively. None of the applicants could deposit reservation money (₹ 6.95 lakh each) within 30 days after the allotment (27 February 2020) of the plot. The reservation money was, however, deposited by both the applicant on 08 August 2022 after a delay of 864 days. UPSIDA cancelled (12 April 2023) the allotment of both plots due to change in allotment policy and land premium rates of IAs.
- In case of plot no 1/1 (28,011.15 sqm) Kosi Kotwan-2, applicant declared the net worth of ₹ 1.04 lakh only against the project cost of ₹ 300 crore. However, allotment (31 March 2021) of plot and time extension up to 30 September 2024 was granted to the applicant to set up the unit.

In its reply, UPSIDA stated (December 2023) that allotment of plot no-E-131 and E-132 has been cancelled. In case of plot no. 1/1, no benefit of time was granted on the basis of investment report of ₹ 300 crore.

In its reply, GoUP stated (July 2024) that in case of plot no 1/1, the total net-worth of the three partners was ₹ 11.74 crore.

The reply is not acceptable as the applicant in case of plot no 1/1 was incorporated as a private limited company and its net worth was ₹ 1.04 lakh only. The net worth mentioned in the reply pertained to promoters in their individual capacity.

Recommendation No. 6

UPSIDA should establish a minimum benchmark in the marking system for qualification of the allottees. UPSIDA should fix a criterion for evaluation of financial strength of applicant with respect to project cost.

Allotment of industrial plot to ineligible applicant

4.2.5 In case of Plot no. A-4/2 IA Jainpur, two applications viz. M/s Jay Bhagwati Traders and Indian Railway Catering & Tourism Corporation Ltd. (IRCTC) were received in January 2019 and February 2019 respectively. PEC evaluated (8 March 2019) the applications on several parameters and awarded total 60 marks and 57 marks to M/s Jay Bhagwati traders and IRCTC respectively.

Audit noticed that for the parameter ‘employment generation’, M/s Jay Bhagwati Traders proposed 35 and 146 employees in its application and DPR respectively, whereas IRCTC proposed 60 and 80 employees in its application and DPR respectively. Had PEC considered DPR figures for both the parties M/s Jay Bhagwati Traders and IRCTC would have total marks 60 and 61 respectively rendering IRCTC eligible for the allotment. Even if PEC considered applications figures for both the parties M/s Jay Bhagwati Traders and IRCTC would have total marks 47 and 57 respectively resulting in allotment in favor of IRCTC. However, PEC considered DPR information (146 employees) for M/s Jay Bhagwati Traders and application information (60 employees) for IRCTC at the time of evaluation, which resulted in lower marks for IRCTC. Thus, due to incorrect evaluation the above plot measuring 5,018.65 sqm was allotted for ₹ 1.10 crore to ineligible applicant (M/s Jay Bhagwati traders).

During Exit Conference (April 2024), UPSIDA stated that marks were awarded on the basis of the information entered in application form by the applicants. GoUP stated (July 2024) that recommendation of project evaluation committee was forwarded (March 2019) for allotment of plot to M/s Jay Bhagwati Traders and allotment was made after approval of headquarters.

The reply is not acceptable as marks were awarded to IRCTC on the basis of application information (60 employees) whereas in case of M/s Jay Bhagwati Traders, marks were awarded on the basis of DPR information (146 employees) resulting in excess grant of marks to M/s Jay Bhagwati Traders for the parameter of ‘employment generation’ and rendering eligible for allotment of plot.

Allotment of amalgamated plots without inviting public objections

4.2.6 As per Para 3.3.8 of the Preparation and Finalisation of Plan Regulation 2004, UPSIDA may make amendments to the developments plans by amalgamation or sub-division of one or more industrial plots before allotment of any industrial plot of land. Under Para 3.3.2, UPSIDA is required to invite public objection in at least one newspaper having circulation in the development/local area inviting objections and suggestions from any affected person with regard to the proposed amendment before such date as may be specified in the notice and shall consider all objections that may be received.

Audit noticed that UPSIDA/UPSIDC allotted amalgamated plots without inviting public objections in violation of above provisions. Details of such allotted plots are given in below **Table 4.2:**

Table 4.2: Allotment of plots without inviting public objection

Sl. No.	Name of Industrial Area	Plot no	Area of the plot (in square meters)	Date of approval of amalgamation	Date of allotment
1	Sidhwan	C-1/2	9,096.63	13 September 2018	17 September 2018
2	Kosi Kotwan-A IIDC	K-09/10	674	22 May 2019	27 May 2019
3	Kosi Kotwan Extn-1	H-32/45	17,042.92	3 January 2019	8 January 2019
4	G.C. Shahjahanpur	H-49-52/61-64	15,492	29 November 2017	1 December 2017

GoUP stated (July 2024) that no public objections were received. However, documents regarding invitation of public objections were not provided to audit.

Excess allotment of land

4.2.7 As per UPSIDC's office order (14 June 2017), the assessment of the eligibility of area of the land to be allotted was to be made at lowest area as per any of the following three parameters:

- According to the capital investment in the project proposed by the applicant, the area to be calculated in the ratio of 2,000 sqm. of land for capital investment of ₹ one crore;
- 333 *per cent* of the covered area applied in the proposed project report by the applicant;
- The area calculated by dividing the capital investment on land as shown in the project proposed by the applicant by the premium rate of the concerned Industrial Area.

Audit observed that PEC did not evaluate the maximum eligibility of area of land to be allotted in case of allotment of three plots. This resulted in excess allotment of the land as given in **Table 4.3** in these cases in violation of the above direction:

Table 4.3: Excess allotment of land

Plot no and IA	Date of allotment	Committed investment by allottee (in ₹ crore)	Eligibility of land area as per the above three parameters (in sqm)			Eligibility of maximum land area to be allotted (lowest of three parameters) (in sqm)	Actual allotted area (in sqm)	Excess allotted area (in sqm)
			I	II	III			
B-02 of Orai-II, Jhansi	28 May 2021	3.57	7,140	18,731	11,250	7,140	11,250	4,110
Plot no B16/1 of Sumerpur	17 Sep 2020	2.26	4,520	16,552	15,062	4,520	15,062	10,542
C-42 of Orai-II, Jhansi	17 Sep 2020	2.71	5,420	9,430	3,629	3,629	3,992	363
		1.00	2,000	3,988	3,629	2,000	3,992	1,992

In case of above plot C-42 of Orai-II, allottee changed (December 2021) project cost from ₹ 2.71 crore to ₹ one crore. However, UPSIDA did not re-assess the need of land resulting in excess allotment of land (3,992 sqm instead of 2,000 sqm).

UPSIDA stated (December 2023) that actual allotment of the plots was made against the eligibility of area to achieve financial target and to enhance the industrialization of State. Further, change of project was accepted at the request of allottee.

GoUP stated (July 2024) that single application was received for each plot and there was no demand for such big plots in Bundelkhand area. Authority aims to avoid vacancy of plots from financial and industrialisation point of view. Thus, plots were allotted considering the allotment policy, practical approach and demand in that area. In case of plot no C-42, GoUP confirmed that there was no policy to reassess the eligibility criteria of land at the time of change of project after allotment of plot. It is noticed in many cases allottees utilised excess land out of allotted land for future expansion of the project. Thus, it was not appropriate to re-assess the eligibility criteria of land as per the revised project cost.

Audit noticed that UPSIDA was required to evaluate the maximum eligibility of area of land to be allotted as per office order dated 14 June 2017. Further, UPSIDA issued (20 March 2024) notice to allottee of plot no C-42, for default in seeking building plan approval to initiate construction on plot. In case of plot B-02, building plan was approved only in April 2023 and in March 2024, UPSIDA issued notice for default in start of unit. Allottee of plot no B16/1, mortgaged the plot with bank for financing construction/production of the unit only in March 2022. However, map for carrying out construction on plot was not available on record till March 2024. Thus, objective of industrialisation of area could also not be achieved. This shows that due diligence needs to be exercised before allotment of plots by UPSIDA.

e-Auction of plots in violation of Board approved procedure

4.2.8 As per procedure approved¹⁰ by the Board, the reserve price would be pre-decided (displayed on website) with the condition of minimum increment of 5 *per cent* over the reserve price in the first round of e-Auction for allotment of the plots.

Audit noticed that in violation of the Board approved procedure, UPSIDA did not adhere to the minimum increment (5 *per cent*) condition in the first round resulting in short recovery of e-Auction price by ₹ 58.98 lakh in 13 cases¹¹ out of 41 plots¹² e-auctioned as detailed in **Appendix-4.1**.

During Exit Conference (April 2024), UPSIDA stated that e-Auction was conducted as per final SoP and bid catalogue forwarded by consultant (*i.e.* M Junction) through e-mail dated 07 February 2020. GoUP stated (July 2024) that e-Auction was being conducted as per office order dated 13 March 2020, copy of SoP and bid catalogue applicable at that time.

The reply is not acceptable as UPSIDA did not conduct e-Auction as per board approved procedure. Further, UPSIDA did not provide the final SoP forwarded by consultant (M Junction), approval of competent authority to implement the

¹⁰ Procedure was approved in 34th board meeting held on 26 November 2019.

¹¹ Increment ranged from 2 *per cent* to 4.55 *per cent* above the fixed reserve price.

¹² The complete e-Auction trail of selected six plots (Plot no 53/1/19 and 53/1/20 Surajpur, plot no C-11 Naini, plot no-G-40 TDS City, plot no P-11 Unnao and plot no- C-21 Malwan) was not made available to audit.

revised SoP and bid catalogue instead of Board approved (26 November 2019) procedure to audit.

Recommendation No. 7

UPSIDA should ensure assessment of the eligibility of area of the land to be allotted as per fixed parameters. Furthermore, UPSIDA should conduct e-auction as per Board approval.

Refunds in violation of terms and conditions of residential scheme

4.2.9 UPSIDC launched residential schemes in Bhogao and Firozabad in February 2015 and December 2016 respectively. As per terms and conditions of both the schemes, earnest money shall be deducted and balance shall be refunded without interest in case of surrender of plot after allotment. Thus, UPSIDC was required to map the terms and conditions of the schemes in its system before issuance of allotment letters.

Audit noticed that UPSIDC did not properly map in its system the exact terms and conditions of deduction of entire earnest money in case of surrender of plot after allotment and issued the allotment letters. As a result, UPSIDA (including UPSIDC) did not deduct the full amount of earnest money in case of surrender of plot after allotment and refunded ₹ 28.59 lakh in excess in case of surrender of 33 plots after allotment as detailed in **Appendix-4.2**.

GoUP stated (July 2024) that system generated allotment letters were issued with the condition of refund of earnest money. Conditions of allotment letter was applicable and accordingly refunds were made.

The reply is not acceptable as UPSIDC did not map the terms and condition in the allotment letters in line with the terms and conditions of the scheme documents resulting in excess refunds against surrender of plots after allotment.

Committed capital investment and employment generation not ensured

4.2.10 The core intent of IIEPP 2017 of IIDD, GoUP was to create a framework for industrial growth that empowers people and create jobs. Accordingly, UPSIDA was required to ensure investment and employment generation by the allottee after allotment of the land as committed in their detailed project report.

UPSIDA mandated (22 October 2019) issue of conditional allotment letter that in the event allottee fails to invest capital and generate employment as committed in the project proposal, penal action as per rules would be ensured by the Regional offices. However, no specific penal provisions were specified by UPSIDA in this regard.

Audit noticed that UPSIDA did not incorporate the above stated committed investment and employment generation clause in 76 allotment letters as detailed in **Appendix-4.3**. Notably, UPSIDA claimed¹³ (June 2021) achievement of investment ranging from ₹ 322 crore to ₹ 2,694 crore and employment generation ranging from 2,945 person to 35,545 person during the period from 2017-18 to 2021-22. However, the details/basis of such claims were not made available to audit.

¹³ Published in quarterly newsletter.

In its reply, UPSIDA agreed (December 2023) that the committed investment/employment generation clause may have lapsed in some cases. As per observation of audit, it would be ensured in future.

GoUP stated (July 2024) that allotment letters were issued with pre-decided terms and conditions. In case of non-compliance of the conditions mentioned in lease deed, provision for cancellation of the plots was also incorporated.

The reply is not acceptable as 76 allotment letters were issued without the clause of committed investment and employment generation.

Permission for Start of Production before issuing Completion/Occupancy Certificate

4.2.11 Section 9 (1) of UPIAD Act *inter-alia* provides that no person shall erect or occupy any building in the industrial development area in contravention of any Building Regulation made by the Authority by notification and with prior approval of State Government.

As per clause 5.15 (Notice of Completion) of Regulations 2018, completion certificate of building/layout of plot shall be issued by UPSIDA after ensuring that the occupier holds No Objection Certificates (NOC) from concerned agencies regarding pollution control, fire protection etc. and necessary clearances from statutory agencies like Ground Water Commission, Electrical Safety Inspectors, Airport Authority for height of building *etc.* Similarly, as per clause 5.16 (Occupancy certificate necessary for occupation) of Regulations 2018, occupancy certificate was to be issued by UPSIDA after compliance from fire protection and pollution control point of view and related clearances.

Audit observed that in 37 cases as detailed in **Appendix-4.4**, UPSIDA inserted a condition in the building plan that whenever the building is completed the allottee shall mandatorily apply for the completion certificate. However, UPSIDA issued permission for start of production in these cases without issuing completion/occupancy certificate. It did not ensure that the allottee had NOC from concerned agencies and clearances as mentioned above, before start of production. Notably, UPSIDA while issuing the permission for start of production certificate, requested the allottees to take completion/occupancy certificate as per the approved building plan in accordance with provisions of Regulations 2018. In all these cases, the units of the allottees were considered to be in production prior to the issue of this certificate. Thus, UPSIDA allowed the allottee to occupy the premises in violation of Section 9 (1) of UPIAD Act.

During Exit Conference (April 2024), UPSIDA stated that there was no violation of Building Regulations 2018 and Section 9 of UPIAD Act as issuance of completion certificate was not mandatory for issue of start of production certificate. On the contrary, GoUP stated (July 2024) that building plan was approved with the condition that the allottee has to obtain completion certificate from UPSIDA before utilising the building.

GoUP reply confirms the fact that UPSIDA should have ensured compliances to the provisions of building regulations 2018 by allottee and issued completion certificate before issuing permission for start of production.

Recommendation No. 8

UPSIDA should ensure that before granting permission for start of production, allottee has been issued with completion/ occupancy certificate.

Conclusion

UPSIDA did not analyse the reasons for the short achievement of physical and financial targets for allotment of plots and recoveries made from the allottees. There was absence of criterion to measure the financial strength of applicants with respect to the project cost. The marking system followed to allot the plot to allottee with highest mark did not have any minimum qualifying benchmark. IRCTC was not allotted plot inspite of being eligible due to incorrect evaluation. E-auction was carried out in violation of Board approved procedure resulting in short recovery of ₹ 58.98 lakh. Excess refund amounting to ₹ 28.59 lakh was refunded to allottees of residential plots in violation of the terms and conditions of the scheme. UPSIDA did not ensure capital investment and employment generation commitment made by industrial allottees in their project reports. It also permitted start of production before issuing completion/occupancy certificate.

CHAPTER–V
System of Internal Control

CHAPTER-V

System of Internal Control

This chapter examines whether the internal control mechanism of UPSIDA is commensurate with the nature and size of its activities so that it could provide reasonable assurance for efficiency of operation, reliability of financial reporting and compliance with applicable laws and regulations. Key issues highlighted include not preparing the annual accounts, not availing the income tax exemption, revising pay in violation of terms and conditions of the pay committee, grant of unsecured loans to State PSUs, investment in fixed deposits in violation of guidelines, not maintaining the fixed deposit register and not claiming refund of tax deducted at source on time.

Introduction

5.1 Internal control is a process designed for providing reasonable assurance for efficiency of operation, reliability of financial reporting and compliance with applicable laws and statutes.

Audit Findings

5.2 Audit analysis of internal control procedures/mechanisms revealed the following deficiencies:

Annual Accounts not prepared

5.2.1 As per the Uttar Pradesh State Industrial Development Corporation Limited (Transfer of Assets and Liabilities) Ordinance, 2018, assets and liabilities of UPSIDC were to be transferred to UPSIDA. Assets and liabilities of LIDA were also to be transferred to UPSIDA in view of GoUP notification (04 March 2021) rescinding the formation of LIDA and including its notified villages of district Lucknow and Unnao in UPSIDA.

Audit noticed that assets and liabilities of UPSIDC were not transferred to UPSIDA as annual accounts of UPSIDC were not prepared from 2014-15 till 26 June 2018¹ to effect such transfer. Similarly, assets and liabilities of the LIDA were not transferred to UPSIDA as annual accounts of LIDA were not finalised for the years 2019-20 to 2020-21².

Further, UPSIDA did not prepare annual accounts since inception (September 2001) till 31 March 2024 as required under Section 22 of the UPIAD Act, 1976. Annual reports were also not prepared under section 23 of the UPIAD Act, 1976 for laying before both Houses of the Legislature.

In its reply, UPSIDA stated (September 2023) that work for finalisation of annual accounts of UPSIDC till 26 June 2018 is ongoing. Ex-LIDA accounts for 2018-19 has been prepared and action for preparation of remaining accounts was being taken.

During Exit Conference (April 2024), UPSIDA stated that no action was taken on the pending accounts of ex-LIDA. GoUP stated (July 2024) that annual accounts of LIDA were prepared for 2019-20 and 2020-21 and statutory auditors have signed the same.

¹ Since UPSIDCL (Transfer of Assets and Liabilities) Ordinance, 2018 was issued on 27 June 2018.

² As LIDA ceased to exist from 04 March 2021.

Fact remained that Annual accounts of UPSIDC and UPSIDA were not prepared for years 2014-15 to 26 June 2018³ and since inception till date respectively. In case of Ex-LIDA, statutory auditor did not issue Audit Report till December 2024. As a result, transfer of assets and liabilities of UPSIDC and Ex-LIDA to UPSIDA was pending. Due to this, annual accounts of UPSIDA could not be forwarded to GoUP since inception under the provisions of section 22 of UPIAD Act, 1976.

Recommendation No. 9

GoUP should ensure that pending annual accounts of UPSIDC, Ex-LIDA and UPSIDA are finalized at the earliest to enable merger of assets and liabilities of UPSIDC and Ex-LIDA with UPSIDA. Furthermore, the GoUP should ensure that annual report of UPSIDA is laid before both Houses of the Legislature.

Exemption from Income tax not availed

5.2.2 As discussed in 231st Board meeting (December 1999) of UPSIDC, after conversion of UPSIDC into UPSIDA (an authority) from 27 June 2018, Income Tax was not payable by UPSIDA thereby enabling investment of savings in providing better infrastructural facilities in the IAs.

Audit noticed that UPSIDA (including UPSIDC) deposited income tax amounting to ₹ 184.43 crore during the period from July 2018 to March 2024 as it failed to secure⁴ tax exemption under section 10 (46) of the Income Tax Act, 1961. It is pertinent to mention that Central Government notified⁵ Greater Noida Industrial Development Authority (GNIDA) and Yamuna Expressway Industrial Development Authority (YEIDA) for the purpose of Section 10 (46) of the Income tax act.

In its reply, UPSIDA stated (December 2023) that tax advisor has been asked to ensure immediate necessary action so that exemption under Section 10 (46) of the income tax act can be availed. GoUP stated (July 2024) that advance tax was being deposited on the basis of provisional accounts. The income tax department assessed tax for the year 2021-22 on this basis only. The Income tax advisor had been directed to initiate action for obtaining the exemption from income tax and he has initiated the same.

Pay revision in violation of conditions of Pay Committee

5.2.3 Department of Public Enterprises, GoUP accorded (3 January 2017) the sanction to implement the recommendation of Pay Committee, 2016 (PC 2016) in the Public Sector Undertakings/Enterprises *w.e.f.* 1 January 2016 subject to audit of annual accounts of three years (2012-13, 2013-14 and 2014-15) by the Accountant General and its adoption in the Annual General Meetings.

IIDD issued (19 March 2018) concurrence on proposal of UPSIDC to implement the recommendations of PC 2016 *w.e.f.* 1 January 2016 subject to compliance of the conditions mentioned in the GoUP order dated 3 January 2017. UPSIDC issued (9 April 2018) office order for

³ Since UPSIDCL (Transfer of Assets and Liabilities) Ordinance, 2018 was issued on 27 June 2018.

⁴ Through application.

⁵ 23 June 2020 (GNIDA) and 24 December 2020 (YEIDA).

implementation of the recommendation of PC 2016 subject to compliance of the conditions mentioned in the GoUP order dated 3 January 2017.

Audit noticed that the annual accounts of the two years⁶ (2013-14 and 2014-15) prior to effective date (1 January 2016) were neither audited by the Statutory Auditor/Accountant General nor were adopted in the Annual General Meetings at the time of implementation (9 April 2018) of pay revision. However, UPSIDC implemented the pay revision and released monetary benefits in violation of its own order and orders of GoUP, which clearly stipulated implementation of the recommendation of Pay Committee on fulfillment of the conditions.

In its reply, UPSIDA stated (September 2023) that provisional accounts were presented before Pay Committee. Considering this, GoUP ordered to implement the pay committee recommendations in UPSIDC. UPSIDC followed GoUP orders and revised the pay of employees. GoUP reiterated (July 2024) Management's reply given in September 2023. However, UPSIDA/GoUP did not provide any document in support of the reply.

Grant of Unsecured loans to state PSUs

5.2.4 GoUP directed (August 2019) UPSIDA to grant loans amounting to ₹ 2.84 crore to U.P. State Spinning Company Limited (UPSSCL) to enable UPSSCL to repay the loan of Union Bank of India. Further, GoUP directed (February 2020) UPSIDA to grant loans amounting to ₹ 50 crore to Uttar Pradesh Financial Corporation (UPFC) to repay the upfront amount of one-time settlement of outstanding dues of SIDBI.

Audit noticed that UPSSCL was defaulter under Insolvency and Bankruptcy Code 2016 and had related restrictions on its assets. UPFC's assets were seized under orders of Debt Recovery Tribunal (DRT). UPSIDA granted unsecured loans of ₹ 52.84 crore⁷ to the two State PSUs without entering into loan agreements with the entities. GoUP specified (28 July 2020) that loan to UPFC shall be subject to interest at the rate of 8 *per cent* payable quarterly and the principal repayment shall start after two years. No such terms and conditions for loan granted to UPSSCL was specified. UPSIDA raised demand notices to UPFC but the interest and principal installments remained unpaid. No recovery was initiated from UPSSCL.

During Exit Conference (April 2024), UPSIDA stated loans were given as per directions of GoUP. Efforts were being made to recover the loan amount from both the companies. However, no amount has been recovered so far.

GoUP stated (July 2024) that UPSSCL, UPFC and UPSIDA are the State government entities. Due to which, it is necessary for UPSIDA to follow its direction and UPSIDA is doing the same.

The reply is not acceptable as loans were granted by UPSIDA without securing its financial interest. It is pertinent to mention that GoUP asked (January 2023) to extend a further loan of ₹ 30 crore to UPFC. However, in

⁶ Annual Accounts for the year 2013-14 were certified by Statutory Auditor on 28 May 2018 and Comments of CAG were issued on 30 April 2019 under Section 619(4) of the Companies Act, 1956 and annual accounts for the year 2014-15 was not certified by Statutory Auditor till 31 March 2024.

⁷ ₹ 2.84 crore to UPSSCL on 23 January 2020 and ₹ 50 crore to UPFC on 18 March 2020.

view of possibility of earlier loan of ₹ 50 crore to UPFC becoming bad debt, UPSIDA did not release a further loan of ₹ 30 crore to UPFC and requested GoUP to reconsider the matter in the interest of UPSIDA.

Increasing burden of interest on outstanding GoUP loan of ₹ 41 crore

5.2.5 In order to carry out development activities, ex-LIDA received (October 2005 to March 2008) ₹ 41 crore from GoUP as short term loan, which was repayable within five years along with interest at the rate ranging between 18 and 19 *per cent* per annum, including penal interest, if due.

Ex-LIDA requested⁸ the GoUP to convert the loan into seed capital or extend repayment period to eight years after making it interest free loan, which was rejected by the Government (July 2007). It again requested⁹ GoUP for reduction of rate of interest on the loan, either to zero *per cent* or equivalent to the rate of interest applicable to savings bank account. No decision was taken by GoUP on this.

Audit noticed that repayment of principal amount and interest has not been made by UPSIDA, resulting in outstanding liability of interest amounting to ₹ 132.49 crore on the loan amount of ₹ 41 crore as on 31 March 2024.

The above matter was already commented in the CAG's Audit Report No.6 (Economic Sector-Non PSUs) for the year ended 31 March 2015. However, no action has been taken in this regard.

In its reply, UPSIDA accepted (September 2023) the Audit observation and stated that a proposal is being submitted for repayment of the loan. After decision at a higher level, loan would be repaid and State Government would be requested to waive off the interest amount. In its reply (July 2024), GoUP did not offer any comments on the observation.

Repayment conditions of NOIDA loan not complied with

5.2.6 New Okhla Industrial Development Authority (NOIDA) released¹⁰ loan of ₹ 450 crore to UPSIDC with interest applicable at the rate of 10.20 *per cent* per annum, payable quarterly. The principal amount was repayable in twelve equal quarterly installments after the expiry of moratorium period of one year. As per the loan agreement of the term loan, additional interest at the rate of 3 *per cent*, compounded quarterly was chargeable in case of default in repayment. Further, UPSIDC agreed to other terms and conditions that may be stipulated by NOIDA from time to time either in the letter of sanction or otherwise.

NOIDA reduced (July 2018) the interest rate from 10.20 *per cent* per annum to 8 *per cent* per annum, applicable from 1 April 2018 onwards. Subsequently, NOIDA communicated (December 2020) to UPSIDA, its Board's decision to charge only simple interest at the rate of government securities¹¹ from the date of disbursement of the loan and that no penal interest or compound interest would be charged.

⁸ During July 2006 to February 2007.

⁹ During October 2019 to March 2021.

¹⁰ ₹ 350 crore on 22 October 2014 and ₹ 100 crore on 20 November 2014.

¹¹ As applicable annually.

Audit noticed that UPSIDA (including UPSIDC) did not adhere to the repayment terms and conditions of the MoU, which clearly stated that interest was immediately payable quarterly and principal amount was repayable in twelve equal quarterly installments after the moratorium period. UPSIDA (including UPSIDC) considered its payment of ₹ 450 crore made to NOIDA during December 2017 to November 2018 as principal repayment and payment of ₹ 132.55 crore made during April 2019 to January 2021 as interest payment.

Accordingly, NOIDA objected (March 2024) to UPSIDA's adjustment of the principal first and thereafter interest. It also objected to the application of interest at the rate of 8.016 per cent¹² from the date of disbursement of loan up to 31 March 2018 and at the rate of 8 per cent¹³ from 1 April 2018 by UPSIDA instead of applying simple interest at the rate of government securities¹⁴ as per NOIDA's decision in December 2020. NOIDA claimed ₹ 15.05 crore as principal and ₹ 4.63 crore as interest outstanding from UPSIDA in addition to already paid amount of ₹ 582.55 crore¹⁵. NOIDA's claim of ₹ 19.68 crore¹⁶ remained unpaid as of 31 March 2024.

During Exit Conference (April 2024), UPSIDA accepted the observation and assured that the loan repayment would be done accordingly. GoUP stated (July 2024) that there was loan adjustment related discrepancy between the two authorities. Further action would be taken as per government direction.

Investment in fixed deposits in violation of guidelines

5.2.7 As per the provisions of Section 20 (3) of the UPIAD Act, 1976 subject to any direction of the State Government, the Authority may keep in current account of any scheduled bank such sum of money out of its funds as it may think necessary for meeting its expected current requirements and invest any surplus money in such a manner as it thinks fit. GoUP also directed (23 February 2016) that the Board of public sector undertakings/autonomous bodies would be responsible for opening of bank accounts and investment of surplus funds in line with the rules/provisions governing them. Accordingly, UPSIDA's Board in its 36th Meeting (September 2020) framed guidelines for investment of surplus in deposit accounts of public sector and private sector banks.

Audit noticed that UPSIDA invested¹⁷ the surplus funds in fixed deposits accounts of several public sector banks without assessing the financial parameters of the banks as stated in the above guidelines. One of the conditions for investment was that the banks have declared profit in the immediately preceding three financial years. It was, however, noticed that ₹ 57.23 crore was invested in public sector banks having losses in all three preceding financial years as detailed in **Appendix-5.1**.

During the Exit Conference (April 2024), UPSIDA stated that it was a government body and hence, from safety point of view fixed deposits were

¹² Average rate of Government securities from 2014 to 2018.

¹³ Communicated by NOIDA in July 2018.

¹⁴ As applicable annually.

¹⁵ ₹ 450 crore + ₹ 132.55 crore.

¹⁶ ₹ 15.05 crore + ₹ 4.63 crore.

¹⁷ During the years 2020-21 and 2021-22.

made in public sector banks after obtaining highest interest rates. GoUP stated (July 2024) that investment was being made in public sector banks at higher interest rates after approval of the competent authority.

The reply is not acceptable as Audit observed that such investment was not allowed as per the Board approved investment guidelines.

Fixed deposit register not maintained

5.2.8 Audit noticed that fixed deposit register was not maintained properly and certified from competent authority to ensure effective control over the investment made in fixed deposits from time to time.

During Exit Conference (15 April 2024), UPSIDA stated that proper maintenance of fixed deposit register for the period 2017-18 to 2022-23 would be ensured at earliest. The GoUP stated (July 2024) that details of investment were maintained in computer. Preparation of fixed deposit register for future investments has been directed.

Recommendation No. 10

UPSIDA should ensure that a digitisation of fixed deposits register duly certified by competent authority is prepared at the earliest and monitor it at all times. Fund investment policy needs to be formulated as per direction of GoUP from time to time.

Refund on TDS not claimed timely

5.2.9 Ex-LIDA was registered under section 12AA of the Income Tax Act, 1961 and was exempt from income tax on property and contributions.

Audit noticed that on fixed deposits valuing ₹ 44 crore and pertaining to Ex-LIDA, bank deducted (August 2019) ₹ 60.33 lakh as Tax Deducted at Source (TDS) due to correction and mapping issue in Ex-LIDA's Permanent Account Number (PAN). UPSIDA (including ex-LIDA), however, failed to make a timely claim and obtain the refund of ₹ 60.33 lakh from income tax authorities. UPSIDA applied to the Commissioner of Income Tax for condonation of delay in claiming refund of TDS in March 2024 only after being pointed out by audit (August 2022). However, the refund was pending till December 2024.

During Exit conference (15 April 2024) UPSIDA stated that efforts were being made to obtain refund of TDS from income tax authorities. GoUP stated (July 2024) bank deducted tax from the interest earned on the amount invested by LIDA, even though LIDA was exempted from income tax. UPSIDA has appointed income tax advisor for ensuring action to obtain refund of the deducted amount from income tax department.

Conclusion

UPSIDA had not prepared its accounts since inception and without the preparation of annual accounts of UPSIDC and Ex-LIDA, Assets and liabilities of these entities were not transferred to UPSIDA. UPSIDA had to deposit ₹ 184.43 crore as income tax due to not obtaining exemption under Section 10 (46) of Income Tax Act, 1961. Unsecured loans amounting to ₹ 52.84 crore was granted to two State PSUs without entering into loan agreements. There was accumulated interest outstanding of ₹ 132.49 crore as on 31 March 2024 on the loan amount of

₹ 41 crore due to inaction. In violation of the guidelines, ₹ 57.23 crore was invested in such public sector banks which had losses in all three preceding financial years. Refund of TDS amounting to ₹ 60.33 lakh was not claimed timely. Internal control did not provide reasonable assurance for efficiency of operation, reliability of financial reporting and compliance with applicable laws and regulations.

Lucknow
The **12 January 2026**

(RAJIV KUMAR PANDEY)
Principal Accountant General (Audit-II),
Uttar Pradesh

Countersigned

New Delhi
The **14 JAN 2026**

(K. SANJAY MURTHY)
Comptroller and Auditor General of India

APPENDICES

Appendix-1.1
(Referred to in paragraph 1.6)
Financial position (provisional) of UPSIDC for the period 2017-18 to 2022-23

(₹ in crore)

Particulars	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
EQUITY AND LIABILITIES						
Shareholder's Funds:						
Share Capital	24.08	24.08	24.08	24.08	24.08	24.08
Reserves & Surplus	793.45	845.04	913.57	964.83	1037.60	1102.88
Non-Current Liabilities:						
Long Term Borrowings	0.00	0.00	0.00	0.00	0.00	0.00
Other Long Term Liabilities	2330.26	2403.87	2577.19	2626.11	2973.80	3311.10
Long Term Provisions	25.84	22.82	26.25	27.56	28.94	29.86
Current Liabilities:						
Short Term Borrowings	499.43	191.40	64.42	64.42	47.44	47.44
Trade Payables	47.24	42.99	24.18	25.39	26.66	27.21
Other Current Liabilities	297.60	281.25	288.26	258.10	295.46	8283.40
Short Term Provisions	89.01	111.86	142.86	168.93	198.91	230.87
Total	4106.91	3923.31	4060.81	4159.42	4632.89	13056.84
ASSETS						
Non-Current Assets:						
Fixed Assets	25.72	28.29	31.12	37.62	33.20	35.43
(i) Tangible Assets						
(ii) Capital Work in Progress	62.86	56.58	50.92	59.73	53.75	51.43
Deferred Tax Assets	1.80	1.80	1.80	1.80	1.88	1.75
Non-Current Investment	1.68	1.68	1.68	1.68	1.68	1.68
Long Term Loans & Advances	209.34	168.77	212.59	208.31	215.64	207.34
Other Non-Current Assets	3.12	1.28	1.28	1.28	1.28	1.28
Current Assets:						
Inventories	2618.10	2535.02	2592.89	2590.87	2895.68	2958.43
Trade Receivables	35.91	25.56	24.41	26.70	27.88	28.45
Cash and Bank Balances	1079.32	1047.18	1077.11	1169.03	1325.89	9419.62
Short Term Loans and Advance	45.29	34.50	39.02	36.84	48.17	320.24
Other Current Assets	23.77	22.65	27.99	25.56	27.84	31.19
Total	4106.91	3923.31	4060.81	4159.42	4632.89	13056.84

Working results (provisional) of UPSIDC for the period 2017-18 to 2022-23

(₹ in crore)

Particulars	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
REVENUE						
Interest on Premium in respect of industrial area	106.05	75.82	53.55	60.99	53.77	54.35
Interest on Deposits with Banks	55.12	53.53	52.31	48.26	45.58	50.01
Interest on others	8.02	11.54	13.46	12.15	34.58	33.37
Interest on Advances to Employees	0.02	0.02	0.03	0.02	0.02	0.02
Dividend	1.63	1.61	1.61	1.61	2.62	0.73
Lease Rent	6.73	6.23	6.46	8.67	10.20	11.84
Rent	6.01	6.54	6.96	7.91	6.87	7.68
Misc. Receipt	6.56	5.70	3.38	4.41	2.35	2.45
Time Extension	32.94	38.21	54.93	36.78	50.66	55.08
Subdivision Charges	2.43	3.30	4.35	1.72	1.83	2.18
Earnest money	0.01	0.02	0.04	0.01	0.01	0.002
Total (A)	225.52	202.52	197.08	182.53	208.49	217.71
EXPENSES						
Salaries Wages & Bonus	41.92	57.73	52.26	45.49	46.58	47.09
Company's Contribution to Provident Fund	5.03	4.32	4.07	3.27	3.56	3.84
Corporation Group Gratuity	2.43	1.27	1.04	1.32	1.14	1.82
Staff Welfare & Medical Expenses	1.50	1.79	2.22	1.40	1.29	1.30
Other Expenses	32.81	36.43	31.43	33.96	46.42	63.18
Interest on Noida Loan	28.66	18.42	0	0	0	0
Depreciation and Amortisation Expenses	6.16	6.80	6.10	5.90	5.60	5.15
Total (B)	118.51	126.76	97.12	91.34	104.59	122.38
Profit Before tax (C = A - B)	107.01	75.76	99.96	91.19	103.90	95.33
Tax Expenses (D)	27.86	22.72	29.98	27.35	29.99	28.60
Profit After Tax (C - D)	79.15	53.04	69.98	63.84	73.91	66.73

Appendix-1.2
(Referred to in paragraph 1.6)
Financial position of Ex-LIDA for the period 2017-18 to 2020-21

(₹ in crore)

Particulars	2017-18	2018-19	2019-20 (Provisional)	2020-21 (Provisional)
(A) Liabilities				
Surplus Fund	14.79	(77.18)	(81.45)	(85.00)
Loan from GoUP	41.00	41.00	41.00	41.00
Loan from HUDCO	3.09	0.00	0.00	0.00
Loans and Advances	19.13	0.20	0.20	0.20
Current Liabilities	67.59	167.41	176.39	191.27
Total	145.6	131.43	136.14	147.47
(B) Assets				
Fixed Assets	0.18	0.16	0.13	0.13
Investments	56.06	59.15	66.58	76.49
Current Assets, Loans & Advances	52.35	68.27	68.27	69.05
Land bank (not in possession)	32.26	0.00	0.00	0.00
Cash at Bank	4.68	3.79	0.47	1.12
Loans & Advances	0.06	0.05	0.06	0.05
Tax deducted at Source	0.01	0.01	0.63	0.63
Total	145.6	131.43	136.14	147.47

Working results of ex-LIDA for the year 2017-18 to 2020-21

(₹ in crore)

Particulars	2017-18	2018-19	2019-20 (Provisional)	2020-21 (Provisional)
Income	3.34	22.39	4.64	5.13
Expenditure	0.92	114.35	8.92	8.67
Excess of income over expenditure	2.42	(91.96)	(4.28)	(3.54)

Note: In the year 2018-19, the main reason for increase in expenditure was to make the provision of interest on Government Loan amounting to ₹ 94.34 crore.

Appendix-1.3
(Referred to in paragraph 1.10)
Statement showing records not furnished by UPSIDA

Reference: Audit Enquiry #20 (AENQ – 250878) dated 22 March 2023 and Audit Requisition #63 (AREQ-538338 dated 28 August 2024 and Audit Requisition # 67 (AREQ-824923 dated 10 October 2025)

1. Engineering department

- (i) Details of completed works for which final payments were released during 2017-18 to 2021-22.
- (ii) Files related to the penalty imposed/deposited in case of National Green Tribunal (NGT) and UP Pollution Control Board.
- (iii) 04 Estimate approvals file and Approvals of Competent Authority regarding splitting of estimates.
- (iv) Measurement Books and Quality control reports of Consultants in 42 works out of selected 113 works.

2. Industrial Area Department

- (i) Costing file of two residential schemes (Jhansi and Sandilla).
- (ii) Reconciled data of Land utilization report from 2016-17 to 2023-24.
- (iii) Files and complete data of implementation of the OTS scheme.
- (iv) E-Auction related documents in case of selected 41 plots
 - a. Details of plot wise application received
 - b. Details of plot wise clarification asked from the applicants
 - c. Details of plot wise application rejected
 - d. Details of plot wise technically qualified bidders for allowing in participate in Auction

3. Establishment/Administration

- (i) Details of posts sanctioned vis-à-vis men in position during the period 2017-18 to 2023-24.

Appendix-3.1
(Referred to in paragraph 3.2.3)
Statement showing details of work in which bid capacity not assessed

Sl. No.	Name Of Work	Contract Bond No. & date	Contract Bond Amount (₹ in lakhs)	Date of start of work	Scheduled Date of Completion of work	Actual date of completion of work	Delay in completion of work as on 31 March 2024 (in days)
1	2	3	4	5	6	7	8 = 7 - 6
1	Construction of Road Drain & Culverts at Mega Food Park Baheri Distt. Bareilly (Group-C)	111/CE/16-17 dt. 29/12/2016	447.03	29/12/2016	28/06/2017	07/05/2023	2139
2	Construction of Road, Drain & Culverts in Industrial Area Sandila (Phase-IV) Distt. Hardoi (Group-A)	97/CE/2016-17 dt. 29/12/2016	254.07	29/12/2016	28/06/2017	22/01/2018	208
3	Construction of Road Drain & Culverts at Mega Food Park Baheri Distt. Bareilly (Group-D)	112/CE/16-17 dt. 29/12/2016	407.82	29/12/2016	28/06/2017	07/05/2023	2139
4	Maintenance of water supply scheme at I. A., Utelwa Amethi.	22/CE/2015-16 dt. 16/06/2015	100.98	16/06/2015	15/06/2016	15/10/2018	852
5	Construction of Road Drain & Culverts at Mega Food Park Baheri Distt. Bareilly (Group-F)	114/CE/16-17 dt. 29/12/2016	463.90	29/12/2016	28/06/2017	04/06/2023	2167
6	Providing & fixing of Signage Boards at Saraswati Hitech City Naini Distt. Allahabad (Phase-II)	88/CE/15-16 dt. 28/10/2015	260.97	28/10/2015	27/01/2016	23/03/2023	2612
7	Construction of Road, Drain & Culverts in Industrial Township Amethi Distt. Amethi (Group-D)	96/CE/16-17 dt. 29/12/2016	303.54	29/12/2016	28/06/2017	24/10/2019	848
8	Upgradation of roads at I.A. Unnao site-1 (Group-B)	129/CE/2016-17 dt. 03/01/2017	128.77	03/01/2017	02/07/2017	28/06/2018	361
9	Maintenance of Road and construction of drain at Industrial Area GC Jainpur Distt Kanpur Dehat.	14/GM(E)/2021-22 dt. 02/09/2021	242.54	02/09/2021	30/11/2021	30/01/2022	61
10	Upgradation & Maintenance of road no. 2(P), 3(P), 4, 5, 6, 7A, 7B, 8, 11, 14, 15, 16, 17, C-1, C-2, C-3,19 at I.A. Naini, Allahabad.	23/GM(E)/2019-20 dt. 16/03/2020	567.42	16/03/2020	13/07/2020	31/12/2020	171
11	Upgradation of road no. 3, 4, 6, 7, 16, LC2, LC3, LC4, at I.A. Site-II, Distt -Unnao	03/GM (E)/2019-20 dt. 03/06/2019	345.72	03/06/2019	28/01/2020	28/05/2021	486
12	Construction of Road, Drain & Culverts in Industrial Township Amethi Distt. Amethi (Group-A)	109/CE/16-17 dt. 29/12/2016	410.70	29/12/2016	28/06/2017	Not completed	2468
13	Construction of Internal Roads, RCC Drain, RCC Box Culvert and other related works of Sector-12A & 14 at Saraswati Hitech City, Allahabad (Group-C).	35/CE/2016-17 dt. 31/05/2016	388.85	31/05/2016	30/11/2016	Not completed	2678
14	Supply, Laying & Jointing of Sewer line & other appurtenant works at Saraswati Hitech City, Naini, Allahabad (Group-A)	156/CE/2015-16 dt. 29/01/2016	983.72	29/01/2016	28/10/2016	CB cancelled	----

Sl. No.	Name Of Work	Contract Bond No. & date	Contract Bond Amount (₹ in lakhs)	Date of start of work	Scheduled Date of Completion of work	Actual date of completion of work	Delay in completion of work as on 31 March 2024 (in days)
1	2	3	4	5	6	7	8 = 7 - 6
15	Construction of Cement Concrete Main Corridor Roads (A-Type) Promenade Roads, Cycle Lane & other related works at Saraswati Hitech City, Naini, Allahabad (Group-A)	133/CE/16-17 dt. 04/01/2017	6341.20	04/01/2017	03/05/2017	CB cancelled	----
16	Construction of Internal Roads, RCC Drain, RCC Box Culvert and other related works of Sector-12A & 14 at Saraswati Hitech City, Allahabad (Group-B)	34/CE/16-17 dt. 31/05/2016	388.85	31/05/2016	30/11/2016	Not completed	2678
17	Construction of Cement Concrete Main Corridor Road (A-Type) & Other Related works at Saraswati Hi Tech City, Naini Allahabad (Group-E)	92/CE/16-17 dt. 29/12/2016	4065.22	29/12/2016	28/04/2017	Not completed	2529
18	Construction of Internal Roads, RCC Drains RCC Box Culverts and others related works of Sector-12 for Saraswati Hitech City, Naini, Allahabad	84/CE/16-17 dt. 26/12/2016	5460.00	26/12/2016	25/06/2017	Not completed	2471
19	Upgradation of Road No.1&3(CC Pavement) at I.A. Sandila, Phase-II Distt. Hardoi	20/GM(E)/20-21 dt.23/03/2021	425.06	23/03/2021	17/11/2021	Not completed	865
20	Construction RDC at Plot No. B-4, B-5 & A-5 (Phase-1) Bulk Land at IA Sandila Distt Hardoi	12/GM(E)/19-20 dt.18/11/2019	189.25	18/11/2019	16/11/2020	Not completed	1231
21	Construction of Road, Drain and Culvert at Ira Park Kannauj	18/GM(E)/2021-22 dt. 26/10/2021	679.89	26/10/2021	22/06/2022	Not completed	648
22	Maintenance/Upgradation of roads at I.A. Ram Nagar Phase-I, Distt. Chandauli	13/GM(E)/ 2021-22 dt. 20/07/2021	301.99	20/07/2021	16/03/2022	Not completed	746
23	Construction of Internal Roads, RCC Drains, RCC Box Culvert and other related works of Sector 1 & 2 at Saraswati Hi-Tech City, Naini, Allahabad	17/GM(E)/2019-20 dt. 21/01/2020	1316.36	21/01/2020	16/09/2020	Not completed	1292
24	Providing & Laying of water supply and distribution network at Saraswati Hi-Tech City, Naini, Allahabad	15/GM(E)/2019-20 dt. 6/12/2019	1718.67	06/12/2019	4/12/2020	Not completed	1213
25	Prov. 11 KV HT underground power network system in Industrial Sector-17 at TGC Unnao	21/CGM(E)/2021-22 dt. 01/12/2021	235.07	01/12/2021	28/02/2022	Not completed	1493
26	Construction of 1x10 MVA Sub-Station No. 3, Sector-17 and 33 KV Feeder line and 1x5 MVA Sub-Station No. 10, Sector-04 and 33 KV Feeder line at TGC Unnao	02/GM(E)/2021-22 dt. 01/06/2021	943.40	01/06/2021	29/08/2021	Not completed	945
27	Providing Street Light fittings on C.C. Road at SHC Naini, Prayagraj	16/GM(E)/2020-21 dt. 12/02/2021	291.69	12/02/2021	09/10/2021	Not completed	904

Appendix-3.2
(Referred to in paragraph 3.2.4)
Statement showing Time Extension (LD) to be imposed

Sl. No.	Name of Work	Contract Bond No. & date	Contract Bond Amount (₹ in Lakhs)	Date of Start of work	Scheduled date of completion of work	Expenditure Up to 31 March 2024 (₹ in Lakhs)	Actual date of completion of work	Delay in completion of work as on 31 March 2024 (in days)	Amount of actual time extension withheld (₹ in Lakhs)	Amount of time extension (LD) to be withheld (₹ in Lakhs)
1	2	3	4	5	6	7	8	9 = 8 - 6	10	11 = 10 per cent x col. 7
1	Providing & Laying of water supply and distribution network at Saraswati Hi-Tech City, Naini, Allahabad	15/GM(E)/2019-20 dt. 06/12/2019	1718.67	06/12/19	04/12/20	1361.79	Not completed	1213	13.62	136.18
2	Construction RDC at Plot No. B-4, B-5 & A-5 (Phase-1) Bulk Land at IA Sandila, Distt. Hardoi	12/GM(E)/2019-20 dt. 18/11/2019	189.24	18/11/19	16/11/20	136.19	Not completed	1231	1.00	13.62
3	Construction of Internal Roads, RCC Drains, RCC Box Culvert and other related works of Sector 1 & 2 at Saraswati Hi-Tech City, Naini, Allahabad	17/GM(E)/2019-20 dt. 21/01/2020	1316.36	21/01/20	16/09/20	606.74	Not completed	1292	6.07	60.67
4	Upgradation of road no. 3, 4, 6, 7, 16, LC2, LC3, LC4, at I.A. Site-II, Distt. Unnao	03/GM(E)/2019-20 dt. 03/06/2019	345.72	03/06/19	28/01/20	205.79	28/05/2021	486	3.46	20.58
5	Construction of Cement Concrete Main Corridor Road (A-Type) & Other Related works at Saraswati Hi-Tech City, Naini, Allahabad (Group-E)	92/CE/16-17 dt. 29/12/2016	4065.22	29/12/16	28/04/17	3985.23	Not completed	2529	36.49	398.52
6	Construction of Road Drain & Culverts at Mega Food Park Baheri Distt. Bareilly (Group-C)	111/CE/16-17 dt. 29/12/2016	447.03	29/12/16	28/06/17	439.43	07/05/2023	2139	3.73	43.94
7	Construction of Road Drain & Culverts at Mega Food Park Baheri Distt. Bareilly (Group-D)	112/CE/16-17 dt. 29/12/2016	407.82	29/12/16	28/06/17	372.33	07/05/2023	2139	3.30	37.23
8	Construction of Road Drain & Culverts at Mega Food Park Baheri Distt. Bareilly (Group-F)	114/CE/16-17 dt. 29/12/2016	463.89	29/12/16	28/06/17	461.25	04/06/2023	2167	3.57	46.13

Sl. No.	Name of Work	Contract Bond No. & date	Contract Bond Amount (₹ in Lakhs)	Date of Start of work	Scheduled date of completion of work	Expenditure Up to 31 March 2024 (₹ in Lakhs)	Actual date of completion of work	Delay in completion of work as on 31 March 2024 (in days)	Amount of actual time extension withheld (₹ in Lakhs)	Amount of time extension (LD) to be withheld (₹ in Lakhs)
1	2	3	4	5	6	7	8	9 = 8 - 6	10	11 = 10 per cent x col. 7
9	Construction of Internal Roads, RCC Drains RCC Box Culverts and others related works of Sector-12 for Saraswati Hi-tech City, Naini, Allahabad	84/CE/16-17 dt. 26/12/2016	5460.01	26/12/16	25/06/17	5244.19	Not completed	2468	48.24	524.42
10	Construction of Internal Roads, RCC Drain, RCC Box Culvert and other related works of Sector-12A & 14 at Saraswati Hi-tech City, Allahabad (Group-C)	35/CE/16-17 dt. 31/01/2016	388.85	31/05/16	30/11/16	336.75	Not completed	2678	3.18	33.68
11	Construction of Internal Roads, RCC Drain, RCC Box Culvert and other related works of Sector-12A & 14 at Saraswati Hitech City, Allahabad (Group-B)	34/CE/16-17 dt. 31/05/2016	388.85	31/05/16	30/11/16	353.92	Not completed	2678	3.34	35.39
12	Construction of Road, Drain & Culverts in Industrial Township Amethi Distt. Amethi (Group-A)	109/CE/16-17 dt. 29/12/2016	410.70	29/12/16	28/06/17	397.89	Not completed	2468	1.00	39.79
13	Construction of Road, Drain and Culvert at Itra Park Kannauj	18/GM(E)/2021-22 dt. 26/10/2021	679.88	26/10/21	22/06/22	412.06	Not completed	648	2.00	41.21
14	Maintenance/Upgradation of roads at I.A. Ram Nagar Phase-I, Distt. Chandauli	13/GM(E)/2021-22 dt. 20/07/2021	301.99	20/07/21	16/03/22	242.83	Not completed	746	0.98	24.28
15	Providing & fixing of Signage Boards at Saraswati Hitech City Naini Distt. Allahabad (Phase-II)	88/CE/15-16, dt. 28/10/2015	260.97	28/10/15	27/01/16	262.09	23/03/2023	2612	0.50	26.20
16	Upgradation of Road No.1 & 3 (CC Pavement) at I.A. Sandila, Phase-II Distt. Hardoi	20/GM(E) dt. 23/03/2021	425.06	23/03/21	17/11/21	201.44	Not completed	865	1.00	20.14
Total			17270.26						131.48	1501.98

Appendix-3.3
(Referred to in paragraph 3.2.5)
Statement of showing quality test fee to be recovered from contractors

Sl. No.	Name of Work	Contract Bond No. and date	Gross work done up to 31 March 2024 (₹ In Lakhs)	Amount to be recovered from contractor for quality test checks (₹ In Lakhs)
1	Construction of Roads, Drains, Culverts, Cycle lane & other related works in sector- 17 at I.A Trans Ganga City, Distt Unnao (Group-R)	91/CE/15-16 dt. 03/11/2015	1853.57	10.19
2	Construction of Roads, Drains, Culverts, Cycle lane & other related works in sector- 17 at I.A Trans Ganga City, Distt Unnao (Group-Q)	92/CE/15-16 dt. 03/11/2015	1491.83	8.21
3	Construction of Roads, Drains, Culverts, Cycle lane & other related works in sector- 10 at I.A Trans Ganga City, Distt Unnao (Group-C)	97/CE/15-16 dt. 04/11/2015	284.95	1.57
4	Construction of Roads, Drains, Culverts, Cycle lane & other related works in sector- 10 at I.A Trans Ganga City, Distt Unnao (Group-D)	98/CE/15-16 dt. 04/11/2015	312.14	1.72
5	Construction of 03 Nos Tube well, pumphouse, supply & installation of pumping plant, chlorinator etc. at I.A. Trans Ganga City, Distt - Unnao (Group-B)	08/CE/16-17 dt.12/04/2016	60.46	0.33
6	Construction of cement concrete main corridor roads(A-type) promenade roads, cycle lane & other related works at I.A Trans Ganga city Distt Unnao (Group-I)	98/CE/16-17 dt.29/12/2016	1949.45	10.72
7	Construction of Roads, Drains, Culverts Cycle Lane & other related works in Sector- 10 & 11 at I.A Trans Ganga City, Unnao (Group-B)	106/CE/15-16 dt. 10/11/2015	207.66	1.14
8	Construction of cement concrete main corridor roads(A-type) promenade roads, cycle lane & other related works at I.A Trans Ganga city Distt Unnao (Group-J)	108/CE/16-17 dt. 29/12/2016	1628.38	8.96
9	Construction of Roads, Drains, Culverts Cycle Lane & other related works in Sector- 11 at I.A Trans Ganga City, Unnao (Group-A)	114/CE/15-16 dt. 08/12/2015	113.36	0.62
10	Construction of Roads, Drains, Culverts Cycle Lane & other related works in Sector- 9 at I.A Trans Ganga City, Unnao (Group-B)	115/CE/15-16 dt 08/12/2015	157.28	0.87
11	Construction of RCC underground tank (Reservoir) of 5000 KL capacity of staff quarter and campus development at I.A. Trans Ganga City, Distt - Unnao (Group-C)	178/CE/15-16 dt.22/02/2016	392.2	2.16
12	Construction of Roads, Drains, Culverts, Cycle Lane & Other Related Works in Sector-9 at I.A Trans Ganga City Distt, Unnao (Group-A)	179/CE/15-16 dt. 29/02/2016	250	1.38
13	Construction of RCC pipe balancing/Approach culverts on promenade road(A-1), A-1 & A-4 & main corridor roads at I.A Trans Ganga City, Distt. Unnao (Group-G)	83/CE/16-17 dt 26/12/2016	131.26	0.72
14	Supply, Laying & Jointing of sewer Line & other appurtenant works at I.A Trans Ganga City, Distt-Unnao (Group-A)	69/CE/15-16 dt 02/09/2015	1231.82	6.78
15	Construction of Boundary wall & Gates of Parks at I.A Trans Ganga City, Distt-Unnao (Group-B)	62/CE/15-16 dt 31/08/2015	111.85	0.62
16	Construction of Boundary wall & Gates of Parks at I.A Trans Ganga City, Distt-Unnao (Group-A)	61/CE/15-16 dt 31/08/2015	118.24	0.65
17	Construction of roads, drains, Culverts cycle lane & other related work in sector-6, 7 & 14A at IA Trans Ganga city, Distt Unnao (Group-C)	32/CE/16-17 dt.30/05/2016	261.65	1.44

Sl. No.	Name of Work	Contract Bond No. and date	Gross work done up to 31 March 2024 (₹ In Lakhs)	Amount to be recovered from contractor for quality test checks (₹ In Lakhs)
18	Construction of cement concrete main corridor roads (A-Type) promenade roads, cycle lane & other related work at Trans Ganga City, Unnao. (Group-B)	27/CE/16-17 dt. 11/05/2016	1532.37	8.43
19	Construction of 03 Nos Tube well, pumphouse, supply & installation of pumping plant, chlorinator etc. at I.A. Trans Ganga City, Distt - Unnao (Group-C)	21/CE/16-17 dt. 06/05/2016	90.48	0.50
20	Construction of 02 Nos tube wells, pump house, supply & Installation of pumping Plant, Chlorinator etc. at Industrial Area Trans Ganga City, Distt Unnao (Group-G)	08/EE-CD-TGC/16-17 dt. 15/07/2016	62.44	0.34
21	Upgradation of road no. 3, 4, 6, 7, 16, LC2, LC3, LC4, at I.A. Site-II, Distt -Unnao	03/GM(E)/19-20 dt. 03/06/2019	205.79	1.13
22	Supply & installation of irrigation works for park no. 45, 47, 50, 51, 55, 57, 58,59, 22, 36, 62 & 64 at I.A. Trans Ganga City, Distt - Unnao. (Group-C)	03/EE-CD-TGC/16-17 dt. 26/05/2016	50.29	0.28
23	Construction of Roads, Drains, Culverts, Cycle lane & other related works in sector- 15 & 16 at I.A. Trans Ganga City, Distt Unnao (Group-P)	90/CE/15-16 dt. 03/11/2015	1017	5.59
24	Construction of Roads, Drains, Culverts, Cycle lane & other related works in sector - 2 at I.A. Trans Ganga City, Distt Unnao (Group-A)	89/ CE/15-16 dt. 03/11/2015	1167.73	6.42
25	Construction of Roads, Drains, culverts, cycle lane & other related works in sector- 4 at I.A. Trans Ganga City, Unnao. (Group B)	126/ CE/15-16 dt. 10/12/2015	590.62	3.25
26	Construction of cement concrete main corridor roads (A-Type) promenade roads, cycle lane & other related work at Trans Ganga City, Unnao. (Group-D)	63/CE/16-17 dt. 26/07/2016	2200.64	12.10
27	Horticulture & landscaping works for park no. 3, 7, 8, 9, 11, 12, 13, 18, 31, 32 & 57 at I.A. Trans Ganga City, Distt-Unnao (Group-A)	128/CE/2016-17 dt. 03/01/2017	38.1	0.21
28	Construction of Internal Roads, RCC Drains RCC Box Culverts and others related works of Sector-12 for Saraswati Hitech City, Naini, Allahabad	84/ CE/16-17 dt. 26/12/2016	5244.19	28.84
29	Construction of Cement Concrete Main Corridor Road (A-Type) & Other Related works at Saraswati Hitech City, Naini, Allahabad (Group-E)	92/ CE/16-17 dt. 29/12/2016	3985.23	21.92
30	Construction of Internal Roads, RCC Drain, RCC Box Culvert and other related works of Sector-12A & 14 at Saraswati Hitech City, Allahabad (Group-B)	34/ CE/16-17 dt. 31/05/2016	353.92	1.95
31	Construction of Internal Roads, RCC Drains, RCC Box Culvert and other related works of Sector 1 & 2 at Saraswati Hitech City, Naini, Allahabad	17/GM(E)/ 2019-20 dt. 21/01/2020	606.74	3.34
32	Maintenance/Upgradation of roads at I.A. Ram Nagar Phase-I, Distt. Chandauli	13/GM(E)/ 2021-22 dt. 20/07/2021	242.83	1.34
33	Providing & Laying of water supply and distribution network at Saraswati Hi-Tech City, Naini, Allahabad	15/GM(E)/ 2019-20 dt. 06/12/2019	1361.79	7.49
34	Construction of Internal Roads, RCC Drain, RCC Box Culvert and other related works of Sector-12A & 14 at Saraswati Hitech City, Allahabad (Group-C)	35/CE/16-17 dt. 31/05/2016	336.75	1.85
Grand Total				163.06

Appendix-4.1
(Referred to in paragraph 4.2.8)
Statement showing the details of short recovery of auction price

Sl. No.	Name of Industrial Area	Plot No.	Name of Allottee	Plot Area (in sqm.)	Date of Allotment	Reserve price (₹ Per sqm.)	H1 Bid Price/Price at which finally auctioned. (₹ Per sqm.)	Actual per cent of finally auctioned price over reserve price	H1 bid price after escalation of 5 per cent on Reserve price (₹ Per sqm.)	Difference between escalated price and H1 bid price (₹ Per sqm.)	Short recovery (in ₹)
1	2	3	4	5	6	7	8	9	10 = column 7 x 105 per cent	11 = 10-8	12=11 x column 5
1	Gajraula-II	G-1	M/s Rajpal Engineering Works	1152.94	01/09/2021	4326	4412.52	2	4542.3	129.78	149628.55
2	TDS city	B-06	M/s Tirupati Diamonds	4164.19	17/03/2021	14437.5	14828.25	2.71	15159.375	331.125	1378867.41
3	Begrappur	D-07	M/s AR Metal and Allied Industries	2280.16	25/02/2021	4200	4386	4.43	4410	24	54723.84
4	Pilkhani	A26	H&M Exports	1255	17/03/2021	3142	3204.84	2	3299.1	94.26	118296.33
5	Begrappur	L2	M/s Sai Metal	300	16/06/2021	4000	4182	4.55	4200	18	5400.00
6	Begrappur	L3	M/s Sai Metal	300	16/06/2021	4000	4182	4.55	4200	18	5400.00
7	IIDC Banthar	A-82	Shri Parvesh Bansal	300	21/08/2021	4500	4692	4.27	4725	33	9900.00
8	Jainpur	P3	Shankalp Bhadauria	2849.4	02/07/2021	2310	2356.2	2	2425.5	69.30	197463.42
9	Malwan	B-21	M/s Shri Bankey Bihari Industries	8301.10	04/08/2021	2047.5	2088.45	2	2149.875	61.425	509895.07
10	Malwan	C-21	M/s Royal Industries	4088.25	15/10/2020	2047.5	2130.21	4.04	2149.875	19.665	80395.44
11	Malwan	B-10	M/s Uma Shanker Mills	5388.88	27/05/2021	1950	1989	2	2047.5	58.50	315249.48
12	Utelwa	B-36	Mohmad Imran	450	14/12/2021	2300	2346	2	2415	69	31050.00
13	Sumerpur	TM-1	M/s Shalvis Specialties Ltd	101424	15/07/2021	999.55	1019.54	2	1049.5275	29.9875	3041452.20
Total Loss											5897721.71

Appendix-4.2
(Referred to in paragraph 4.2.9)
Statement showing the details of excess refund in case of surrender

Sl. No.	Plot no	Date of allotment	Date of refunds	Earnest Money deposited (in ₹)	Deduction made (in ₹)	Excess refund made (in ₹)
1	2	3	4	5	6	7 = 5 - 6
A. Bhogao Scheme						
1	A-26	1/11/2018	17/05/2019	116100	1559	114541
2	A-159	1/11/2018	17/05/2019	116100	1559	114541
3	A-244	12/09/2018	17/05/2019	116100	1514	114586
4	A-269	12/09/2018	17/05/2019	116100	1514	114586
5	A-203	1/11/2018	13/09/2019	116100	6182	109918
6	A-169	1/11/2018	13/09/2019	116100	17793	98307
7	A-91	1/11/2018	13/09/2019	116100	8358	107742
8	A-127	22/11/2018	17/05/2019	116100	1158	114942
9	A-284	12/09/2018	23/05/2019	116100	1514	114586
10	A-32	22/11/2018	16/12/2019	116100	16387	99713
11	A-78	1/11/2018	27/06/2019	116100	11348	104752
12	A-89	1/11/2018	23/05/2019	116100	1559	114541
13	A-135	1/11/2018	13/09/2019	116100	12144	103956
14	B-151	22/11/2018	17/10/2020	77400	23023	54377
15	B-58	22/11/2018	18/10/2021	77400	18731	58669
16	A-250	12/09/2018	23/05/2019	116100	0	116100
17	A-276	12/09/2018	23/05/2019	116100	0	116100
18	A-267	12/09/2018	23/05/2019	116100	0	116100
19	A-13	22/11/2018	17/05/2019	116100	0	116100
20	A-132	22/11/2018	17/05/2019	116100	0	116100
21	A-136	1/11/2018	23/05/2019	116100	0	116100
22	B-19	29/10/2018	9/12/2022	77400	0	77400
23	B-44	24/10/2018	23/05/2019	77400	0	77400
24	C-97	24/10/2018	23/05/2019	43538	0	43538
25	C-120	22/11/2018	23/05/2019	43538	0	43538
26	C-15	24/10/2018	23/05/2019	43538	0	43538
Total (A)				2646114	124343	2521771
B. Firozabad Scheme						
1	CH-24	29/06/2017	17/05/2019	45000	35077	9923
2	CH-121	29/06/2017	13/09/2019	45000	17745	27255
3	CH-41	29/06/2017	13/10/2017	45000	0	45000
4	CH-81	29/06/2017	13/10/2017	45000	0	45000
5	CH-34	29/06/2017	13/10/2017	45000	0	45000
6	CH-123	29/06/2017	20/04/2018	45000	0	45000
7	AH-34	24/06/2017	13/10/2017	120000	0	120000
Total (B)				390000	52822	337178
Grand Total (A+B)				3036114	177165	2858949

Appendix-4.3
(Referred to in paragraph 4.2.10)
Statement showing the commitment made by allottee for proposed investment and employment generation

Sl. No.	Name of Industrial Area	Plot no	Area of the plot (Sq.mtr.)	Date of allotment/transfer	Investment as per the project report submitted by allottee (₹ in lakh)	Employment Generation (No. of persons)
1	Malwan	F-43	800	25 March 2022	164.60	12
2	Malwan	C-21	4088.25	15 October 2020	240.00	20
3	Jainpur	P-3	2849.40	2 July 2021	165.00	15
4	Jainpur	M-13	450	16 November 2019	162.90	15
5	Unnao site-1	P-11	585	11 November 2020	60.00	07
6	IIDC Banther	A-82	300	21 August 2021	61.92	19
7	IIDC Kosi Kotwan	J-130	550	6 January 2022	63.45	08
8	CDF-Chherat	C-8	4305.85	22 April 2021	399.70	50
9	CDF-Chherat	E-58	1323.15	28 December 2021	25.00	10
10	Gorakhpur	D-9	8109.24	26 November 2019	1562.50	30
11	Mau	E-112	450	26 December 2019	31.00	7
12	Kosi Kotwan Extn-2	A-7	17238.41	15 May 2020	2500.00	29
13	Kosi Kotwan Extn-2	1/5	35141.28	10 May 2021	8470.00	951
14	Kosi Kotwan Extn-1	H-76	4000	27 February 2020	656.23	50
15	IIDC Kosi Kotwan	J-123	595	06 January 2022	47.61	15
16	Mathura site-B	K-37	600.75	8 November 2019	49.00	5
17	Kosi Kotwan Extn-2	½	27219.46	10 May 2021	12430.00	300
18	Ramnagar-II	E-19	600	8 February 2021	97.50	30
19	Ramnagar-II	D-21	800	6 March 2021	40.00	09
20	Karkhiyoan	C-12A	14989.29	21 December 2021	990	105
21	Ramnagar-II	E-4	600	06 March 2021	111.50	50
22	Ramnagar-II	D-87	800	8 February 2021	95.00	15
23	IIDC-Chandauli	F-47	450	26 November 2021	61.65	06
24	Begrajpur	D-7	2280.16	25 February 2021	230	20
25	Begrajpur	L2	300	16 June 2021	159	15
26	Begrajpur	L3	300	16 June 2021	159	15
27	Pilkhani	A-26	1255	17 March 2021	477.64	150
28	Trans Delhi Signature City	B-6	4164.19	17 March 2021	1147.89	458
29	Trans Delhi Signature City	G-40	809.98	12 October 2020	164.49	40
30	Trans Delhi Signature City	G-38	880.50	30 December 2020	174.40	39
31	Baghpat	B-28	711.66	25 August 2021	123.16	36
32	Sikandrabad	53/1/19	450	11 September 2020	110	15
33	Sikandrabad	53/1/20	1118.37	11 September 2020	74.00	20
34	Naini	C-11	4767	05 February 2021	1220.61	23
35	Naini	K-56	750	24 August 2021	203.83	15
36	Naini	K-57	750	24 August 2021	203.83	15
37	Saraswati Hi Tech City	R-2	7403.79	10 May 2021	1500.00	18
38	Bharapachpera	Bulk	1040079	7 July 2021	110000	5000
39	Babrala	F-22	814	10 May 2021	116.19	25
40	Gajraulla-II	G-1	1152.94	1 September 2021	161.88	35
41	Babrala	D-7	5000.00	15 September 2021	350.00	150
42	Babrala	D-8	5000.00	15 September 2021	350.00	150
43	Babrala	D-9	5854.82	15 September 2021	400.00	150
44	Babrala	A-¼ M	137869	1 June 2022	51600	1200

Sl. No.	Name of Industrial Area	Plot no	Area of the plot (Sq.mtr.)	Date of allotment/transfer	Investment as per the project report submitted by allottee (₹ in lakh)	Employment Generation (No. of persons)
45	Growth Center Shahjahanpur	H-25	1800	24 November 2021	242.50	45
46	Badaun	Bulk	199995.64	13 January 2021	9756.41	80
47	SEZ Moradabad	D-01	6303.72	12 August 2021	2000	150
48		H-21	190	29 October 2021	36.93	12
49	Sector-2 Talanagri, Aligarh	A-45	6515.50	4 October 2021	1910.02	400
50	Trans Ganga City	Z-146	530.61	23 July 2021	97.57	7
51	Trans Ganga City	Z-147	389.10	30 December 2021	120.21	5
52	Trans Ganga City	X- 5/6	959.10	7 September 2021	169.06	7
53	Trans Ganga City	Z-46	502.73	22 November 2021	145.30	10-12
54	Trans Ganga City	Z-110	1838.45	22 November 2021	304.44	43
55	IIDC Banther	A-82	300	21 August 2021	61.92	19
56	Unnao site-II	P-11	585	11 November 2020	60.00	20
57	Orai-II	C-42	3992	17 September 2020	100.00	13
58	Sumerpur	E-28	5895.75	17 September 2020	850.78	50
59	Sumerpur	B-4	15450	12 May 2021	876.41	150
60	Sumerpur	B-05	11250	12 May 2021	835.25	150
61	Sumerpur	TM-01	101424	15 July 2021	25000.00	1000-1500
62	Orai-II	B-2	11250	28 May 2021	356.73	75
63	Sumerpur	B-16/1	15062	17 September 2020	226.50	113
64	Sumerpur	B-1	32494.50	14 January 2020	18210.00	150
65	Sumerpur	B-02	24300	21 May 2020	18210.00	150
66	Sumerpur	B-07/08	22500	5 August 2021	2200.00	400
67	Sumerpur	B-20	20684.25	23 June 2020	4228.00	79
68	Sumerpur	B-20(AL)	7600	23 June 2020	4228.00	79
69	Agro Park Barabanki	G-71	600	24 December 2019	102.84	10
70	Sandila	E80-85 & E89 to 94	11009.43	July 2021 to September 2021	1550.00	95
71	Sandila	C-3/4	16200	22 April 2021	8300.00	287
72	Kosi Kotwan Extn-2	Q1	117888	10 February 2020	51400.00	1500
73	Kosi Kotwan Extn-2	A-3/2	21476.63	22 December 2021	30759.00	75
74	Kosi Kotwan Extn-1	E-131	1800.00	27 February 2020	4152.85	155
75	Kosi Kotwan Extn-1	E-132	1800.00	27 February 2020	4024.85	155
76	Etah- IIDC	A-150	613	30 May 2020	69.98	08

Appendix-4.4
(Referred to in paragraph 4.2.11)

Statement showing the details of plots in which Start of Production certificate was issued without ensuring the completion certificate formalities in violation of clause provided in Map Approval letter

Sl. No	Name of Industrial Area	Plot no	Date of allotment	Date of approval of building plan	Date of issue of start of Production certificate	Date from which considered in production by UPSIDA
1	Kursi Road	C-3 /4	22 April 2021	9 December 2021	25 July 2022	29 April 2022
2	Sandila Phase-IV	B-2/4	28 November 2018	30 October 2021	9 May 2022	1 November 2021
3	Sandila Phase-II	E-80-85/89-94	July 2021 to September 2021	28 February 2022	31 July 2023	20 June 2023
4		C-83/88	01 July 2021 and 02 August 2021	Not approved	26 April 2024	06 March 2024
5	IIDC Kursi Road	A-6/11	11 September 2018	13 January 2021	15 March 2021	21 January 2021
6	IIDC Chandauli	F-47	26 November 2021	03 May 2024	03 May 2024	01 February 2024
7	Sikandrabad	53/1/19	11 September 2020	7 November 2022	24 January 2023	1 September 2022
8	GNEPIP	S-2/4B	11 July 2019	24 January 2020	10 May 2021	6 January 2021
9		S-2/4A	11 July 2019	8 January 2021	16 March 2022	11 November 2021
10	GC Jainpur	D-176	26 May 2017	7 May 2022	1 December 2022	26 July 2022
11	Malwan	B-21	4 August 2021	7 December 2021	23 August 2022	17 June 2022
12		B-10	27 May 2021	02 August 2021	06 June 2023	17 May 2023
13	Jainpur	P-3	2 July 2021	14 December 2021	23 December 2022	30 September 2022
14	Etah	X24-28/Y 4-7	08 March 2018	25 March 2023	22 September 2023	25 April 2023
15	CDF Chherat	E-58	28 December 2021	09 May 2022	04 January 2024	18 December 2023
16	Talanagri	A-45	04 October 2021	14 July 2022	06 September 2023	01 July 2023
17	Jagdispur	13/15, 13/16	27 January 2018	9 August 2019	17 December 2020	15 June 2020
18	Kosi Kotwan Extn.-1	H 36-37/41	24 April 2019	19 September 2021	16 March 2022	5 February 2022
19	Kosi Kotwan Extn.-2	A-3/2	22 December 2021	08 September 2023	09 May 2024	01 May 2024
20	Bagpat	B-28	25 August 2021	7 March 2022	6 June 2022	19 May 2022
21	Pilkhani	A-26	17 March 2021	11 October 2021	28 February 2023	07 April 2021
22	Trans Delhi Signature	G-40	12 October 2020	28 August 2021	29 November 2022	26 September 2022
23	City	G-38	30 December 2020	28 December 2021	21 December 2022	02 December 2022
24		G-212	12 April 2018	27 October 2018	21 August 2020	20 December 2019
25		C-23	16 February 2018	29 October 2018	01 February 2021	01 October 2020
26		B-06	17 March 2021	12 April 2022	05 January 2023	15 December 2022
27	Ramnagar-II	E-19	08 February 2021	25 March 2023	05 July 2024	01 November 2023
28		D-87	08 February 2021	19 May 2022	21 December 2022	30 October 2022

Sl. No	Name of Industrial Area	Plot no	Date of allotment	Date of approval of building plan	Date of issue of start of Production certificate	Date from which considered in production by UPSIDA
29	Begrajpur	D-07	25 February 2021	25 January 2022	02 May 2023	04 January 2023
30		L-2	16 June 2021	16 October 2021	21 November 2023	16 May 2023
31		L-3	16 June 2021	16 October 2021	21 November 2023	16 May 2023
32	M.G. Road	F-231	05 October 2018	07 December 2020	10 December 2021	01 January 2021
33		F-722	29 December 2018	13 June 2019	30 November 2021	29 September 2021
34		F-213	31 May 2019	19 November 2020	07 September 2021	02 June 2021
35	Kosit Kotwan Extn.-1	H-76	27 February 2020	16 July 2022	28 October 2023	25 February 2023
36		B-04	12 May 2021	02 September 2022	10 October 2023	11 April 2023
37	Sumerpur	B-05	12 May 2021	02 September 2022	10 October 2023	11 April 2023

Appendix-5.1
(Referred to in paragraph 5.2.7)
Statement showing details of the Fixed Deposits made during the year 2020-21 and 2021-22

Sl. No.	Name of bank	Amount invested (₹ in crore)	Status of profit/loss in immediately preceding three financial years
Fixed Deposits made during 2020-21 to Public Sector Banks having losses in three preceding financial years			
1	Bank of India	5.32	2017-18 (loss of ₹ 5961.31 crore) 2018-19 (loss of ₹ 5426.57 crore) 2019-20 (loss of ₹ 3051.04 crore)
2	IDBI Bank	19.00	2017-18 (loss of ₹ 8132.40 crore) 2018-19 (loss of ₹ 14986.76 crore) 2019-20 (loss of ₹ 12887.34 crore)
3	Punjab and Sindh bank	24.00	2017-18 (loss of ₹ 743.80 crore) 2018-19 (loss of ₹ 543.48 crore) 2019-20 (loss of ₹ 990.80 crore)
Total (A)		48.32	
Fixed Deposits made during 2021-22 to Public Sector Banks having losses in three preceding financial years			
1	Punjab and Sindh bank	8.91	2018-19 (loss of ₹ 543.48 crore) 2019-20 (loss of ₹ 990.80 crore) 2020-21 (loss of ₹ 2732.90 crore)
Total (B)		8.91	
Grand Total (A + B)		57.23	

List of Abbreviations

List of Abbreviations

Abbreviations	Full Form
ACEO	Additional Chief Executive Officer
AGM	Assistant General Manager
CAG	Comptroller and Auditor General of India
CPWD	Central Public Works Department
CD	Construction Divisions
CEO	Chief Executive Officer
DRT	Debt Recovery Tribunal
ED	Electrical Divisions
FC	Finance Controller
FDR	Fixed Deposit Receipt
GCC	General Conditions of Contract
GM	General Manager
GIDA	Gorakhpur Industrial Development Authority
GoUP	Government of Uttar Pradesh
GNIDA	Greater NOIDA Industrial Development Authority
IA	Industrial Areas
IDA	Industrial Development Authorities
IIDD	Infrastructure and Industrial Development Department
IIEPP	The Industrial Investment and Employment Promotion Policy 2017
IRCTC	Indian Railway Catering & Tourism Corporation Ltd.
LD	Liquidated Damages
LAA, 2013	Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013
LAA, 1894	Land Acquisition Act, 1894
LIDA	Lucknow Industrial Development Authority
MoRTH	Ministry of Road and Transport Highways of India
MBD	Model Bidding Document
NOC	No Objection Certificates
NOIDA	New Okhla Industrial Development Authority
PA	Performance Audit
PAN	Permanent Account Number
PC 2016	Pay Committee, 2016
PEC	Project Evaluation Committee
PGM	Principal General Manager
PO	Project Officers
RM	Regional Managers
SLAO	Senior Land Acquisition Officer
SPA	School of Planning and Architecture
SIDA	Satharia Industrial Development Authority
TDS	Tax Deducted at Source
UPPWD	Uttar Pradesh Public Works Department
UPEIDA	Uttar Pradesh Expressway Industrial Development Authority

Abbreviations	Full Form
UPFC	Uttar Pradesh Financial Corporation
UPIAD Act	Uttar Pradesh Industrial Area Development Act, 1976
UPRNN	Uttar Pradesh Rajkiya Nirman Nigam Ltd.
UPSIDC	Uttar Pradesh State Industrial Development Corporation Limited
UPSSCL	U.P. State Spinning Company Limited
WMDMIA	Working Manual for Development and Maintenance of Industrial Areas
YEIDA	Yamuna Expressway Industrial Development Authority

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